



Meeting: **Joint Reservoir Committee and Authority Board December 17, 2021  
Agenda Item 2.2**

Subject: **Task Order for Professional Services (Montague DeRose and Associates)**

---

**Requested Action:**

Consider approval of Montague DeRose and Associates' (MDA) Amendment 3 Task Order No. 2 scope of work for municipal advisory services with a not-to-exceed contract authority of \$855,000 for the period of January 1, 2022 through December 31, 2024.

**Detailed Description/Background:**

On September 22, 2021, the Reservoir Committee approved a work plan for the Amendment 3 period of performance of January 1, 2022 through December 31, 2024 which included municipal advisory activities. The below summary of the scope of services contained in the proposed MDA's Task Order No. 2 was negotiated and is recommended to achieve the required deliverables and milestones for Amendment 3. The Board is reminded that this contract will be managed to the total authority and annual authorized expenditures (by calendar year) reflected in the approved annual budget. An annual Notice to Proceed will be issued to the consultant reflecting these conditions. The proposed agreement task order contains the following subtasks with estimated costs as shown:

- **Financing Plan Development:** Refine the 2021 Draft Plan of Finance based on input from the Authority Board and Reservoir Committee including identifying potential changes, advising on financial impacts of future agreements, evaluating and providing additional detail on financing alternatives, and reviewing financing proposals. (\$70,000)
- **WIFIA Loan Application:** Assist with WIFIA loan application and project approval. If the Sites Project is selected by the EPA to move to the application phase, MDA will assist the Authority with preparing its formal WIFIA loan application to the EPA by supporting a detailed financial review of the project and assisting in negotiations. (\$150,000)
- **Project Participant Support in Securing Revenue:** Support project participants to secure revenue streams necessary for third-party financing by participating in briefings and responding to participant questions and requests. (\$50,000)
- **Secure Credit Ratings:** In preparation for financing, MDA will develop a rating strategy, prepare and present credit structures and materials for rating agencies, and assist in the review of formal credit reports. (\$60,000)

- **Secure Interim Bank Line of Credit or WIFIA Loan Anticipation Notes:** MDA will assist the Authority in determining whether securing low-cost, short-term interim financing is beneficial depending upon the status of the WIFIA loan. This will consist of preparing a bank solicitation for either a line of credit or the direct purchase of short-term WIFIA loan anticipation notes. (\$75,000)
- **Financial Modeling:** In ongoing support of the project, MDA will continue with financial modeling work focused on Sites Enterprise Financial Model management. updating construction costs, operational costs, operational water scenarios, debt assumptions and analysis, and necessary modifications to support more detailed analysis. (\$450,000)

**Prior Action:**

September 22, 2021: Approved the Amendment 3 Project Agreement and Work Plan with a period of performance of January 1, 2022 to December 31, 2024 for the purpose of initiating Participant home board review, deliberation and execution of the agreement.

**Fiscal Impact/Funding Source:**

Sufficient funds are included in the Amendment 3 Work Plan. Consultant activity will be monitored closely to ensure quality, timely deliverables, and to ensure a positive project cash balance is always maintained. Support consultant contract authority will be approved for a 36-month period, however, task order scope and budgets will be reviewed and authorized on an annual basis.

**Staff Contact:**

Joe Trapasso/JP Robinette

**Primary Service Provider:**

Montague DeRose and Associates

**Attachments:**

None.