



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

**AGENDA NO. 26**

**JUNE 16, 2010 – Finance**  
Smith (Chair), Dear  
**JUNE 28, 2010 – Board Meeting**  
Prepared by: Margaret Moggia  
Submitted by: Margaret Moggia  
Approved by: Rich Nagel

## ACTION CALENDAR

### FINANCIAL ADVISORY SERVICES

#### SUMMARY:

In October 2007, the Board approved a three-year agreement with Public Resources Advisory Group (PRAG) for financial advisory services. PRAG was selected through a competitive bidding process and was recommended based on the firm's overall knowledge of the debt market, similar client experience and dedicated staff. PRAG has continued to provide counsel to West Basin Municipal Water District (West Basin) to remain financially healthy with key areas of focus on monitoring swap exposure, reviewing customer agreements to expand the recycled water system, developing a dynamic long-range financial model, ocean-water desalination financial analysis and evaluating the impact of the financial market disruption. The Board has previously approved two amendments to address many of the critical areas; however, PRAG's services are approaching the contract limit. As the contract will expire in October 2010, staff will begin the "Request for Proposals" two months earlier with an anticipated recommendation in August 2010.

During this period of time, West Basin will require the continued financial advice of PRAG from contract negotiations on the ocean-water desalination site, the revenue measure, and swap information. In addition, staff will require their assistance in other general areas like review of the draft swap policy anticipated to be brought forward in September 2010. Staff continues to monitor the contract expenditures, but anticipates that additional funding will be required during this proposal period. Staff is recommending an amendment of \$25,000.

#### 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:

Funds are included in the Fiscal Year 2010-11 Financial Support Services Budget.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.