



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

**AGENDA NO. 17**

**AUGUST 10, 2010 – Finance**  
Smith (Chair), Dear  
**AUGUST 23, 2010 – Board Meeting**  
Prepared by: Margaret Moggia  
Submitted by: Margaret Moggia  
Approved by: Rich Nagel

## CONSENT CALENDAR

### BOND COUNSEL SERVICES

#### SUMMARY:

West Basin Municipal Water District (West Basin) requires specialized legal counsel from firms with public finance experience to provide assistance on the issuance or refunding on bond transactions, and legal and tax guidance to ensure that this agency maintains its tax-exempt status. The services are characterized as non-transactional and transactional work as described below.

#### **Non-transactional work**

This work relates to specific tasks as assigned by staff to assist them and would be charged on a time and material basis. Examples of this work would include answering legal and tax questions regarding West Basin projects, tax filings for the financing corporation, and reviewing and submitting the annual continuing disclosure statement.

Fiscal impact: Funds are included in the operating budget.

#### **Transactional work**

If West Basin undertakes a financing transaction for new bond proceeds or restructure existing debt, the fee associated with this work would be brought before the Board at the time of the financing transaction as part of the Cost of Issuance. The cost may vary depending on the complexity of the transaction and whether West Basin will incorporate the use of a derivative.

Fiscal impact: This work does not generally impact the operating budget as the costs are included as part of the overall bond pricing.

In October 2007, the Board approved a three-year agreement with Stradling Yocca Carlson & Rauth (SYCR) who was selected through a competitive bidding process. SYCR was recommended based on the firm's overall knowledge of the public finance market, similar client experience and dedicated staff. In addition, their fee was highly competitive. Their agreement ends on October 31, 2010. SYCR has been available to West Basin to provide assistance and advice over that past three years with the swap transactions, several refunding transactions during the financial crisis, and the establishment of a commercial paper program. In addition, the principal lawyer, Doug Brown, has been available at committee meetings to discuss other bond related topics such as joint powers authority.

As required by our procurement policy, staff is to formally solicit for services over \$25,000. Staff has been pleased with the services provided by Doug Brown and the firm, and understands that they are willing to maintain the currently contracted rates. Staff will proceed forward with the "Request for Proposal" unless the Board opts to extend the current bond counsel services.

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:

Fees are included in the Fiscal Year 2010-11 Finance and Support Services Operating Budget for the non-transactional work. Fees associated with a bond financing transaction will be included within the cost of issuance and approved at that time.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on August 10, 2010 and agendized to the August 23, 2010 Board meeting Consent Calendar.

RECOMMENDED MOTION:

This item is for information only.

EXHIBITS:

None.