



Topic: **Reservoir Committee Agenda Item 2.7** **2020 October 16**

Subject: **Task Order Bond Counsel (Stradling Yocca Carlson & Rauth)**

Requested Action:

Authorize a contract amendment with Stradling Yocca Carlson & Rauth's (SYCR) to incorporate Task Order No. 1.0 scope of work and budget in the amount of \$50,000, and additional services of \$50,000 for a total contract authority increase of \$100,000, and a period of performance end date of December 31, 2021.

Detailed Description/Background:

The Amendment 2 work plan was approved in August 2020. A placeholder budget was included for meeting the Prop 1 (WSIP) 75% local cost share commitment under the title "Plan of Finance" where a better framing of the required scope was necessary. A project financing work plan to further define necessary scope, schedule, and resources for the local cost share commitment effort is to be considered for approval under Agenda Item 2.4. Budget for development of a successor participation agreement was included in the approved Amendment 2 work plan. Should this plan be adopted, the resulting scope and budget change are captured in SYCR task order 1.0.

Task Order 1.0 contains the following tasks:

- **Plan of Finance:** This task includes work associated with supporting development of the plan of finance for both interim and permanent financing. SYCR will review and analyze various approaches, including pay-go, single Authority financing (with or without step-up provisions or other credit enhancements), and financing by individual Reservoir Committee Member. SYCR will confirm with Reservoir Committee Members' finance staff and general counsel the payment priority position of obligation payable to Authority and will assist in developing a schedule of approvals necessary. (\$40,000)
- **Successor Agreement:** This task involves work associated with development of a successor project agreement (i.e. post 12/31/21). (\$10,000)
- **Optional Services:** Follow-on services not covered in the task order but potentially needed due to the uncertain and complex nature of the work. The additional services could involve additional analysis of financial laws and regulations affecting the Authority's bonding capabilities, more complexity with the terms and conditions for the successor agreement, and added evaluations of bonding options, contracting mechanisms and legal conditions. Notice to Proceed on this task will proceed at a later date with an agreed upon scope and budget with Executive Director approval. (\$50,000)

Prior Action:

Contract was approved May 21, 2018 following a competitive process for selection.

Fiscal Impact/Funding Source:

Sufficient funds are Included in the revised Amendment 2 Work Plan - plan of finance placeholder and Successor Agreement task. Consultant activity will be monitored closely to ensure quality, timely deliverables and to ensure a positive project cash balance is always maintained.

Staff Contact:

Joe Trapasso

Attachments:

None.