



**WEST BASIN MUNICIPAL WATER DISTRICT**  
17140 S. Avalon Blvd., Suite 210  
Carson, CA 90746

**AGENDA NO. 23**

**MARCH 10, 2010 – Finance**  
Smith (Chair), Dear  
**MARCH 22, 2010 – Board Meeting**  
Prepared by: Margaret Moggia  
Submitted by: Margaret Moggia  
Approved by: Rich Nagel

## ACTION CALENDAR

### ESTABLISH UNDERWRITER POOL

#### SUMMARY:

Over the past year, West Basin Municipal Water District (West Basin) has communicated a vision, Water Reliability 2020, to reduce its reliance on imported water through the expansion of a conservation program and building infrastructure to support recycling and ocean-water desalination. To accomplish the build out of the capital infrastructure, West Basin will need to periodically issue debt in the future.

At the January 2010 Finance Committee, staff informed the Board that a "Request for Qualifications" (RFQ) will be issued to qualified firms who provide underwriting services in connection with establishing an underwriter pool. Staff anticipates establishing an underwriter pool of four to six firms to serve West Basin over the next five years. The underwriters will assist West Basin to sell its bonds to the capital markets. To ensure a competitive process, staff outreached to 18 underwriter firms and each of them registered on West Basin's online bidding system, The Network. The RFQ was posted on January 25, 2010 with responses due on February 12, 2010.

Staff received 17 proposals that were reviewed by staff and West Basin's financial advisor. Each firm was evaluated on the following criteria:

1. Quality and applicability of financing ideas;
2. Demonstrated ability to manage complex financial transactions;
3. Demonstrated ability to structure debt issues efficiently and effectively;
4. Demonstrated ability to sell debt to institutional and retail investors;
5. Demonstrated willingness to put capital at risk;
6. Experience and reputation of assigned personnel; and
7. Past performance and references.

Based on review of the above criteria, the panel selected a short-list of eight firms with the highest points, and invited the firms to interview on Thursday, March 4 or Friday, March 5. A recommendation was brought to the Finance Committee on March 10, 2010 for consideration.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 4: Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

FISCAL IMPACTS:

Underwriter fees will be financed with upcoming debt issuances and negotiated at that time based on current market conditions for similar services.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on March 10, 2010 and recommended for approval at the March 22, 2010 Board meeting.

RECOMMENDED MOTION:

That the Board approves the recommended list of seven underwriter firms as shown on Exhibit "A".

LIST OF EXHIBITS:

Exhibit "A" – Underwriter Pool Proposal and Interview Scores

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