

**INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY AGREEMENT NO. 01-19**

**CONSULTANT'S SERVICES  
AGREEMENT  
WATER SUPPLY PROCUREMENT  
AND GOVERNMENT AFFAIRS**

As of March 21, 2019 ("Effective Date"), the **INDIAN WELLS VALLEY GROUNDWATER AUTHORITY** ("Authority," and/or "Client"), and **CAPITOL CORE GROUP, INC.** ("Consultant"), agree as follows:

**RECITALS**

**WHEREAS**, the Authority is in need of a consultant with the appropriate technical background, expertise, and experience to provide water procurement and government affairs services to support the Authority's goal of completing a Groundwater Sustainability Plan ("GSP") for the Indian Wells Valley Groundwater Basin ("Basin").

**WHEREAS**, the Consultant is a professional firm that has a staff with some of the most experienced water procurement and federal, state and local government affairs professionals in Southern California.

**WHEREAS**, the Consultant's senior staff members for this project combined have more than 50 years of professional water procurement and government affairs experience, and the Consultant has and continues to provide these services to a variety of clients across California and the United States.

**WHEREAS**, after a detailed process, the Authority has determined that the Consultant is exceptionally well qualified to deliver the services needed by the Authority in a cost-efficient manner.

**WHEREAS**, the Authority now desires to engage the services of Consultant, and the Consultant agrees to provide such services pursuant to this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals and the mutual covenants contained herein, Authority and Consultant agree as follows:

**AGREEMENT**

**I. INCORPORATION OF RECITALS**

The Recitals and section titles set forth herein are incorporated herein and are an operative part of this Agreement.

## **II. SERVICES TO BE PERFORMED**

Consultant hereby contracts to be the Authority's Water Procurement and Government Affairs Consultant. Consultant hereby agrees to provide consulting services as fully set forth in the proposal entitled "RFP Response for Professional Water Supply Procurement Services" attached as Exhibit A and incorporated herein. Consultant will also provide a Monthly Overview Report to the General Manager and Water Resources Manager on progress to date for each task. Reports will be provided to staff at a mutually agreed-to time each month that will allow sufficient time for PAC/TAC review. For the consideration hereinafter stipulated, Consultant hereby accepts such contract under the hereinafter set forth terms and conditions.

## **III. TERM PERIOD**

Unless otherwise terminated as provided herein, this Agreement shall continue in effect for the period of one year after the effective date of this Agreement. The parties reserve the right to extend this Agreement upon mutually agreeable terms.

## **IV. COMPENSATION**

**Consulting Services:** The Consultant shall be compensated for the services provided to the Client pursuant to the terms and conditions contained within Exhibit A. Payment of Consultant's fees, and expenses if applicable, will be billed on a monthly time, materials and expense basis during the project term pursuant to Exhibit A. Capitol Core will provide an invoice and accounting of hours for the period billed against the not-to-exceed amounts enumerated in the "Hourly Budget" attached as Exhibit B and incorporated herein. Hourly budget shall not exceed the amounts specified in Exhibit B without express written consent of Client. Capitol Core reserves the right to move budgeted amounts between tasks provided that the total contract amount does not exceed the budgeted amounts specified in Exhibit B, subject to written approval of the Authority's General Manager. In the alternative, the Authority and Consultant may agree to a written Task Order for certain work-proposals and items, in which case compensation shall be set forth in the written Task Order.

**Expenses:** As specified in the attached Exhibit C, "Expense Budget," the Consultant will be reimbursed for reasonable and necessary expenses incurred by the Consultant in connection with the provision of services pursuant to the Scope of Work contained in Exhibit A. Expenses shall generally mean, but not be limited to, any and all travel-related costs outside 50 miles of the Consultant's primary place of business (Irvine, California), accommodations (e.g., hotel), meals, or other per diem costs incurred. Expenses shall not exceed the amounts specified in Exhibit C without express written consent of Client. Capitol Core reserves the right to move budgeted expenses between tasks provided that the total contract amount does not exceed the budgeted amounts specified in Exhibit B, subject to written approval of the Authority's General Manager.

Consultant shall not be compensated for any services, nor reimbursed for any expenses in excess of those authorized by this Agreement, or any Task Order, without prior written approval by Authority. If contingencies arise during the performance of work which requires services outside the scope of the project, Authority may authorize, in writing, the work to be performed. Payment

for such approved contingencies will be made as agreed upon by the parties. **Additional work performed without written authorization will not be approved for payment.**

Consultant shall submit monthly invoices for services rendered under this Agreement to:

**Indian Wells Valley Groundwater Authority  
500 W. Ridgecrest Blvd.  
Ridgecrest, California 93556**

Invoices **MUST** identify the Agreement Number, Account Number, and Project Name (Title) as shown herein. Any invoice received without proper identification will be returned to Consultant. Approved invoices will be paid within thirty (30) days after receipt.

**V. DATA AND SERVICES FURNISHED BY AUTHORITY**

Authority shall provide Consultant with reasonably available information pertinent to the tasks to be performed by Consultant, and Consultant shall be entitled to use and rely upon all such information. Consultant shall apply reasonable caution in the interpretation and uses of Authority furnished data and promptly advise Authority of any actual or perceived errors.

**VI. PREVAILING WAGES**

By its execution of this Contract, Consultant certifies that it is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. as well as California Code of Regulations, Title 81 Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Consultant and/or Consultant's subcontractors shall pay prevailing wages to all employees legally entitled to such payment.

If this project is subject to Federal funding, Consultant shall comply with the Davis- Bacon Act, as identified in the applicable Davis-Bacon Prevailing Wage. Payment of State prevailing wage rates, when higher, is required whenever Federally funded or assisted projects are controlled or carried out by California awarding bodies. Consultant shall submit U.S. Department of Labor WH-347 Davis-Bacon Certified Payroll Form and be prepared to submit additional labor compliance forms and reports, upon request. Authority shall notify Consultant as soon as is reasonable and practical if this project is subject to federal funding.

**VII. STATUS OF CONSULTANT**

Consultant shall perform the services provided for herein in Consultant's own way as an independent contractor and in pursuit of Consultant's independent calling, and not as an employee of Authority. Consultant shall be under the control of Authority only as to the result to be accomplished. Neither Consultant nor any of its employees or agents shall have any claim under this Agreement or otherwise against Authority for vacation pay, paid sick leave, retirement benefits, social security, workers' compensation, health, disability, unemployment insurance benefits, or other employee benefits of any kind. Consultant is liable for all applicable Social

Security, Federal, and State taxes required on payments made by Authority. In the event the Internal Revenue Service or any other governmental agency should question or challenge the independent contractor status of Consultant or any of its respective employees or agents, the parties hereby agree that both Consultant and Authority shall have the right to participate in any discussion or negotiation occurring with such agency or agencies, regardless of with who or by whom such discussions or negotiations are initiated.

## **VIII. INSURANCE**

Consultant shall not commence work under this Agreement until it has obtained the policies of insurance required hereunder, nor shall it allow any subcontractor to commence work until the policies of insurance required of the subcontractor have been obtained. Consultant shall verify and confirm proper coverage to Authority standards of the subcontractors.

Consultant shall, during the life of this Agreement, notify Authority in writing of any incident, either under its jurisdiction, or any of its subcontractors, giving rise to any potential Bodily Injury or Property Damage claim and resultant settlements, whether in conjunction with this or other project which may affect the limits of the required coverage, as soon as is reasonable and practical.

The Consultant and each of its subcontractors shall take out and maintain the following policies of "occurrence form" (where applicable) type insurance, with coverage and carriers acceptable to the Authority, at its sole cost and expense at all times during the life of this Agreement, including the entire time of the Consultant's guarantee. The Authority may request certificates of insurance from Consultant or its subcontractors to verify proper coverage and additional named insured requirements. Such requests shall be responded to within a reasonable time frame (48 -72 Hrs.):

- A. Workers' Compensation Insurance.** Consultant shall cover employees as required by Labor Code Section 3600, and Consultant shall require subcontractors similarly to provide such Workers' Compensation insurance for subcontractors' employees. Such policy shall contain an endorsement which waives rights of subrogation against the Authority as designated in the policy of Worker's Compensation Insurance. Self-insured programs or PED programs are generally not acceptable to the Authority and must be approved by the Authority in advance.
- B. Commercial Liability Insurance.** The Consultant shall procure and maintain Commercial General Liability Insurance in amounts not less than the following:

\$1,000,000 Each Occurrence  
\$2,000,000 General Aggregate

The policy is to be endorsed for the aggregate limit to apply to this Agreement. Where Excess liability insurance is used in connection with primary liability insurance, the combination of such must allow total limits of liability to be in amounts not less than the above specified amounts.

- C. **Automobile Liability Insurance.** The Consultant shall procure and maintain Commercial Automobile Liability Insurance in amounts not less than the following:

\$1,000,000 Combined Single Limit (BI/PD)

\$1,000,000 Combined Single Limit Uninsured/Underinsured Liability

Where excess liability insurance is used in connection with primary liability insurance the combination of such must allow total limits of liability to be in amounts not less than the above specified amounts.

- D. **Professional Liability Insurance.** Consultant shall procure and maintain Professional Liability Insurance in amounts not less than the following:

\$1,000,000 per Claim and Annual Aggregate

- E. **General Insurance Requirements.** Each such policy of insurance shall:

1. Be produced by agent/brokers who are licensed to transact insurance business in the State of California;
2. Be issued by insurance carriers which are:
  - i. Licensed by the State of California to write business in this state; and
  - ii. Rated no less than "A-, Class VIII" or better by the A.M. Best Consultant.
3. Any insurance carrier which is strategically affiliated with a parent insurance consultant or insurance group must disclose the name of the parent consultant or group in any certificate of insurance documentation provided to the Authority;
4. Name and list the Authority as "Additional Insured," by an endorsement executed by the insurance carrier (this requirement does not apply to Professional Liability or Workers' Compensation Insurance); such endorsement shall be ISO form GC2010 (11/85ed) or its equivalent. Any equivalent shall include the CG 2037- completed operations in favor of the Authority;
5. Specify that it acts as primary insurance and that no insurance held or owned by the additional insured shall be called upon to cover a loss under said policy;

6. Not be canceled until thirty (30) days after receipt by the Authority of a written notice of such cancellation as evidenced by receipt of a mailed letter;
7. Show evidence of renewal of an expiring policy once the insurance has been approved by the Authority. Prior approval must be obtained if the coverage or limits of the policy or the carrier has changed.

#### **IX. HOLD HARMLESS AND INDEMNIFICATION**

Consultant shall hold, and defend with counsel of Authority's choice, the Authority, its agents, officers, employees, and volunteers free and harmless from any and all claims, liabilities, penalties, fines, or any damage to property, whether real or personal, including attorney fees and court costs, arising from any negligent act or omission to act by Consultant, its officers, agents, and employees caused by, or resulting from, or claimed to have been caused by Consultant.

Notwithstanding the foregoing, in the event the subject action alleges negligence on the part of the Authority, or any third party not under contract with Consultant, Consultant's obligations regarding Authority's defense under this paragraph include only the reimbursement of Authority's reasonable defense costs incurred to the extent of Consultant's negligence as expressly determined by a final judgment, arbitration, award, order, settlement, or other final resolution. Consultant shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental, or consequential damages to Authority or any third party arising out of breach of contract, termination, or for any other reason whatsoever. Additionally, Consultant shall not be responsible for acts and decisions of third parties, including governmental agencies, other than Consultant's subconsultants, that impact project completion and/or success.

#### **X. STANDARD OF CARE**

Consultant's services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. Services shall be performed to Authority's reasonable satisfaction.

#### **XI. ASSIGNMENT**

Authority has entered into this Agreement to receive professional services from Consultant. Consultant shall not sell, assign, or transfer Consultant's rights or obligations under this Agreement without Authority's prior written consent, which consent may be withheld in the Authority's sole discretion. Consultant may make use of the part-time assistance of other experts possessing unique skills, the utilization of which will, in the opinion of Consultant, enhance the quality of service to Authority.

## **XII. SAFETY**

Consultant will ensure that employees, and the employees of subcontractors, are notified of and observe and abide by safety regulations and laws. Consultant shall immediately notify Authority of damage to property and/or injury to, or death of persons, which occurs in connection with, or is related to the project. Consultant shall furnish Authority a written report of such damage or injury within three (3) working days.

## **XIII. TERMINATION**

Authority may terminate this Agreement, in whole or in part, with or without cause, upon fourteen (14) days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event Authority renders such written notice to Consultant, Consultant shall be entitled to compensation for services rendered prior to the effective date of the notice and further services set forth in the notice. Authority shall be entitled to reimbursement for compensation paid in excess of services rendered. Consultant waives claims for damages that might arise from Authority's termination of this Agreement. Consultant shall deliver to the Authority and transfer title (if necessary) to all completed work and work in progress, including drafts, documents, plans, forms, maps, products, graphics, computer programs, and reports.

## **XIV. CONSULTANT RESPONSIBILITIES**

### **A. EMPLOYEES:**

1. Client acknowledges that project principals are Todd Tatum, Jeff Simonetti and Michael McKinney. Consultant shall not change project principals without notification to Client and Client's written consent. Consultant may change other staff working on the project by submitting the new staff member's qualifications in written form to the Client. Client shall have five (5) business days to disapprove of the new staff member. If Client approves of the new staff member or does not give written disapproval within five business days, then that staff member shall be authorized to work on the project at the time of approval or at the end of the five business days without Client disapproval, whichever comes first.
2. Background/Security: Consultant warrants that all personnel engaged in the performance of this work are legal employees of the Consultant and possess sufficient experience.
3. Health: All personnel shall be in good health and free of contagious diseases. Consultant shall not allow any persons(s) under the influence of alcohol or drugs on Authority's property. Neither shall the Consultant allow the use of presence of alcohol or drugs on Authority's property.

4. **Conduct:** Any employee or subcontractor or Consultant performing work on Authority property while under the influence of alcohol or drugs or whose conduct interferes with proper performance of the work or with Authority's operations shall be immediately removed from the work site and not permitted at the worksite thereafter.
  5. **Supervision:** Consultant shall provide a supervisor or foreman who shall be present at all times during contract operations and who shall be responsible for both conduct and workmanship. The supervisor or foreman shall be able to communicate effectively in both written and oral English.
  6. **Training:** Consultant shall have an ongoing training program for its entire staff. Consultant shall provide only personnel that have been fully trained for performance of this work. Supervisors shall have been trained in supervision as well as technical training.
  7. **Gifts and Gratuities:** Consultant shall establish precautions to prevent its employees or agents from making, providing, or offering gifts, entertainment, payments, loans, or other considerations which could be deemed to appear to influence individuals to act contrary to the best interest of the Authority.
- B. **CONFLICT OF INTEREST:** Consultant shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the Authority. Consultant shall make a reasonable effort to prevent employees, Consultant, or members of governing bodies from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family business or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and State law. In the event the Authority determines a conflict of interest situation exists, any increase in costs associated with the conflict of interest situation may be disallowed by the Authority, and such conflict may constitute grounds for termination of this Agreement. This provision shall not be construed to prohibit employment of persons with whom Consultant's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

**XV. MISCELLEANOUS:**

- A. To the extent the terms and conditions contained herein are inconsistent with the terms and conditions contained in Consultant's proposal, the terms and conditions in this Agreement shall govern.
- B. There are no understandings or agreements except as herein expressly stated.

- C. If a provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated.
- D. As applicable, Consultant shall not be suspended or debarred pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Non-procurement suspension and debarment.
- E. Original papers, maps, models, designs, studies, surveys, reports, data, notes, computer files, documents, drawings, and other work product (collectively "Work Product") of Consultant produced by Consultant, except documents which are required to be filed with public agencies, shall be deemed solely the property of Authority. Consultant will take such steps as are necessary to perfect or protect the ownership interest of Authority in such Work Product. Upon completion, expiration, or termination of this Agreement, Consultant shall turn over to Authority all such original Work Product in Consultant's possession or control. Consultant may retain a file copy. Any reuse of completed documents or use of partially completed documents without written verification or concurrence by Consultant for the specific purpose intended will be at Authority's sole risk and without liability or legal exposure to Consultant.
- F. Consultant shall not release information or Work Product to persons or entities other than Authority without the prior written consent of Authority, except as otherwise required by law. Consultant shall promptly notify Authority should Consultant, or its representatives be served summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, other discovery request, or court order from any third party regarding this Agreement and the services performed.
- G. The Client acknowledges that the Consultant may be required, under certain circumstances, to publicly disclose representation of the Client as well as compensation amounts received by the Consultant from the Client resulting from the provision of services. This may include general information about activities provided to the Client in connection with, but not limited to 1) the Lobbying Disclosure Act of 1995; 2) the Foreign Agents Registration Act; 3) the California Political Reform Act; 4) Federal Election Campaign Act; 5) any audit letter the Client requests the Consultant to respond; 6) any other state laws with regard to lobbying which may be applicable to this Agreement; and 7) any subpoena or legal process which the Consultant is required to respond.
- H. This Agreement may not be amended except by a subsequent writing which is signed by the Parties.
- I. This Agreement shall be governed by the laws of the State of California. Venue for a dispute shall be State courts located in Kern County, California. Parties consent

to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

- J. All work, labor, and materials shall be done and provided in strict conformity with each of the following: (i) all laws, ordinances, codes, rules, regulations, and standard specifications of governmental authorities having jurisdiction over Consultant's work; and (ii) this Agreement. Consultant shall also comply, at Consultant's expense, with all requirements of inspectors of any governmental authority having jurisdiction over Consultant's work. The Consultant will be responsible for securing any and all required governmental inspections and approvals for the work completed.
- K. If any disputes should arise between the Parties concerning the work to be done under this Agreement, the payments to be made, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by Authority pending settlement of the dispute.
- L. The fact that Authority has made payment shall not be interpreted to imply Authority has inspected, approved, or accepted the work which has been performed by Consultant. No delay or omission in the exercise of any right or remedy by the non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision.
- M. No director, officer, or employee of the Authority shall have any financial interest, direct or indirect, in this Agreement nor shall any such director, officer, or employee participate in any decision relating to this Agreement which affects his/her financial interest or the financial interest of any corporation, partnership, entity, or association in which he/she is directly or indirectly interested, in violation of any State or Federal statute or regulation. The Consultant warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.
- N. Time shall be of the essence as to times of performance. Neither party shall be responsible for delays beyond their reasonable control.
- O. Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.
- P. This Agreement is binding upon the successors and assigns of the Parties.

- Q. The services to be performed by Consultant are intended solely for the benefit of Authority. No person or entity not a signatory to this Agreement shall be entitled to rely on Consultant's performance of its services hereunder, and no right to assert a claim against Consultant by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of Consultant's services hereunder.
- R. All notices, requests, consents and other communications with regard to this Agreement shall be in writing and shall be delivered in person or by registered or certified mail, return receipt requested, postage and fees prepaid, or by overnight courier, receipt signature required, or by facsimile transmission, with verification of the transmission received by the sender, to the parties as set forth below or at such other place as either party may, by written notice to the other, direct:

**IF TO CLIENT:**

Indian Wells Valley Groundwater Authority  
 Don Zdeba, Acting General Manager  
 500 W. Ridgecrest Blvd.  
 Ridgecrest, CA 93556

**IF TO CONSULTANT:**

Capitol Core Group, Inc.  
 C/O the Allen Law Firm  
 2181 E. Foothill Blvd. Suite 102  
 Pasadena, CA 91107

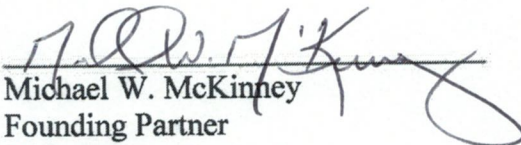
**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date last written below.

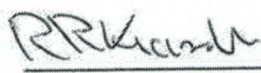
**CONSULTANT:**

Capitol Core Group, Inc.

**CLIENT:**

Indian Wells Valley Groundwater Authority

BY:   
 Michael W. McKinney  
 Founding Partner  
 Capitol Core Group, Inc.

BY:   
 Ron Kicinski  
 Board Chairperson  
 IWVGA

Dated: 3/22/2019

Dated: 3/21/19



INDIAN WELLS  
VALLEY  
GROUNDWATER  
AUTHORITY

INDIAN WELLS VALLEY GROUNDWATER  
AUTHORITY

RFP RESPONSE FOR PROFESSIONAL  
WATER SUPPLY PROCUREMENT SERVICES

Irvine, California  
Washington, D.C.  
March 12, 2019  
[www.capitolcore.com](http://www.capitolcore.com)



CAPITOL  
**CORE**  
GROUP

Educate • Advocate • Win

March 7, 2019

Mr. Steve Johnson  
Water Resources Manager, IWVGA  
100 West California Avenue  
Ridgecrest, CA 93555



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## Updated RFP Response

Dear Mr. Johnson:

On behalf of the Capitol Core Group and the Tatum Companies, we are pleased to submit this updated response to the Authority's Professional Water Supply Procurement Services RFP. Our response highlights our capabilities and will provide a detailed outline of the steps to determine available water supplies and provide potential funding sources to support delivery infrastructure to the region. We believe that our combined experience and track record of both companies in water sourcing and federal and state government affairs will help the Authority to augment water supplies and support the goals of the ongoing Groundwater Sustainability Plan.

We appreciated the opportunity to present our proposal before the Board and receive feedback on direction regarding our Scope of Work. We received constructive feedback from the Board at its February 21<sup>st</sup> meeting, and have specifically tried to incorporate these items into this revision. In response to the specific feedback that we received from Inyo County's Board member, we have included updated sections on creating an "Initial Imported Water Technical Memo" that outlines the potential water supplies available as well as the potential different ways (along with their respective pros and cons) that Indian Wells may be able to deliver imported water. This is a high-priority task (outlined in Task 1B) and we will deliver a draft Technical Memo within 120 days of our Notice to Proceed should we move forward with the Authority.

Our partners Todd Tatum and Jeff Simonetti have over 30-years of combined experience in locating and transacting water resources in the State of California for a variety of public and private entities. To date, they have transferred over 1 million acre-feet of water to various clients in California. Also, Michael McKinney and Jeff also have worked with a variety of clients at both the federal and state level to provide government affairs services, including federal and state appropriations, grant writing and direct advocacy.

As the Managing Directors and Officers of Capitol Core Group and the Tatum Companies respectively, Michael McKinney and Todd Tatum will serve as the primary points of contact regarding this RFP and are authorized to provide this bid as well as encumber the corporation under contract. We look forward to working with you on this project should we be selected.

Sincerely,

Michael W. McKinney  
Partner, Capitol Core Group

Jeff Simonetti  
Senior Vice President,  
Capitol Core Group

Todd Tatum  
Co-Founder, Tatum  
Companies



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## SECTION 2: PROJECT TEAM

Capitol Core Group and the Tatum Companies will provide the services in this RFP. For ease of contracting and billing with one entity, Capitol Core Group will be the sole contractor for this project, and all personnel will work under Capitol Core Group. We will work closely as a team and distribute tasks per the scope of work outlined in Section 3. The contact information for the officers of both companies are:

### **Capitol Core Group**

Michael W. McKinney, Founding Partner  
200 Spectrum Center Drive  
Irvine, California 92618  
714.299.0053 – Direct  
[m.mckinney@capitolcore.com](mailto:m.mckinney@capitolcore.com)  
[www.capitolcore.com](http://www.capitolcore.com)

### **Tatum Companies**

Todd Tatum, Co-Founder  
20258 Highway 18, Suite 430-504  
Apple Valley, CA 92307  
760.954.4839 – Direct  
[Todd.Tatum@amhousinggroup.com](mailto:Todd.Tatum@amhousinggroup.com)

## ABOUT CAPITOL CORE GROUP

### What We Do – Firm’s Background

Capitol Core Group is a national combined services public relations and public affairs firm. Its principals and employees have over 70 years of combined experience in public policy, public relations, media relations, and political strategy. The company and its predecessor, MICA-PR, Inc., are one of the oldest Orange County public relations firms (formed 1983). Capitol Core Group is headquartered in Irvine, California with a satellite office in Washington D.C. The firm has three main practice areas:

Government Affairs

Public Relations

Political Strategy

The firm has 34-years’ experience providing public relations and public affairs services to public agencies, private corporations, agencies, organizations and individuals throughout the general Southern California area.

## ABOUT THE TATUM COMPANIES

In 1994, Mr. Tatum Co-Founded the Tatum Companies, a private consulting firm that specializes in Water Resource development. The company works with Water Districts, Cities and Municipalities that are seeking to enhance their water supplies. The Tatum Companies locates, secures and structures the most economical transfer and exchange agreements for these public entities. In the private sector, it has assisted the following firms in their water resource development projects: Western Water Company, PSOMAS &

Associates, Basin Water Technology, SAMDA, Azurix, Paramount Farming Company, Sun Cal Development and Glorious Land Company. To date, the firm has successfully transferred over 1,000,000 acre feet throughout California.

**Project Responsibilities (specific details are outlined in the scope of work in Section 3)**

For this project, the Tatum Companies will lead the work associated with securing and purchasing water as well as the associated transfer agreements with partner entities. Tatum Companies will also lead the advocacy efforts to meet with the Authority's selected transfer partner. Capitol Core Group staff will also assist in the transfer partner outreach effort. Capitol Core Group will take the lead on Federal and State advocacy as well as local community outreach efforts. Both companies will take part in meetings with IWVGA Board and staff as appropriate/necessary.



## SECTION 3: PROJECT PERSONNEL AND SCOPE OF WORK

### YOUR TEAM – KEY PROJECT PERSONNEL



**Todd Tatum, Co-founder**  
Tatum Companies

In 1994, Mr. Tatum Co-Founded the Tatum Companies, a private consulting firm that specializes in Water Resource development. The company works with water districts, cities and municipalities that are seeking to enhance their water supplies. The company locates, secures and structures the most economical transfer and exchange agreements for these public entities. In the private sector, it has assisted the following firms in their water resource development projects: Western Water Company, PSOMAS & Associates, Basin Water Technology, SAMDA, Azurix, Paramount Farming Company, Sun Cal Development and Glorious Land Company. To date, over 1 million acre-feet of both permanent entitlement and “wet water” transfers have been completed through the firm.

Mr. Tatum has extensive experience in government, water development and policy, and real estate development. Mr. Tatum attended Apple Valley High School, Victor Valley College, and Harvard University. During and after attending Harvard University, Mr. Tatum devoted his professional career to politics and government. In 1989, Mr. Tatum joined his family’s real estate development company.

Mr. Tatum has worked in the real estate industry more than 25 years. During the late 1980s, Mr. Tatum was the Vice President of Operations for Narcissa Homes, a homebuilding company that built more than 3,000 homes in Southern California. In the 1990s, Mr. Tatum, co-founded Tatum Development Group, a homebuilding and development company that built more than 500 homes. Mr. Tatum was Vice President of Operations of Tatum Development Group. In 2001, Mr. Tatum co-founded American Housing Group, Inc., a private homebuilding company based in the High Desert of southern California. Mr. Tatum served as the company’s Vice President and Chief Financial Officer. Four years later, *Builder Magazine* named American Housing Group the fifth fastest-growing homebuilding company in the nation.

In addition to his business ventures, Todd has served on a number of public and private boards including the Mojave Desert Resource Conservation District, President of the Building Industry Association Baldy View Chapter and the 28th District Agricultural Association (San Bernardino County Fair Board).



**Michael W. McKinney, Founding Partner**  
Capitol Core Group

Michael is a 25-year veteran of government relations, communications, and political strategy. He serves as the managing partner for Capitol Core Group and leads the State/Local Government Relations and Political Strategy teams. Throughout his career, he has helped candidates in Congressional, State House, and local races. He also serves as a strategist and consultant on various public affairs initiatives addressing a host of issues, including energy, land-use, environment, transportation, communications, and health care. McKinney has previous experience within the United States Congress as personal legislative staff for two (2) high-profile members as well as Appropriations Committee staff experience. Prior to Capitol Core Group, McKinney served as Chief of Staff to Mayor R. Carey Davis in San Bernardino, California (a strong mayoral form of government) and as Vice President External Affairs for the Lewis Group of Companies, one of the largest master-planned development, commercial and retail developers in the western United States. He holds a bachelor's degree in Political Science from the University of Southern California and a Master's in Public Administration & Policy from California Lutheran University.



**Jeff Simonetti, Senior Vice President Public Affairs**  
Capitol Core Group

Jeff provides project management, business development, and policy/lobbying expertise to a variety of federal, state and local clients. During his tenure at Capitol Core, Jeff has among other projects helped two renewable energy companies to secure authorizing resolutions in cities across Southern California. Jeff previously served as a Water Policy Analyst and Blogger at Stratecon, Inc., a water consulting firm based out of Claremont, CA. Prior to joining Capitol Core Group, Jeff was a Vice President at the Kosmont Companies, a real estate and economic development consulting firm. At Kosmont, Jeff was the project lead for cities looking to implement financing strategies such as Enhanced Infrastructure Financing Districts (EIFDs) and other post-redevelopment funding mechanisms. Inland Empire clients included the Cities of La Verne, Fontana, Rialto and San Jacinto. He also was the project manager for the Economic Development element of the Fontana General Plan Update. Jeff gained significant state and local government affairs experience as the Government Affairs Director at the Building Industry Association (BIA) of Southern California's Baldy View Chapter. During his tenure at the BIA, he helped to found the annual San Bernardino County Water Conference, an event that gathers over 400 elected officials and business leaders in the region to discuss the pressing water policy issues that affect the community. Simonetti holds a bachelor's degree in political science from Claremont McKenna College and a Master of Business Administration from Boston University.



**Leslie Garcia, Account Executive**  
Capitol Core Group

Leslie is Capitol Core Group’s Account Executive, providing research, legislative analysis, and position development to clients. She also currently serves as Executive Director of California College Republicans. In that role, she helped form the “Rise CCR” slate of candidates which introduced structural, institutional and interconnection changes that doubled the Statewide CCR size. Garcia doubled majored in Middle East Studies and Political Science at the University of California Santa Barbara. She was part of the advance team for the Ted Cruz Presidential campaign during the 2016 primaries. A native of Los Angeles County, and continues to be active, both professionally and personally, in political campaigns.

## LET’S GET TO WORK – SCOPE OF WORK

### **Introduction and Project Priorities**

In order for IWVGA to deliver imported water successfully, the Authority in our opinion will have to coordinate three concurrent priorities that will all need to be met:

**Priority 1 - Potential Imported Water Supplies:** Determine and secure an amount of imported water necessary to fulfill the basin’s identified needs (subject to the outcome of the engineer’s review during the SGMA process and the will of the Board)

**Priority 2 – Transfer Agreements:** Negotiate and secure the necessary transfer agreements with the various state and local agencies to deliver physical water to the region (**State:** Department of Water Resources (DWR), State Water Resources Control Board. **Local:** Determined transfer partnership agencies)

**Priority 3 – Infrastructure Funding Sources:** Identify and attempt to secure various potential funding sources in order to offset some of the infrastructure costs associated with delivering water to the region.

All three of these priorities will have to be met in order to deliver water to the Indian Wells Valley. The Authority for example could secure water supplies, but if it does not have an agreement with an identified transfer partner to deliver physical water to the region, the water supplies will not be useful. The Authority could also secure water supplies and transfer agreements but lack the necessary funding to build the delivery infrastructure. As such, all three of these items will be necessary conditions for eventual project success.

Considering the interconnected nature of the three outlined priorities, we have put together a detailed scope of work that highlights these aims to meet these goals and the steps to achieve them. Each subtask will also show who on our team will act as the lead for each segment (with the assumption that other staff may work on task as well, per the budget of hours outlined in Section 6). Specific tasks are as follows:

## **Task 1 – Determine and Secure a Source of Imported Water Supplies**

### **Subtask A – Kickoff Meeting**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

Consultants will conduct a kickoff meeting with appropriate Authority staff and/or Board members to discuss potential water supply needs and the expectations of the Authority on water supplies. Specifically, we will look to determine the following:

1. How much water will the basin eventually need to purchase?
2. What options does the Authority have to deliver this water physically to the basin?
3. What are the pros and cons of these options?
4. Will the water deliveries be all at once, or over time? If so, over how long of a period of time will these purchases need to take place?
5. Is there a seasonality to these water deliveries? (e.g. more demand in the summer)
6. What is the timing as to when these purchases will commence?
7. Does the Authority envision making permanent water rights purchases? Long-term leases? A combination of both?
8. Is there an opportunity to “bank” water within the basin, or would purchased water likely be stored somewhere else?
9. Other questions from the Groundwater Board or staff?

The answers to these questions will help us to make informed decisions in the future tasks outlined in this scope of work.

### **Subtask B – Initial Imported Water Technical Memo**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

After we receive direction from staff/Board on water supply needs, we will conduct a preliminary market assessment of potential water supplies that the Authority may be interested in. Capitol Core has received initial feedback from the Board and stakeholders on what they would like to see in the initial assessment. In response to this feedback, the assessment will aim to answer four main questions:

1. What types of water supplies are available?
2. How much do these water supplies potentially cost?
3. What potential options does the Authority have physically to get this water to the basin?
4. How would Capitol Core outline and characterize the potential hurdles and challenges of delivering water from each potential option?

We will break this assessment up into two sections:

#### **Section 1: Potential Water Supplies**

The state of the water market in California is constantly changing and is subject to market forces such as hydrologic and weather conditions, regulatory and supply constraints, and increased demand from both agricultural and residential users across the state. The Tatum Companies is in regular contact with water suppliers across the state, and we have the

relational capital necessary to provide you with potential options to consider for future water purchases.

We will begin this task by setting up meetings with major water suppliers who we have worked with in the past and may have access to long-term water supplies for the Authority. These suppliers may include:

- State Water Project contractors
- Central Valley Project contractors
- Districts with access to pre-1914 water rights in California with the ability to wheel excess water
- Large farming operations/private organizations with excess water entitlement
- Organizations with banked water supplies across the state

We look for opportunities to purchase permanent supplies of water (e.g. transferable water rights) as well as lease opportunities of districts' excess supplies. In conjunction with these water purchases, the Authority may have to find a partner to bank excess water and potentially take advantage of "wet year purchases" in a hydrologic year where there is excess water supply. In addition to the established water banks, we will look for other partnerships across the state to bank water that may be more cost-effective than traditional water banks.

As these initial meetings take place, we will plan to meet with Authority staff as appropriate to inform them of the potential options for water purchases and banking. We will compile these options into a Water Supply Assessment document for staff and Board to review and give us comment and direction on prior to making purchases.

## **Section 2: Potential Delivery Methods for Imported Water**

The Indian Wells Basin currently does not have access to imported water. To make imported water available, the Basin and Authority will have to partner with an agency that could deliver imported water supplies to the area (transfer partners). These potential transfer partners include the Antelope Valley East Kern Water Agency (AVEK) and the Los Angeles Department of Water and Power (LA DWP) which operates the Los Angeles Aqueduct. Each option has its pros and cons, and Capitol Core intends to provide an overview of the options the Authority could consider, present our findings and get feedback from them on the potential options. In this section, we will address:

1. What transfer partners can we identify that may be able to deliver water to the basin?
2. Generally, what infrastructure will be required to get water from each potential transfer partner? (We will work with Stetson Engineers on this section)
3. What are the pros and cons of working with each potential transfer partner?
4. What other organizations besides these will we have to work with to get water delivered?
5. What are the potential challenges that each option may face?

Capitol Core will present a summary of these items and present the findings to the Authority for feedback and discussion on a direction that the Authority supports. We will provide a draft of this Technical Memo within 120 days of our Notice to Proceed.

### **Subtask C – Meetings with Staff, Board to Discuss Water Supply Assessment**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

Consultant will meet regularly with staff and/or the Board to discuss the water supply options and seek feedback and direction on the type of options that the Authority would like to pursue. We envision two types of meetings that will take place. First, we will provide progress reports as appropriate to provide you an update of the meetings that we have arranged and the potential water supply/banking opportunities that may arise out of these meetings. Second, we will conduct a meeting with staff and Board to review the water supply assessment document and receive further direction on the types of purchases and banking opportunities that the Authority would like to pursue.

### **Subtask D – Community Outreach Meetings**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

The ultimate end users of the imported water will be the citizens, businesses and water users with in the Indian Wells Valley Basin. As such, we believe a vital component of this project is to keep them informed of the types of imported water purchases necessary to sustain the groundwater basin, and the steps the Authority will take to secure them. Consultant will host a series of community outreach meetings to discuss these points with the community. Community meetings will include outreach to:

- Citizens within the Authority's boundaries
- US Navy/China Lake Naval Weapons Air Station
- Agricultural Operations

Consultant will create the presentations and collateral materials as necessary for these meetings and seek approval of these materials from staff prior to the community outreach meetings. We will also staff and lead these meetings and provide after action reports discussing the outcome as appropriate.

### **Subtask E – Commence Water Purchases**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

Once the Board gives consultant approval to begin water purchases, we will assist in identifying specific on-market opportunities that fit into the Authority's needs. We will assist the Authority in determining market prices for the purchases, as well as assist them in the process of completing the transfer. Assistance may include\*:

- Assisting with a lease agreement and/or a purchase and sale agreement
- Negotiating terms with the seller/lessor
- Assisting the law firm and/or environmental consultant to prepare documents if necessary
- Working with the Department of Water Resources and other applicable agencies to secure approvals for water transfers

\*Note: Water transfers require attorneys and an environmental consultant to complete and/or review documents and may need an environmental impact report to complete the

transfer. Consultants do not practice law and cannot provide legal advice to the Authority in matters related to water transfers. Any legal and/or engineering assistance necessary to complete water transfers would be in addition to the rates listed in Section 6 (fee schedule) and would be subject to a separate agreement with selected vendor.

## **Task 2 – Negotiation of Transfer and Wheeling Agreements**

### **Subtask A- Kickoff Meeting**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

In addition to the agreements necessary to purchase, lease or bank water, the Authority will have to create and negotiate two agreements with partners that we believe are critical to the success of this project. They are:

1. An agreement with the identified transfer partner for physical water deliveries (“wheeling agreement”)
2. Water resources that IWVGA purchases will likely come from other areas of the state, but water will be physically delivered from the transfer partner’s infrastructure. There will need to be an in-lieu agreement with the transfer partner for the Authority to provide them with imported water supplies from other areas of the state in exchange for like amounts of water delivered to IWVGA (“in-lieu agreement”).

Consultants will conduct a kickoff meeting to discuss how the governmental entity will be structured that will be making the water purchases and agreements necessary to import water into the basin. Some questions that will need to be answered at the beginning of this task are:

- a. What agency will be making the purchases? Signing the contracts?
- b. Since this entity will not be a State Water Project/Central Valley Project member agency, how will the Authority “fit in” to the water picture in California?
- c. Who are the possible main negotiating parties?
  - i. Potential Wheeling agencies (State Department of Water Resources, AVEK, LA DWP, US Bureau of Reclamation)
  - ii. Water sellers
  - iii. Banking partners
- d. What is the timing of these contracts?

### **Subtask B- Assist in Draft Wheeling Agreement for water from Transfer Partner**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

Consultants will assist Authority’s attorneys in drafting an agreement with the determined water transfer partner to provide physical deliveries of water to the Indian Wells Basin. We will assist the Authority in determining what potential legal/political challenges this agreement might face as well as the coordinate with engineering staff on the infrastructure necessary to build this project successfully. We will assist in incorporating these considerations into a document that will be used as the basis of negotiations with the transfer partner and other applicable agencies to potentially secure an agreement with them.

### **Subtask C– Assist in Draft in-lieu Agreement with Transfer Partner and Other Agencies**

**Subtask Leads: Todd Tatum, Jeff Simonetti**

Imported water supplies for the IWVGA will likely come from sources in Northern California or the Central Valley. While the State Water Project’s California Aqueduct has a turnout that connects it directly to Indian Wells’ potential transfer partners, these turnouts are subject to pre-existing agreements and may not have the capacity to transfer the amount of water that the basin would need to deliver to meet its sustainability goals. As such, the Authority may have to complete an “in-lieu” agreement where the Authority would provide the identified transfer partner and/or other applicable agencies with imported water from Northern California in exchange for a like amount of water delivered to Indian Wells via other means.

Consultants will assist Authority’s attorneys in drafting an in-lieu agreement with the transfer partner (and/or other applicable agencies) for the Authority to provide the transfer partner with imported water supplies from other areas of the state in exchange for like amounts of water from the transfer partner via other means (potentially from infrastructure that the IWVGA builds to interconnect the area to imported water supplies). We will look to address the following issues and questions as we assist in drafting this agreement:

- A. How much water will be transferred to the transfer partner?
- B. What will the transfer partner want in compensation for this agreement?
- C. Where will this water be delivered? How?
- D. When will this water be delivered?
- E. When will the transfer partner give water to Indian Wells?

As with Subtask B, we will assist the Authority in determining what potential legal/political challenges this agreement might face as well as the coordinate with engineering staff on the infrastructure necessary to build this project successfully. We will assist in incorporating these considerations into a document that will be used as the basis of negotiations with the transfer partner and other applicable agencies to potentially secure an agreement with them.

### **Subtask D– Representation Before Transfer Partner and Other Applicable Agencies to Discuss Proposal**

**Subtask Leads: Todd Tatum, Michael McKinney**

Consultants will represent the Authority before the transfer partner, the State Department of Water Resources and other applicable agencies to assist the Authority in securing agreements with these organizations. We will create collateral materials to assist in the negotiations process and advocate on behalf of the Authority before these applicable governing bodies.

### **Subtask E – Assist in Draft Transfer and/or Banking Agreements with Partner Agencies**

**Subtask Lead: Todd Tatum**

Consultants will assist Authority’s attorneys in drafting water transfer and/or banking agreements with partner agencies that will provide water supplies or banking space for the Authority’s water purchases.

### **Task 3 – Identify and Secure Potential Funding Sources for IWVGA**

#### **Subtask A– Kickoff Meeting**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

Consultants will conduct a kickoff meeting to discuss the estimated amount of funding needed for infrastructure to deliver water effectively to the basin as well as the timing on the design build of the project. This initial kickoff meeting will attempt to answer:

- a. What is needed for infrastructure?
  - i. Pipelines
  - ii. Easements and Environmental Requirements
  - iii. Recharge Facilities
  - iv. New wells
- b. When is this infrastructure needed?
  - i. Timeline for project deliverables
  - ii. Potential design/build timeline
- c. How much is the infrastructure estimated to cost?
- d. Why is this infrastructure critical?

#### **Subtask B– Potential Funding Sources Strategic Plan**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

In Subtask B, we will focus on creating a strategic plan to receive funding for the project. We will identify the potential sources of funding at the local, state and federal levels of government that may include:

- a. Federal government appropriations
  - i. US Navy/Department of Defense
  - ii. US Bureau of Reclamation
  - iii. Other federal appropriations
- b. State monies
  - i. Greenhouse Gas Emissions reduction fund?
  - ii. Further Prop. 1 grants?
  - iii. Other possible state appropriations/grants?

We will compile these potential funding sources into a strategic plan that will outline our proposed tasks to attempt to secure these potential revenues. We will then work with IWVGA staff to refine the strategic plan and provide them with a final version of the plan before we begin direct advocacy efforts.

### **Subtask C– Initial Washington D.C. and Sacramento due Diligence Efforts**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

In preparation for attempting to secure FY 19/20 funding sources, Capitol Core Group will begin active advocacy for the project in Sacramento and Washington, DC after project kickoff. We will create deliverables that discuss why infrastructure funding is so critical to the basin, its regional nature, the various stakeholders that it will assist, and the water sustainability goals it aims to achieve. Then we will meet with applicable representatives of the state and federal legislature as well as program representatives. These meetings may include:

- Local California Assembly and Senate delegation
- Applicable CA Legis. committees of jurisdiction (Appropriations, Natural Resources, etc.)
- Local California Congressional delegation
- Applicable Federal committees of jurisdiction (Appropriations, Natural Resources, etc. in the US House and Senate)
- Applicable California funding sources (California State Water Resources Control Board, Department of Water Resources)

We will also plan to meet with applicable senior Navy/Department of Defense staff to secure a letter of support for the project that we can submit with our briefings that explains the importance of reliable water supplies to the continued operation of the China Lake Naval Air Weapons Station.

### **Subtask D– Active Advocacy for Project Funding**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

The federal budgeting/appropriations process began in early 2019 and initial appropriations discussions will take place through the end of March 2019. Full Committee hearings and the ultimate floor vote will take place throughout the first three quarters of 2019. Our ability to secure project funding in the 19/20 budget cycle may depend on the timing of project commencement and its relation to the Federal budget cycle. There are direct opportunities to provide both Federal- and State-level funding for the project. Although “earmarks” are banned at the federal level, Capitol Core has the knowledge to increase overall budget opportunities and available grant funding needed. In addition, we have the relational capital with Members of the United States Congress and the California Legislature to increase the Authority’s relationships at both levels of government.

Should our initial efforts be successful in securing potential funding sources for the 19/20 fiscal year, we will continue direct advocacy to help ensure that the appropriation remains on track for budget inclusion. This effort will include meetings with Members of the United States Congress (House and Senate Appropriations), Members of the California Legislature (Assembly and Senate Appropriations), Members and staff of the appropriate committees of jurisdiction, and top-level executive meetings with the Administration, as needed to meet the Authority’s goals. We will provide the collateral and meeting materials necessary to deliver a crisp presentation to elected officials and staff. We will also assist Authority staff during this time to meet with applicable staff and/or commissioners of potential state-level funding sources such as GGRF or Prop. 1 monies (should we identify potential funding sources that would apply to the project). Should the Authority decide to pursue one of these funding

sources and need third-party grant writing assistance, that assistance shall be subject to a separate agreement.

Should an initial appropriation be successful in the FY 2019/20 budget cycle, we envision that we can pursue further funding opportunities in upcoming fiscal years as an ongoing appropriation to assist the project.

**Subtask E- After Action Reports**

**Subtask Leads: Michael McKinney, Jeff Simonetti**

After each trip or engagement with elected officials, consultants will provide the Authority an after action report that summarizes the meetings, items discussed and next steps for implementation.

**Task 4 - Board and Staff Meetings**

Capitol Core and Tatum Companies staff will participate in staff and Board meetings as mutually agreed to in order to present findings, and discuss strategies and next steps throughout the project assignment.



## SECTION 4: REFERENCES, RELATED EXPERIENCE AND EXAMPLES OF WORK

### References for Capitol Core Group

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### References for the Tatum Companies

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## Tatum Companies Work Experience

### SELECTED WATER TRANSFERS EXPERIENCE

#### Glorious Land Company

##### Long Term Water Transfer



The Glorious Land Company (GLC-a Chinese-American Venture) needed a long-term water supply to develop several thousand acres in the Coachella Valley. The seller of the water was Rosedale Rio Bravo Water Storage District (RRB-A Kern County Water Agency member) The Coachella Valley Water District (CVWD) was the agency that took possession of the water to serve the proposed development. The transfer of water took approvals from several agencies including Kern County Water Agency, Metropolitan Water District and the Department of Water Resources for the State of California. The final agreement was for 16,000-acre feet of RRB 'stored water' available for annual deliver for 30 years. The agreement allowed for CVWD to assume the role of purchaser should GLC cease the project. Today, RRB transfer the water to CVWD annually as GLC has decided against moving forward on their project.

#### Westlands Water District

##### One-Year Water Transfer



Westlands Water District (WWD- the buyer) needed a one-year supply of water for extensive in-district farming operations. Butte Water District (BWD-the seller) was able to provide WWD with 16,500-acre feet of Central Valley Project water (CVP) to meet their needs. The Tatum Companies assisted both parties in the negotiation and agreement for the water sale and coordinated with various agencies to seek transfer approvals. This transfer took approvals from the Bureau of Reclamation (Federal oversight for the CVP) and the Department of Water Resources.

#### Coachella Valley Water District

##### Permanent Water Rights Transfer



The Tatum Companies represented the Coachella Valley Water District when it made a purchase of permanent State Water Project "Table A" water rights. The Coachella Valley Water District (CVWD-the buyer) wanted to acquire an additional State Water Project (SWP) water supply to add to its existing portfolio of permanent entitlement of SWP water. The CVWD is in a unique position as a State Water Contractor that does not physically get its SWP water from the California Aqueduct. The CVWD has a long-standing agreement with the Metropolitan Water District (MWD) to receive water from the MWD Colorado River aqueduct while exchanging water to MWD on the SWP system. This permanent transfer took the approvals of the Department of Water Resources as well as MWD.

## **Other Water Transfers by the Tatum Companies:**

Below is a list of Water Transfers that the Principals have completed over the past 25 years:

### **Agencies involved in Transfer- Type of Water- Amount of Water:**

- Tulare Lake Basin WSD to Coachella Valley Water District- SWP Table A- 40,000 acf (Permanent Transfer)
- Tulare Irrigation District to City of Clovis- CVP Water - 2,000 acf/yr (multi-year)
- Kern Tulare WD & Rag Gulch Water District to City of Clovis- CVP Water- 1,500 acf/yr (multi-year)
- Lost Hills Water District to Bureau of Reclamation- SWP water- 10,000 acf
- Kern-Tulare Water District to Del Puerto Water District- CVP Water- 2,000 acf
- Santa Clara Valley Water District to Del Puerto Water District- CVP Water- 7,000 acf
- Santa Clara Valley Water District to San Benito County Water District- CVP Water- 500 acf
- Butte Water District to Westlands Water District- CVP Water- 16,500 acf
- Kern-Tulare Water District to San Luis Water District- CVP Water- 2,000 acf
- Kern-Tulare Water District to Kern County Water Agency- CVP Carryover Water- 2,000 acf
- Rosedale Rio Bravo Water Storage District to Del Puerto Water District- CVP Water- 15,000 acf
- Rosedale Rio Bravo Water Storage District to San Luis Water District- CVP Water- 8,000 acf
- Rosedale Rio Bravo Water Storage District to Glorious Land Company via Coachella Valley Water District- Stored Water- 16,000 acf (multi-year)
- Rosedale Rio Bravo Water Storage District to Coachella Valley Water District- Stored Water- 10,000 acf
- Kern Water Bank to Sun Cal Development (McAllister Ranch, Bakersfield)- 16,000 acf (Multi-year)
- AVEK Water District to Sun Cal Development (Ritter Ranch, Palmdale)- 16,000 acf (Multi-year)
- San Luis Water District to Santa Clara Valley Water District- SWP Table A -10,000 acf

- Del Puerto Water District to Santa Clara Valley Water District- SWP Table A- 5,000 acf
- South Fork of the Kern River Ranches to Kern Delta Water District- Pre-1914 water- 5,000 acf

## Capitol Core Group Work Experience

### Our Approach to Government Relations

Lobbying, when distilled, is simple but not easy. Capitol Core identifies the decision makers and aligns shared interest to advance our client’s agenda. We have a record of success delivering wins for our clients, from securing appropriations, to amending and repealing statutes/regulations.

Defining an issue of public debate on your own terms is the key to moving public policy. When properly executed, constituents become the amplifier for your message and the vehicle for affecting policy, legislation, and broader public opinion on key issues. Because this style of advocacy promotes a point of view rather than a product or service, it requires a different approach to both creative development and integration with other strategic messaging (known as “Foundational Lobbying”)

Our team taps into the triggers that motivate your audience through public opinion research and leverages these insights across a comprehensive media strategy. We provide comprehensive strategic planning, legislative goal setting, intergovernmental liaison and political analyses. When clients want to make lasting impact on public policy issues and proposed legislation, we draw from a seasoned and skilled team of lobbying professionals able to open doors in all branches of government.

Our government relations practice is unique in that we work at all levels of Government:

- Federal – United States Congress, Executive Branch, and Agencies
- State – California, Texas, Ohio, Minnesota, North Carolina, American Legislative Exchange Council, National Convention of State Legislators, RGA, RLSC,
- Local – Southern California



## Our Clients

We have been fortunate to recently work on behalf of the finest clients, including (\* Denotes a current client):

### Public Agencies:

- Ontario International Airport Authority \*
- Tulare Regional Medical Center
- Hi-Desert Water District
- Colorado River Indian Tribes
- City of San Bernardino (Office of the Mayor)
- City of Fontana
- City of La Verne
- City of Rialto
- City of San Jacinto
- City of West Covina

### Associations:

- American Board for Certification of Teacher Excellence \*
- Conservative Energy Network \*
- Rainey Center for Public Affairs \*
- Building Industry Association of Southern California
- San Bernardino Residents for Responsible Representation
- Quality of Life Coalition

### Private Entities:

- Foremost Companies \*
- Renew Financial \*
- Energy Efficient Equity \*
- Ygrene Energy Fund
- Explore Information Services \*
- Baldwin & Sons \*
- San Roman/Sterling OC
- Banc Certified Merchant Services
- Dowling for Congress
- Rodriguez for Yorba Linda \*
- Negrete for Victorville \*
- Hogan Lovells
- Alert Plus, LLC
- Raven Energies, LLC
- Shalabh Kumar
- Lancashire Partners
- Intellergy
- VAPCo
- Lewis Operating Corp.

## Our Work – Capitol Core Group Case Studies

### Mill Creek Wetland

(Stakeholder Outreach, Community Outreach, Direct Advocacy)



The Mill Creek Wetlands is first Regional Storm Water Treatment System in the Inland Empire currently treating over 77 square miles of several cities in San Bernardino County including Rancho Cucamonga, Upland, Montclair, Ontario, and Chino. Located in the City of Chino in the Prado Basin, with the City of Ontario as lead agency, the project represents the culmination of almost a decade of developing public and private partnerships.

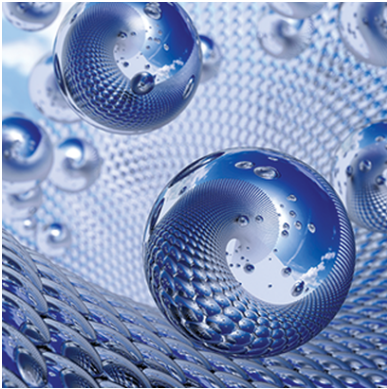
With over 52 acres of wetlands, the project provides over 23 acres of open waters, 2.5 miles of recreation trails, additional storm water storage capacity for the Prado Basin, and includes the creation of over 20 acres of California native habitat for over 300 species in the Prado Basin including endangered species such as the Least Bells Vireo.

During the project's implementation phase, Mike developed a comprehensive federal government relations program that included direct project advocacy before the United States Congress and U.S. Army Corps of Engineers. He represented stakeholder interests before the U.S. Congress and U.S. Army Corps of Engineers and successfully sought amendments within the Energy and Water Development Act in support of federal funding for the project. He also successfully worked with the Office of Management and Budget to amend/increase the U.S. Army Corps of Engineers' budget in support of the Mill Creek Wetlands project (multi-year programmatic funding). Finally, Mike provided strategic messaging to stakeholder lobbyists and developed a coalition of affected agencies.

As a result of Mike's advocacy, he was able to secure approximately \$7.5 million of funding/grants for the project and build a successful project while coordinating with a variety of Federal, State and local agencies. The project owes its success to forming lasting relationships with Congressional Leaders, State Assembly Leaders, the County Board of Supervisors, Local City Councils, and several key Local and Regional Agency Executive Leaders. The private partnerships range from environmental groups to private land owners and educational institutions. Today, the Mill Creek Wetlands stands as leading example of developing and forging long-term partnerships under a single vision.

## Lancashire Partners

(Government Relations, Strategic Communications, Direct Advocacy)



For new companies with emerging technologies, gaining needed regulatory approvals is daunting. For a company with a new antimicrobial technology and who is attempting to complete a “B- Round” capital raise - facing the possibility of multiple regulatory approvals, just to bring the product to the U.S. market, the process seemed like standing at the base of the Himalayas for a vertical climb with only one rope. EPA-registration requirements, multiple FDA applications, and the USDA approval were just a few of the hurdles. Internal cost estimates placed EPA- registration at \$2M alone with a process that spanned well over one year. A clear regulatory process was not outlined by the Agency, and at one point two federal Agencies indicated the other had jurisdiction over the approval process. For investors, regulatory uncertainty brings higher-risk and longer return-on-investment horizons.

Capitol Core's role was to define a regulatory process that brought clarity, to streamline areas of that process in order to reduce costs, to organize a timeline that cut ROI-horizons, and raise market-awareness among policy makers as well as industry clients. Further, it was our goal to bring clarity to Lancashire's senior management on which regulatory approval would allow for quicker market access, thus allowing for better business decisions. At the core of our strategy was an integrated approach: well-defined issues for a product with multiple uses to span several federal Agencies without causing confusion. Capitol Core brought an “all-hands-on-deck” methodology which used an integrated approach of the practice areas within the firm and brought consistency to our message.

Our first priority was to work with our federal bureaucracy to increase understanding and define a process (or processes) that made sense for Lancashire Partners. Several secondary approvals required EPA- registration of the material under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to prove efficacy and environmental issues. For regulators, approval of a new technology with multiple uses is confusing. Capitol Core took a direct advocacy approach working with regulators to increase understanding of the product and materials used to produce the product well before the client would submit an application for registration. We needed regulators to understand the product in order to point us toward the right approval process. Within 40- days, Capitol Core successfully met with regulators, defined a clear regulatory approval process for specific uses of the product, and streamlined needed approvals to reduce timeframes as well as overall costs. Original estimates showed a 14-month process and regulatory costs over \$2M. Our efforts reduced that timeframe to 8-months and below \$500,000 for EPA-registration. Further, it allowed the company to move to obtain other regulatory approval – particularly FDA New Drug Application – on an accelerated timeline.

## Hi-Desert Water District (public education campaign)



In 2014, Capitol Core Group was asked to undertake a public education campaign for the Hi Desert Water District’s \$245 Million sewer project. This included a support campaign for a \$386/year parcel tax to pay for the project. Two (2) previous campaigns had failed and continued nitrate pollution of the region’s water supply (from septic-based sewer systems) was endangering the population as well as creating the potential of large fines from the State Department of Water Resources. In this issue-based campaign we segmented our population – male and female as well as by Hispanic and non-Hispanic – creating separate messages for each segment, targeting those segments via digital and media mediums. Instead of educating the population on what the sewer system was and how much it would cost, we focused on educating the public on the dangers of nitrate poisoning within the water supply and why the State Department of Water Resources would be imposing the fines to pay for groundwater clean-up. Our segmented messaging to males was simple – “Don’t pay the fine – Get on the [Sewer] Line,” while our messaging to females and young (mostly Hispanic) families was “Protect our Future – Protect our [Property] Value.” Our campaign was made up of direct mail, digital, earned media, and paid media. It netted 72.1% of the vote in favor of the parcel tax, allowing the Hi-Desert Water District to construct its \$245M sewer project. The full case-study can be found [here](#).

## Ontario International Airport Authority (Stakeholder Outreach, Community Outreach, Direct Advocacy)



In November 2016, the Ontario International Airport Authority purchased and regained local control of the Ontario International Airport from Los Angeles World Airports (LAWA) which owned and operated the facility since 1967. Transfer of operational control of a major international airport had not occurred in the United States for many years.

The effort required reapplication of all federal security contracts including the Department of Homeland Security’s Transportation Security Administration and Customs Border Protection, a rigorous and detailed process. The Authority tasked Capitol Core Group with securing letters of support from Governor Jerry Brown and the entire local delegation of Assembly and Senate Members (a mandatory component of the application) within a 30-day deadline. Without these letters, the Airport was at risk of losing its authority to collect fees to reimburse the US Customs and Border Protection Agency, potentially costing the Authority more than \$4.5 million annually.

Capitol Core Group worked tirelessly to ultimately deliver letters from the six Senators and Assembly members as well as our local Congresswoman and Governor Jerry Brown’s office within the 30-day window. During that time, the Governor’s office required us to undergo a rigorous review of our request from the California State Transportation Administration (CalSTA), the Governor’s office of Business and Economic Development (GoBIZ), the

California Chamber of Commerce, the City of Los Angeles, as well as the US Department of Transportation and both of California's US Senators. Despite the long review, we were able to comply with all the requests for information and secure the letters in support of a successful US Customs and Border Protection application.



## SECTION 5: ADDITIONAL DOCUMENTS REQUIRED

### STATEMENT OF FIRM FINANCIAL SOUNDNESS

On behalf of Capitol Core Group (Michael McKinney, officer) and the Tatum Companies (Todd Tatum, officer) we affirm that our companies are financially sound and have the resources to successfully execute the contract.

## SECTION 6: FEE SCHEDULE

This section will outline the main components of the fee schedule for the proposal. A detailed breakdown of hours and costs are included as an attachment in Exhibit A. The period of this contract will be from one calendar year after contract execution. As there is a possibility that the successful full completion of water purchases and fully funding the infrastructure requirements could take multiple years to complete, we respectfully request that the Authority review its needs for 2020 at the end of the calendar year and provide the Capitol Core/Tatum Companies team to continue to work on this project for a further calendar year (subject to a separate agreement approved by the IWVGA Board and satisfactory execution of the 2019 contract).

### HOURLY BUDGET OVERVIEW

Our proposal's hourly budget overview by task is as follows:

- Task 1:** Determine and Secure Water Supplies - \$61,600\*
- Task 2:** Negotiation of Transfer and Wheeling Agreements - \$62,900
- Task 3:** Determine and Secure Funding Sources - \$99,275
- Task 4:** Board and Staff Meetings - \$5,700
- Grand Total for Hourly Budget: \$229,475**

**\*Note:** As highlighted in Exhibit A, Task 1E (actual water purchases) will be billed at a separate rate, due upon successful completion of a transfer. For leased water (e.g. non-permanent water transfers), we request a flat success fee of \$10 per acre foot (regardless of the cost of water) payable at the time of delivery either to the Basin or a water bank. For permanent transfers (e.g. water rights purchases), these are considered real property and cannot legally be compensated through a consulting agreement. These agreements will be subject to a separate, mutually-agreed to proposal.

### HOURLY BUDGET OVERVIEW

For a detailed breakdown of expenses, please see Exhibit B entitled "Expense Budget for IWVGA RFP." We assume expenses for the following travel/reimbursable that are necessary to complete the assignment:

- **Advocacy trips to Washington, D.C.** - assumed at an average cost of \$350 per round trip flight and the 2019 General Services Administration Washington, D.C. per diem rates of \$251 per day per person.

- **Advocacy trips to Sacramento** - assumed at an average cost of \$200 per round trip flight and the 2019 General Services Administration Sacramento per diem rates of \$135 per day per person.
- **Mileage Reimbursement for Board Meetings** – assumed at 200 miles round trip to Ridgecrest and at the General Services Administration 2019 mileage reimbursement rate of 58 cents per mile

**The grand total estimated reimbursable expenses for this project is \$11,800.00.**

## Exhibit B - Hourly Budget for IWVGA RFP

### Employee Hourly Rate

Employee	Hourly Rate
Partner	\$250
Senior VP	\$225
Account Exec	\$150

### Task 1: Determine and Secure Water Supplies

Subtask	Partner Hours	SVP Hours	AE Hours	Total Cost
A) Kickoff Meeting	8	4	0	\$2,900
B) Initial Imported Water Technical Memo	85	95	10	\$44,125
C) Implementation Meetings with Staff	10	15	10	\$7,375
D) Community/Outreach Meetings	12	12	10	\$7,200
E) Water Purchases	See Note in Fee Schedule, billed at separate rate			
<b>Subtotal Task 1</b>	<b>115</b>	<b>126</b>	<b>30</b>	<b>\$61,600</b>

### Task 2: Negotiation of Transfer and Wheeling Agreements

Subtask	Partner Hours	SVP Hours	AE Hours	Total Cost
A) Kickoff Meeting	8	4	0	\$2,900
B) Assist Draft Wheeling Agreement	30	30	0	\$14,250
C) Assist Draft Water In-lieu Agreement	30	30	0	\$14,250
D) Representation before Transfer Partners	60	60	20	\$31,500
E) Assistance in Drafting Transfer/Banking Agmts.	Included in Fee for Task 1E			
<b>Subtotal Task 2</b>	<b>128</b>	<b>124</b>	<b>20</b>	<b>\$62,900</b>

### Task 3: Determine and Secure Funding Sources

Subtask	Partner Hours	SVP Hours	AE Hours	Total Cost
A) Kickoff Meeting	8	4	0	\$2,900
B) Funding Sources Strategic Plan	10	10	5	\$5,500
C) Initial DC and Sacramento due Diligence Mtgs.	30	30	0	\$14,250
D) Active Lobbying (assumes project go-ahead)	140	140	20	\$69,500
E) After Action Reports	9	15	10	\$7,125
<b>Subtotal Task 3</b>	<b>197</b>	<b>199</b>	<b>35</b>	<b>\$99,275</b>

### Task 4: Board and Staff Meetings

Subtask	Partner Hours	SVP Hours	AE Hours	Total Cost
Board and Staff Meetings	12	12	0	\$5,700
<b>Subtotal Task 4</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>\$5,700</b>

### Summary of Tasks

Task	Partner Hours	SVP Hours	AE Hours	Total Cost
Task 1	115	126	30	\$61,600
Task 2	128	124	20	\$62,900
Task 3	197	199	35	\$99,275
Task 4	12	12	0	\$5,700
<b>Grand Total</b>	<b>452</b>	<b>461</b>	<b>85</b>	<b>\$229,475</b>

### Exhibit C - Expense Budget for IWVGA RFP

#### DC Projected Expenses

First Trip (2 People)	Unit Cost	Number of Units	Total Cost
2 Tickets	\$350	2	\$700
2 Per Diems (3 Days Each)	\$251	6	\$1,506
<b>Grand Total</b>			<b>\$2,206</b>

#### Remainig Per Person Trips

	Unit Cost	Number of Units	Total Cost
1 Ticket	\$350	1	\$350
1 per diem (3 days)	\$251	3	\$753
<b>Per Trip Total</b>			<b>\$1,103</b>

#### DC Expense Summary

First Trip	\$2,206
6 Total Remaining Trips	\$6,618
<b>Grand Total DC</b>	<b>\$8,824</b>

#### Sacramento Projected Expenses

First Trip (2 People)	Unit Cost	Number of Units	Total Cost
2 Tickets	\$200.00	2	\$400
2 Per Diems (2 Days Each)	\$135.00	4	\$540
<b>Grand Total</b>			<b>\$940</b>

#### Remainig Per Person Trips

	Unit Cost	Number of Units	Total Cost
1 Ticket	\$200	\$1	\$200
1 per diem (1 Day)	\$135	\$1	\$135
<b>Per Trip Total</b>			<b>\$335</b>

#### Sacramento Expense Summary

First Trip	\$940
4 Total Remaining Trips	\$1,340
<b>Grand Total Sacramento</b>	<b>\$2,280</b>

#### Board Meeting Mileage

Per Meeting	\$0.58	200	\$116
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### Expense Summary

Place	Cost
DC Total	\$8,824
Sacramento Total	\$2,280
6 Board Meetings	\$696
<b>Grand Total</b>	<b>\$11,800</b>