

## MEMORANDUM

DATE: May 4, 2017

TO: William Stowe, CEO and General Manager

FROM: Laura Sarcone, Communications Coordinator

SUBJECT: Public Relations Consultant Services

In early March, Des Moines Water Works (DMWW) engaged Concordia Public Affairs to assist in coordinated efforts to defeat proposed legislation dismantling Des Moines Water Works. With the assistance of Concordia, contracted lobbyist team, ally groups, and many staff, DMWW defeated House File 484 (and a last-minute amendment) this 2017 Legislative Session.

Concordia assisted DMWW staff with strategy, messaging, graphic design, paid advertising production and placement, and earned media opportunities. The cost for two months of consulting services from Concordia was \$10,000. Additional costs for social media advertising, telephone polling, and radio advertising production and placement totaled approximately \$78,000.

Concordia and DMWW recognize the 2018 Legislative Session will be dynamic. It is staff's recommendation to continue public affairs consulting services from Concordia through the 2018 Legislative Session to communicate with targeted audiences on the progress of central Iowa water regionalization efforts.

Concordia's proposal and agreement are attached, and outline the broad scope of services the Concordia team is available to provide. The payment for consulting services remains at \$5,000 per month, for a 12 month agreement, with additional costs associated with a proposed marketing budget. This is an unbudgeted expense for the remainder of 2017; however, staff has identified opportunities to redirect operating funds for the two months of expenses incurred during the 2017 Legislative Session and consulting services for the remaining 2017 calendar year. Staff will request consulting services and proposed marketing expenditures in the 2018 budget.



## **Objective**

The Des Moines Water Works will continue to face legislative threats unless they are able to show progress in regards to regionalizing the utility. Concordia Group will work directly with Water Works staff to implement an ongoing communications strategy to ensure that all interested parties and the public are aware of the steps being taken to accomplish this goal. We believe the best way to accomplish this is by taking a number of steps to grown and publicize these efforts.

- Immerse Concordia Group staff in the regionalization process. The best way for us to be able to communicate and keep the public informed is to be present and observe all meetings concerning the regionalization process.
- Design and publish a regular newsletter that mainly focuses on the regionalization process. Include pictures, interviews, and important information.
- Distribute all published articles through the various Water Works social media sites, customer newsletter and email when appropriate.
- Mail a copy of the newsletter to all legislators, local city council members, and other interested parties.
- Invite high profile elected officials and candidates to tour the treatment plant. In addition to state legislators, we should also reach out to the entire state federal delegation.
- Communicate to customers about Safe Drinking Water and Value of Tap Water. We will work to ensure that customers have confidence that finished drinking water quality remains safe.
- Promote “Think Downstream” and discuss the practices that effect downstream users (ex. Nitrates in the Raccoon River).
- Work to establish, enhance, and promote strategic relationships.
- As the regionalization process develops Des Moines Water Works would host a number of public meetings in conjunction with our suburban partners to help educate the public on the changes being made.
- Establish a regular social event in the metro and across the state that allows us to meet new people and build stronger alliances with individuals and

organizations that are passionate about water quality.

- Increase visibility and brand recognition by sponsoring or participating in various community events such as farmer's markets, locals race and runs, and community events.
- Assist with the inaugural Citizen Water Academy.
- Continue to develop and expand the Des Moines Water Works digital footprint. We have more than doubled Facebook "likes" for the DMWW page. We now have 3,310 people that we can call on to back DMWW when necessary.

### **2018 Legislative Session**

Iowa's political landscape is currently experiencing rapid change. While the issues that the Des Moines Water Works dealt with during the 2017 legislative session are sure to remain, some of the major players have changed. Not only will we be dealing with a new Governor, but it also seems likely that there will also be a new Secretary of Agriculture, and both will be interested in winning election in November.

What that mean for Des Moines Water Works is unknown. Typically the legislature tends to stay away from controversial issues and topics in an election year. Dismantling Des Moines Water Works or forcing some sort of consolidation would fall into the controversial category, but we should still be prepared for the worst heading into the 2018 legislative session. We were successful in stopping harmful legislation that targeted DMWW by engaging the public and declaring the proposed legislation as controversial and unnecessary.

We would recommend considering the following actions.

- Establish a three-month marketing budget during session that includes digital and radio advertising. (See below)
- Utilize public opinion data to help shape communications efforts.
- Use all existing communications platforms to promote DMWW during the legislative session.
- Potentially use existing positive radio ad to bolster the public's opinion of Des Moines Water Works brand.
- Communicate to legislators as lobbying team sees fit.
- Significant earned media push on talk radio, newspapers, and local TV.

We want to continue to promote the many positive things that DMWW does to ensure safe, affordable drinking water for its customers. It's important for the public and the legislature to know and understand this so they don't try to dismantle it in the future. Everyone should know that water isn't a political issues,

it's a necessity for life.

**Budget (assumptions outlined below)**

Newsletters Production and Postage: \$1950  
(Approximately six issues, sent to 250 people)

Legislative Printing: \$150  
(Approximately four handouts, sent to 150 legislators)  
Facebook Ads: \$12,000  
(Approximately four per month, backload spending for session)

Polling: \$10,000  
(Approximately \$5,000 per poll. May only use partial amount but would allow flexibility to test twice in a year.)

Radio: \$90,000  
(Six weeks at \$15,000 per week for WHO, about half of what we spent per-week during the 2017 session.)

## ***CONSULTING AGREEMENT***

This Agreement is made effective as of May 01, 2017, by and between Des Moines Water Works, of 2201 George Flagg Pkwy., Des Moines, Iowa 50321, and Concordia Group LLC, of 6601 Westown Pwky., Suite 240, West Des Moines, Iowa 50266.

In this Agreement, the party who is contracting to receive services shall be referred to as "DMWW", and the party who will be providing the services shall be referred to as "CGLLC".

CGLLC has a background in strategic communications and general consulting and is willing to provide services to DMWW based on this background.

DMWW desires to have services provided by CGLLC.

Therefore, the parties agree as follows:

**1. DESCRIPTION OF SERVICES.** Beginning on May 01, 2017, CGLLC will provide the following services (collectively, the "Services"): general consulting, strategy, media and marketing services.

**2. PERFORMANCE OF SERVICES.** The manner in which the Services are to be performed and the specific hours to be worked by CGLLC shall be determined by CGLLC. DMWW will rely on CGLLC to work as many hours as may be reasonably necessary to fulfill CGLLC's obligations under this Agreement.

**3. PAYMENT.** DMWW will pay a fee to CGLLC for the Services based on \$5,000.00 per month. This fee shall be payable monthly, no later than the fifteenth day of the month.

**4. SUPPORT SERVICES.** DMWW will provide the following support services for the benefit of CGLLC: office space (as necessary and desired by both parties) and staff and staff support and coordination to help complete tasks as necessary.

**5. NEW PROJECT APPROVAL.** CGLLC and DMWW recognize that CGLLC's Services will include working on various projects for DMWW. CGLLC shall obtain the approval of DMWW prior to the commencement of a new project.

**6. TERM/TERMINATION.** This Agreement shall be effective for a period of 12 months. Each party shall review at the end of 12 months regarding extension of services.

**7. RELATIONSHIP OF PARTIES.** It is understood by the parties that CGLLC is an independent contractor with respect to DMWW, and not an employee of DMWW.

DMWW will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of CGLLC.

**8. DISCLOSURE.** CGLLC is required to disclose any outside activities or interests, including ownership or participation in the development of prior inventions, that conflict or may conflict with the best interests of DMWW. Prompt disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to:

- any activity that CGLLC may be involved with on behalf of DMWW

**9. EMPLOYEES.** CGLLC's employees, if any, who perform services for DMWW under this Agreement shall also be bound by the provisions of this Agreement.

**10. INDEMNIFICATION.**

CGLLC agrees to indemnify and hold harmless DMWW from all claims, losses, expenses, fees including attorney fees, costs, and judgments that may be asserted against DMWW that result from the acts or omissions of CGLLC, CGLLC's employees, if any, and CGLLC's agents.

DMWW agrees to indemnify and hold harmless CGLLC from all claims, losses, expenses, fees including attorney fees, costs, and judgments that may be asserted against CGLLC that result from the acts or omissions of DMWW, DMWW's employees, if any, and DMWW's agents.

**11. INTELLECTUAL PROPERTY.** The following provisions shall apply with respect to copyrightable works, ideas, discoveries, inventions, applications for patents, and patents (collectively, "Intellectual Property"):

- a. Consultant's Intellectual Property.* CGLLC does not personally hold any interest in any Intellectual Property generated for DMWW. All content generated shall be the property of DMWW.

**12. OWNERSHIP OF SOCIAL MEDIA CONTACTS.** Any social media contacts, including "followers" or "friends," that are acquired through accounts (including, but not limited to email addresses, blogs, Twitter, Facebook, Youtube, or other social media networks) used or created on behalf of DMWW are the property of DMWW.

**13. CONFIDENTIALITY.** DMWW recognizes that CGLLC has and will have the following information:

- prices
- costs
- future plans
- business affairs
- process information
- trade secrets
- customer lists

- copyrights

and other proprietary information (collectively, "Information") which are valuable, special and unique assets of Des Moines Water Works and need to be protected from improper disclosure. In consideration for the disclosure of the Information, CGLLC agrees that CGLLC will not at any time or in any manner, either directly or indirectly, use any Information for CGLLC's own benefit, or divulge, disclose, or communicate in any manner any Information to any third party without the prior written consent of DMWW. CGLLC will protect the Information and treat it as strictly confidential. A violation of this paragraph shall be a material violation of this Agreement.

**14. CONFIDENTIALITY AFTER TERMINATION.** The confidentiality provisions of this Agreement shall remain in full force and effect after the termination of this Agreement.

**15. RETURN OF RECORDS.** Upon termination of this Agreement, CGLLC shall deliver all records, notes, data, memoranda, models, and equipment of any nature that are in CGLLC's possession or under CGLLC's control and that are DMWW's property or relate to DMWW's business.

**16. NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person or deposited in the United States mail, postage prepaid, addressed as follows:

IF for DMWW:

Des Moines Water Works  
William G. Stowe  
CEO  
2201 George Flagg Pkwy.  
Des Moines, Iowa 50321

IF for CGLLC:

Concordia Group LLC  
Nicholas Ryan  
President  
6601 Westown Pwky., Suite 240  
West Des Moines, Iowa 50266

Such address may be changed from time to time by either party by providing written notice to the other in the manner set forth above.

**17. ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral

or written. This Agreement supersedes any prior written or oral agreements between the parties.

**18. AMENDMENT.** This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

**19. SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**20. WAIVER OF CONTRACTUAL RIGHT.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**21. APPLICABLE LAW.** This Agreement shall be governed by the laws of the State of Iowa.

**22. INTERRUPTION OF SERVICE.** Either party shall be excused from any delay or failure in performance required hereunder if caused by reason of any occurrence or contingency beyond its reasonable control, including, but not limited to, acts of God, acts of war, fire, insurrection, laws proclamations, edits, ordinances or regulations, strikes, lock-outs or other serious labor disputes, riots, earthquakes, floods, explosions or other acts of nature. The obligations and rights of the party so excused shall be extended on a day-to-day basis for the time period equal to the period of such excusable interruption. When such events have abated, the parties' respective obligations hereunder shall resume. In the event the interruption of the excused party's obligations continues for a period in excess of thirty (30) days, either party shall have the right to terminate this Agreement upon ten (10) days' prior written notice to the other party.

**23. ASSIGNMENT.** CGLLC agrees that it will not assign, sell, transfer, delegate or otherwise dispose of any rights or obligations under this Agreement without the prior written consent of DMWW. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of DMWW with, or its merger into, any other corporation, or the sale by DMWW of all or substantially all of its properties or assets, or the assignment by DMWW of this Agreement and the performance of its obligations hereunder to any successor in interest or any Affiliated Company. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns, and shall not benefit any person or entity other than those enumerated above.



**24. SIGNATORIES.** This Agreement shall be signed on behalf of DMWW by William G. Stowe, CEO and on behalf of CGLLC by Nicholas Ryan, President and effective as of the date first above written.

Party receiving services:  
Des Moines Water Works

By: \_\_\_\_\_  
William G. Stowe  
CEO

Party providing services:  
Concordia Group LLC

By: \_\_\_\_\_  
Nicholas Ryan  
President