SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-D**

FROM: Steve Mack, General Manager

Meeting Date: June 1, 2017

SUBJECT: SELECTION OF BOND COUNSEL SERVICES FOR THE DISTRICT FOR THE USDA BOND FOR FUNDING PHASES 2 AND 3 OF THE 2017 CIP

RECOMMENDED ACTION: Receive a presentation from the General Manager on the need to select Bond Counsel for the USDA Bond for funding Phases 2 and 3 of the 2017 CIP, and provide direction to staff.

FISCAL IMPACT: none

DISCUSSION:
The District has agreed to move forward with a USDA bond to fund completion of Phases 2 and 3 of the 2017 CIP. Phases 2 and 3 of the 2017 CIP are replacement of approximately 4,600 ft of existing main and 58 services on Old River Rd at Morningside east to the eastern section of Foothill Drive near where Old River Road intersects with River Road, and includes Orchard Rd and Foothill Drive. The USDA bond will have a total value of approximately $1.8 million and will have a 40 year amortization. The bond will cost the District approximately $70,000 per year.

The bond counsel will be the lead person for completion of the USDA bond. We anticipate the bond issuance date will be close to start of construction next spring/summer.

At the June Board meeting I would like to discuss our progress so far in selecting bond counsel and receive direction from the Board. Staff has interviewed 3 bond counsel firms recommended by USDA and Brandis Tallman which has done public financing for the District in the past. At the time of writing this agenda report I have exchanged emails with all three firms and have had phone conversations with two of them. All of the interviewed firms have experience with USDA bonds and would likely provide excellent service to the District. The timing is such that we should make a decision on this and approve a professional services agreement with the selected bond counsel at the July meeting.