

Casitas Municipal Water District

FINANCE COMMITTEE

Kaiser/Word

Casitas District Office

1055 Ventura Ave.

Oak View, CA 93022

August 8, 2019

2:00 p.m.

SPECIAL MEETING AGENDA

1. Roll call
2. Public comments
3. Board/Management comments
4. Review and Discussion regarding Bond Consultant Proposals/Contracts for a proposed 12.7M Series C issuance of CFD 2013-1 Bonds (Ojai Water System).

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of ¶54954.2 of the Government Code.

If you require special accommodations for attendance at or participation in this meeting, please notify our office in advance (805) 649-2251 ext. 113. (Govt. Code Section 65954.1 and 54954.2(a). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers, and may not otherwise take part in the meeting. (Govt. Code Sections 54952.2(c)(6).

MEMORANDUM

TO: Finance Committee
From: Michael L. Flood, General Manager
RE: **Review and Discussion of Consultant Contracts for Casitas MWD
Community Facilities District 2013-1 Proposed Bond Issuance 'Series C'**
Date: August 5, 2019

RECOMMENDATION:

Finance Committee recommend that the Board of Directors approve the consultant contracts for CFD 2013-1 Bond Issuance 'Series C'

BACKGROUND:

In November of 2013, voters of Casitas MWD Community Facilities District 1 approved issuance of bonds for the purposes of acquisition of the Ojai Water System from Golden State Water Company and subsequent upgrades to that same system.

Casitas MWD issued CFD 2013-1 Series A & B in June of 2017 that were used to acquire the system and begin work on system upgrades.

As of June 2019, the CFD 2013-1 funding details were as follows:

CFD 13-1 Funding Details

Current (Issue B) & Future (Issue C)

FY 2020 Project Costs : \$ 9,574,450
Current Issue B Funds Remaining : < \$ 3,761,663 >
Amount to Complete Current Projects: **\$ 5,812,787**

Estimated Issue C Proceeds: \$ 12,750,000
Estimated Needs of Active Projects: < \$ 5,812,787 >
Excess Issue C Proceeds Available: **\$ 6,937,213**

DISCUSSION:

FY 2020 funding needs are projected to be approximately \$9.5M. With a CFD 2013-1 fund balance of approximately \$3.7M, there is a FY 2020 need of \$5.8M.

Staff began working with Suzanne Harrell of Harrell & Company in February of this year and the estimated proceeds from a Series C bond sale is \$12.75M leaving nearly \$7.0M for future projects.

In order to make CFD- 2013-1 Series C bonds available for purchase to the public, Casitas MWD must engage the services of specialized financial consultants.

Suzanne Harrell will provide the consultant contracts and cost details during a presentation to the Finance Committee for consideration. These are the same consultants that were involved in the successful issuance of Series A & B.

Estimated issuance fees are \$268,500.00 and include consultant costs along with bank and rating agency costs.

The consultant contracts along with a cost comparison of recent similarly-sized bond issuances are attached.

In order to take advantage of favorable market conditions and provide funds for FY 2020 projects in a timely manner, staff recommends that Series C be made available for sale during the month of October 2019.

Series C will conclude the currently approved bond funding authorization for the CFD 2013-1 and the taxpayers of CFD 2013-1 are already being assessed at the full amount to cover the Series C bond payments.

		\$12M
		<u>2019 Fees</u>
Bond Counsel	Rutan & Tucker	45,000
Disclosure Counsel	Quint & Thimmig	27,500
Municipal Advisor	Harrell & Company	52,000
Municipal Advisor	Harrell & Company	15,000
Special Tax Consultant	David Taussig (DTA)	22,000
Underwriter	Piper Jaffray	81,000
Other Expense Estimates:		
Trustee	US Bank	5,500
Rating Agency Fees	S&P	19,000
Printing	AVIA	1,500
		<u>268,500</u>

Issuer	Sale Date	Issuer Type	Principal Amount	Total Exp	% of Par
California Statewide Communities Development Authority CFD No 2018-03	2/27/2019	Community Facilities District	8,300,000	451,316	5.44%
Ontario CFD No 25	1/10/2019	Community Facilities District	8,615,000	336,538	3.91%
Jurupa Unified School District CFD No 6	10/23/2018	Community Facilities District	8,650,000	332,588	3.84%
Santee CFD No 2017-1	6/5/2019	Community Facilities District	8,665,000	405,805	4.68%
Eastern Municipal Water District CFD No 2013-64	4/4/2019	Community Facilities District	8,995,000	273,840	3.04%
Corona CFD No 2018-1	7/19/2018	Community Facilities District	9,000,000	593,647	6.60%
Beaumont CFD No 2016-1	3/5/2019	Community Facilities District	9,045,000	308,675	3.41%
ABAG Finance Authority for Nonprofit Corporations CFD No 2004-1	8/13/2018	Community Facilities District	9,795,000	536,258	5.47%
Stockton CFD No 2005-1	6/19/2019	Community Facilities District	9,855,000	298,840	3.03%
Ontario CFD No 38	3/28/2019	Community Facilities District	10,450,000	356,725	3.41%
Manteca Unified School District CFD No 2000-3	10/25/2018	Community Facilities District	11,405,000	374,521	3.28%
Murrieta CFD No 2005-5	9/18/2018	Community Facilities District	11,505,000	349,360	3.04%
Roseville CFD No 1	7/11/2018	Community Facilities District	11,615,000	401,968	3.46%
El Dorado County CFD No 2018-1	5/2/2019	Community Facilities District	12,000,000	423,000	3.53%
Fairfield CFD No 3	11/8/2018	Community Facilities District	12,020,000	286,987	2.39%
Beaumont CFD No 93-1	12/4/2018	Community Facilities District	12,680,000	355,700	2.81%
Corona-Norco Unified School District CFD No 16-1	11/29/2018	Community Facilities District	13,765,000	480,654	3.49%
Roseville CFD No 1	4/17/2019	Community Facilities District	14,010,000	421,598	3.01%
Rocklin CFD No 10	4/24/2019	Community Facilities District	16,000,000	489,660	3.06%
Lammersville Joint Unified School District CFD No 2014-1	2/13/2019	Community Facilities District	16,620,000	447,750	2.69%
San Bernardino County CFD No 2006-1	8/29/2018	Community Facilities District	17,225,000	443,488	2.57%
Lake Elsinore CFD No 2016-2	7/18/2018	Community Facilities District	19,745,000	368,259	1.87%
Chino CFD No 2003-3	11/27/2018	Community Facilities District	21,070,000	514,805	2.44%
Woodland CFD No 2004-1	1/17/2019	Community Facilities District	21,490,000	564,528	2.63%
Temescal Valley Water District CFD No 4	12/11/2018	Community Facilities District	22,260,000	427,035	1.92%
Azusa CFD No 2005-1	6/11/2019	Community Facilities District	24,425,000	432,328	1.77%
Romoland School District CFD No 2004-1	7/17/2018	Community Facilities District	30,205,000	492,601	1.63%
Tracy CFD No 2016-1	8/8/2018	Community Facilities District	32,625,000	822,456	2.52%
San Francisco City & County CFD No 2014-1	2/7/2019	Community Facilities District	33,655,000	322,396	0.96%
Dublin CFD No 2015-1	6/24/2019	Community Facilities District	37,745,000	1,124,288	2.98%
River Islands Public Financing Authority CFD No 2003-1	2/27/2019	Community Facilities District	38,490,000	510,217	1.33%
West Contra Costa Health Care District	6/12/2019	Hospital District	40,509,000	423,765	1.05%
West Contra Costa Health Care District	6/12/2019	Hospital District	40,509,000	423,765	1.05%
Irvine CFD No 2013-3	9/12/2018	Community Facilities District	72,420,000	470,000	0.65%

PiperJaffray

July 22, 2019

Ms. Suzanne Harrell
Harrell & Company Advisors, LLC
The City Tower
333 City Boulevard W., Ste. 1430
Orange, CA 92868

**Re: Proposed Fee for Underwriter Services
Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai)
2019 Special Tax Bonds (the "Bonds")**

Dear Ms. Harrell:

On behalf of Piper Jaffray & Co., thank you for the opportunity to provide the Casitas Municipal Water District with a fee quote to serve as underwriter with respect to their Community Facilities District No. 2013-1 (Ojai) approximately \$12 million 2019 Special Tax Bonds (the "Bonds") to be issued on parity with their outstanding 2017 Series B Bonds. We appreciate the opportunity to work with you and the District on this transaction and are proposing a competitive not to exceed gross underwriting discount of under \$6.75/bond (approximately \$81,000). This fee assumes an "A" category rating and UW Counsel preparation of the Bond Purchase Agreement and is detailed as requested below.

Underwriter's Discount	\$ Amount	\$ Per Bond
Average Takedown	\$61,500	\$5.13
Management Fee	\$0	\$0.00
Expenses (detailed below)	\$19,512	\$1.63
Gross Spread	\$81,012	\$6.75
Expenses	\$ Amount	\$ Per Bond
Out-of-Pocket Expenses	\$1,250	\$0.10
Underwriter's Counsel	\$12,000	\$1.00
DTC	\$800	\$0.07
DAC - Disclosure Review	\$500	\$0.04
CUSIP	\$620	\$0.05
CDIAC	\$3,000	\$0.25
Ipreo Syndicate Expense	\$1,042	\$0.09
Day Loan	\$300	\$0.03
Total Expenses	\$19,512	\$1.63

Our proposed fee is based on our analysis of recent similarly rated and sized land-based transactions which I have attached herein as an appendix.

Thank you for your consideration. Having last served as underwriter on the District's 2017 Series A and Series B Special Tax Bonds, we look forward to the opportunity to work with you, the District, and their staff on this transaction.

If you have any questions regarding this fee quote or need any additional information, please feel free to contact me directly.

Sincerely,



Katie Koster
Managing Director
Piper Jaffray & Co.
Katherine.a.koster@pjc.com
949-494-6110 Office

Appendix A – Underwriter’s Discount Analysis

Sale Date	Par (\$mm)	Spread (\$/bond)	UWD (\$)	Issuer	Issue Description	Series
1/10/2019	8.62	11.90	102,519	Ontario City-California	Special Tax Bonds	Series 2019
1/16/2019	2.35	15.00	35,175	Riverside Co (Murrieta Valley) USD	Special Tax Bonds	2019 Series
1/17/2019	7.04	14.40	101,376	San Diego Co (San Marcos) USD	Special Tax Bonds	Series 2019
1/17/2019	21.49	9.75	209,528	Woodland City-California	Special Tax Bonds	Series 2019
1/31/2019	10.80	7.75	83,700	Los Osos Community Services Dt	Ltd Obligation Refunding Bonds	Series of 2019
2/7/2019	33.66	5.28	177,698	San Francisco City/Co-California	Special Tax Bonds	Series 2019 A
2/7/2019	157.31	5.29	832,170	San Francisco City/Co-California	Special Tax Bonds	Series 2019 B
2/13/2019	5.12	13.33	68,183	Ontario City-California	Special Tax Bonds	Series 2019
2/13/2019	16.62	12.50	207,750	San Joaquin Co (Lammersville) JUSD	Special Tax Bonds	Series 2019
2/21/2019	2.68	19.13	51,173	Salinas City-California	Special Tax Bonds	2019 Series
2/27/2019	8.30	15.00	124,500	California Statewide CDA (CSCDA)	Special Tax Bonds	Series 2019
2/27/2019	38.49	7.81	300,607	River Islands Public Fin Auth	Public Imp Special Tax Bonds	Series 2019 A
3/5/2019	2.14	17.25	36,915	Eastern Municipal Water Dt	Special Tax Bonds	2019 Series
3/5/2019	9.05	15.00	135,675	Beaumont City-California	Special Tax Bonds	2019 Series
3/7/2019	4.08	15.00	61,200	Riverside Co (Moreno Valley) USD	Special Tax Bonds	Series 2019
3/7/2019	6.35	15.00	95,175	Riverside Co (Moreno Valley) USD	Special Tax Bonds	Series 2019
3/28/2019	3.75	19.00	71,155	Riverside Co (Temecula Valley) USD	Special Tax Bonds	Series 2019
3/28/2019	7.16	15.00	107,325	Riverside Co (Temecula Valley) USD	Special Tax Bonds	Series 2019
3/28/2019	10.45	11.74	122,683	Ontario City-California	Special Tax Bonds	Series 2019
4/4/2019	4.97	15.20	75,544	Dixon City-California	Special Tax Bonds	Series 2019
4/4/2019	9.00	8.40	75,558	Eastern Municipal Water Dt	Special Tax Bonds	2019 Series
4/9/2019	25.18	8.00	201,400	Lake Elsinore School Fin Auth	Refunding Revenue Bonds	Series 2019
4/18/2019	14.01	9.69	135,757	Roseville City-California	Special Tax Bonds	Series 2019
4/24/2019	16.00	11.85	189,600	Rocklin Community Fac Dt	Special Tax Bonds	Series 2019
4/25/2019	1.28	20.59	26,252	Tiburon Town-California	Ltd Obligation Improvement Bonds	2019 Series B
5/2/2019	12.00	18.58	222,960	El Dorado Co-California	Special Tax Bonds	Series 2019
5/9/2019	4.16	14.75	61,360	Riverside Co (Jurupa) USD	Special Tax Bonds	2019 Series A
5/16/2019	6.86	13.50	92,543	Sacramento City-California	Special Tax Bonds	Series 2019
5/23/2019	2.20	19.50	42,803	Riverside Co (Temecula Valley) USD	Special Tax Bonds	Series 2019
5/29/2019	32.11	11.75	377,293	San Jacinto USD Fin Auth	Special Tax Revenue Bonds	Series 2019
5/30/2019	18.80	14.15	266,020	Riverside Co (Menifee) USD	Special Tax Bonds	2019 Series
6/5/2019	8.67	9.54	82,664	Santee City-California	Special Tax Bonds	2019 Series
6/11/2019	4.05	7.65	30,944	Fontana City-California	Special Tax Bonds	Series 2019
6/11/2019	24.43	8.50	207,613	Azusa City-California	Special Tax Refunding Bonds	2019 Series
6/20/2019	9.86	8.00	78,840	Stockton City-California	Special Tax Bonds	Series 2019
6/24/2019	37.75	14.95	564,288	Dublin City-California	Special Tax Bonds	Series 2019
6/25/2019	48.86	3.28	160,150	Irvine City-California	Ltd Obligation Improvement Bonds	
6/26/2019	16.58	8.95	148,313	Fremont City-California	Special Tax Bonds	Series 2019
6/27/2019	3.12	8.41	26,197	Folsom City-California	Special Tax Bonds	Series 2019
6/27/2019	12.54	10.03	125,776	Roseville City-California	Special Tax Bonds	Series 2019
7/9/2019	.67	17.94	11,929	Newport Beach City-California	Ltd Obligation Improvement Bonds	2019 Series B
7/9/2019	1.58	16.15	25,434	Newport Beach City-California	Ltd Obligation Improvement Bonds	2019 Series A
7/11/2019	3.85	15.00	57,675	Upland City-California	Special Tax Bonds	Series 2019 B
7/11/2019	5.32	15.00	79,725	Upland City-California	Special Tax Bonds	Series 2019 A

15.44	\$	12.60	\$	142,980	All CFD Transactions
14.99	\$	12.81	\$	140,051	NR Transactions
24.80	\$	8.25	\$	204,506	Rated Transactions
14.20	\$	11.69	\$	166,951	\$10 - 20 million Transactions

Quint & Thimmig LLP

Attorneys at Law

900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726

Phone: 415/925-4200
Fax: 415/925-4201

July 26, 2019

Michael Flood, General Manager
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, California 93022

Re: Proposal to Provide Disclosure Counsel Services for Casitas Municipal Water District Community Facilities District No. 2013-1 (OJAI) 2019 Special Tax Bonds

Dear Mr. Flood:

Quint & Thimmig LLP welcomes the opportunity to once again provide Disclosure Counsel Services to the Casitas Municipal Water District for bonds to be issued by the District for its Community Facilities District No. 2013-1. We enjoyed working with the District and its consultants in connection with the issuance of the Series A and Series B Bonds for the Community Facilities District in 2017, and look forward to working with the team on the new 2019 parity bond issue.

Accompanying this letter is a proposed Agreement for Legal Services to be entered into by the District and our firm. The Agreement provides that our compensation is entirely contingent upon the issuance of the proposed 2019 parity bonds, and is payable solely from the proceeds of those bonds.

Please let me know if you have any questions regarding the Agreement.

Very truly yours,



Paul J. Thimmig, Esq.

PJT:cra
Enclosure

cc: *(via email only)*
Suzanne Harrell

Agreement for Legal Services

Disclosure Counsel

CASITAS MUNICIPAL WATER DISTRICT Community Facilities District 2013-1 2019 Special Tax Bonds (Ojai)

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into as of August 14, 2019, is by and between the CASITAS MUNICIPAL WATER DISTRICT (the "District"), and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

RECITALS:

WHEREAS, the District has formed a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, known as the Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai) (the "CFD"), and anticipates the issuance of a series of special tax bonds (the "Bonds") for the CFD; and

WHEREAS, the District requires the services of disclosure counsel in connection with the issuance of the Bonds;

WHEREAS, the District has determined that Attorneys are specially trained and experienced to provide services for accomplishing such issuance and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services.

AGREEMENT:

NOW, THEREFORE, IT IS HEREBY AGREED, as follows:

Section 1. Duties of Attorneys. Attorneys shall provide legal services as disclosure counsel in connection with the preparation of the official statement to be used in connection with the offering and sale of the Bonds (the "Official Statement") and a continuing disclosure certificate of the District. Such services shall include the following:

(a) Review the Official Statement (both preliminary and final) to be prepared by the District's Municipal Advisor in connection with the offering of the Bonds;

(b) Confer and consult with the officers and administrative staff of the District as to matters relating to the Official Statement;

(c) Participate in the administrative meetings at which the Official Statement is to be discussed, deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statement (it being expected that such meetings will be conducted by group conference calls);

(d) Review the continuing disclosure certificate to be prepared by the District's Municipal Advisor in connection with the Bonds; and

(e) Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter of Attorneys addressed to the District and the underwriter of the Bonds to the effect that, although Attorneys have not undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, in the course of Attorneys participation in the preparation of the Preliminary Official Statement and the Official Statement Attorneys have been in contact with representatives of the District and others concerning the contents of the Preliminary Official Statement and the Official Statement, and related matters, and, based upon the foregoing, nothing has come to Attorneys attention to lead Attorneys to believe that either the Preliminary Official Statement or the Official Statement (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, information related to the bond insurer and its municipal bond and reserve fund policies, and information relating to The Depository Trust Company and its book-entry system, as to which Attorneys need express no view) as of the date of the Preliminary Official Statement or Official Statement, respectively, or the date of the closing for the Bonds contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 2. Compensation. For the services described in Section 1, Attorneys shall be paid a fee of \$27,500.00. *Payment of said fee shall be entirely contingent upon the issuance of the Bonds*, shall be due and payable upon the delivery of the Bonds and shall be payable solely from the proceeds of the Bonds and from no other funds of the District.

Section 3. Exceptions. The District has retained another law firm to provide bond counsel services with respect to the issuance of the Bonds, and the services of Attorneys do not include any of the services customarily provided by bond counsel. Any services rendered in any litigation involving the District, the CFD, or the financing proceedings relating to the Bonds are excepted from the services to be rendered for the above compensation. A review of past compliance by the District with its existing continuing disclosure obligations or any on-going advice and preparation of necessary documentation regarding the continuing disclosure requirements of the Securities and Exchange Commission with respect to the Bonds are also excepted from the services to be rendered for the above compensation. For any such services mentioned in this Section 3 which Attorneys are directed to render for and on behalf of the District, compensation shall be on the basis of reasonable fees to be agreed upon by the District and Attorneys.

Section 4. Responsibilities of the District. The District shall cooperate with Attorneys and shall furnish Attorneys with certified copies of all proceedings taken by the District related to the formation of the CFD and the issuance of the Bonds. All costs and expenses incurred by the District incidental to the issuance of the Bonds, including the fees and expenses of bond counsel, the Municipal Advisor, and the special tax consultant shall be paid by the District, and shall not be the responsibility of the Attorneys.

Section 5. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the District, with or without cause, upon written notice to Attorneys. In the event of such termination, all finished and unfinished documents shall, at the option of the District, become its property and shall be delivered by Attorneys to the District.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

CASITAS MUNICIPAL WATER DISTRICT

By: _____
Mike Flood, General Manager

QUINT & THIMMIG LLP

By: _____
Paul J. Thimmig, Partner



www.FinanceDTA.com

5000 Birch Street, Suite 6000
Newport Beach, CA 92660

July 28, 2019

Mr. Michael Flood
General Manager
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, Ca. 93022

Subject: Proposal for Community Facilities District Additional Bond Issuance

Dear Mr. Flood:

I am pleased to submit the enclosed proposal under which David Taussig & Associates, Inc. would provide special tax consulting services to the Casitas Municipal Water District ("CMWD") in connection with the additional issuance of special tax bonds for Community Facilities District ("CFD") No. 2013-1 (Ojai). Our proposal includes a detailed scope of services and proposed fee schedule.

As you are aware, my staff and I take great pride in the quality of work that we provide to CMWD as well as our high level of responsiveness, innovation, and efficiency. Our goal has always been to serve CMWD's interest by providing the highest level of service in an efficient manner without ever compromising our standards of quality.

Should you have any questions, please do not hesitate to call me at (949) 955-1500. I have enjoyed assisting CMWD with the formation and continued administration of CFD No. 2013-1 over the past years and look forward to continuing this relationship.

Very truly yours,

Shayne M. Morgan
Vice President

Enclosure

SCOPE OF SERVICES

CFD CONSULTING SERVICES

Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai)

David Taussig & Associates, Inc. ("DTA") shall provide consulting services necessary to assist the Casitas Municipal Water District ("CMWD") with the issuance of an additional series of special tax bonds for its Community Facilities District ("CFD") No. 2013-1 (Ojai). DTA's responsibilities under this Scope of Services shall consist of the following tasks:

Task 1 Mello-Roos Special Tax Pro Formas

This task involves preparing pro forma cash flow analyses of the additional issuance of special tax bonds for CFD No. 2013-1. Each pro forma provides a long-term comparison of CFD No. 2013-1 revenues and expenses. The pro forma will focus upon the following for CFD No. 2013-1:

- **Special Tax Revenues:** Aggregate special tax revenues by the property classifications set forth in the Rate and Method of Apportionment.
- **Debt Service Coverage:** Estimate aggregate debt service coverage ratios for the bonds.
- **Bond Sizing and Structure:** Coordinate with financial advisor and underwriter regarding structure and sizing of bonds to establish an optimal schedule of bond sales to maximize funding capacity and alleviate cash flow constraints, including trade-offs between capitalized interest and bond-financed facilities, required reserve funds, and escrowed bond proceeds, if applicable.
- **Special Tax Verification:** Verify maximum special tax rates.

DTA shall prepare up to a total of five (5) pro formas for CFD No. 2013-1 to analyze different scenarios related to the issuance of special tax bonds. DTA shall prepare pro formas based on the classification of property for the fiscal year 2019-2020 special tax levy assembled by DTA, and may supplement with other data supplied by CMWD, consultants designated by CMWD, or landowners. DTA shall rely upon data provided by others and shall not be responsible for verifying its accuracy.

Task 2 Overlapping Debt and Value-to-Lien Ratios

This task involves comparing CFD No. 2013-1 and other overlapping land secured debt to assessed values. Direct and overlapping debt shall consist of bonded indebtedness secured by a special tax and/or special assessment levy against taxable fiscal year 2019-2020 secured tax roll values. The following subtasks are included:

- **Overlapping Debt Research:** Using data obtained from the County Tax Collector, identify public agencies that have issued land secured debt that overlaps CFD No. 2013-1;
- **Apportionment of Overlapping Debt:** Contact all agencies identified above to obtain the amount of outstanding land secured bonded indebtedness that overlaps CFD No. 2013-1. Using data provided by the County Tax Collector and/or the issuer, estimate the annual

special taxes or assessments for each overlapping bond issue and allocate accordingly to each Assessor's Parcel;

- **Value-to-Lien Ratio Table:** DTA will estimate value-to-lien ratios and value to lien range, if applicable.

Task 3 Property Tax Burden Analysis

Prepare an estimate of the total property taxes to be paid by the "typical" homeowner in each taxable land use class within CFD No. 2013-1. Calculate the effective tax rate using assessed values for developed properties.

Task 4 Document Review and Preparation

Assist CMWD and its finance team in the preparation and review of legal and bond documents for the additional issuance of special tax bonds, including the Bond Indenture, Official Statement, Continuing Disclosure Agreements, Statement of Overlapping Debt for the Official Statement, Special Tax Coverage tables, and Sample Tax Bills.

Task 5 Special Tax Consultant Certificate

DTA shall prepare and execute a Special Tax Consultant Certificate confirming the adequacy of special taxes to meet debt service requirements for the bond issue.

Task 6 Meeting

DTA shall attend one (1) meeting with the CMWD staff, finance team, or other interested parties to present and/or discuss the Official Statement, Bond Indenture or other bond documents.

Task 7 General and Technical Assistance

Answer questions and provide technical advice to CMWD and its finance team regarding the financing during the period in which Tasks 1 - 6 are being completed. Coordinate with the CMWD's financial advisor and underwriter regarding structure of final debt service and bond schedule. Prepare final special tax pro forma analyses.

Task 8 Additional Consulting Services

For additional fees, DTA shall complete other tasks as agreed upon by DTA and CMWD. Such tasks may include holding additional meetings and preparing additional computerized special tax pro formas.

FEE SCHEDULE

CFD CONSULTING SERVICES

**Casitas Municipal Water District
Community Facilities District No. 2013-1 (Ojai)**

DTA shall be paid for its work for the completion of Tasks 1 through 7 in the Scope of Services through a fixed fee paid upon the sale of the additional series of special tax bonds. DTA's proposed compensation (including out-of-pocket expenses) shall be based on the following schedule:

<u>Bond Issue Size</u>	<u>Proposed Compensation</u>
Less than \$5,000,000	\$15,500
\$5,000,000 - \$10,000,000	\$15,500 +.0010 of amount over \$5,000,000
\$10,000,001+	\$20,500 +.0008 of amount over \$10,000,000

If the additional series of special tax bonds is not sold within six months after the date of commencement of Scope of Services, DTA shall receive an interim payment from the CMWD based on time and materials for its work completed to date, using the hourly rates shown in the table below. Such interim payments shall continue to occur every six months thereafter. If a bond issue is eventually sold, such interim payments shall be credited towards the final compensation paid to DTA at bond sale.

Upon the sale of the additional series of special tax bonds, DTA shall present to CMWD an invoice for consulting services and shall be paid from the proceeds of the issue. The invoice shall be paid by CMWD within thirty (30) days of the date of the invoice. A 1.2% per month (or the maximum amount permitted by law if less than 1.2%) charge may be imposed against an invoice which is not paid within thirty (30) days of the date of the invoice.

DTA shall charge the following hourly fees for services related to Tasks 1 through 7:

David Taussig & Associates, Inc. Hourly Rate Table *	
President	\$250/Hour
Vice President	\$200/Hour
Senior Associate	\$175/Hour
Associate	\$165/Hour
Senior Analyst	\$155/Hour
Financial Analyst	\$135/Hour
Research Assistant	\$100/Hour
* All hourly rates for services apply through June 30, 2020 and are subject to a cost-of-living increase at that time.	

Any additional tasks assigned by CMWD if the compensation amount listed above has been exceeded shall be charged at the hourly rates listed above. An excessive number of meetings (more than one) or Mello-Roos Special Tax pro forma computer runs (more than five) may also require additional fees. Such additional fees shall be added to the compensation amount listed above.

July 25, 2019

Michael Flood, General Manager
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, CA 93022

Re: Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai)
2019 Special Tax Bonds

Dear Michael:

The following constitutes a fee proposal for the provision of bond counsel services in relation to the Casitas Municipal Water District Community Facilities District No. 2013-1 (Ojai) 2019 Special Tax Bonds (the "Bonds"). Rutan & Tucker, LLP ("Rutan") proposes to provide all necessary bond counsel services, including, without limitation, the preparation of all necessary legal documents, attendance at all necessary meetings, participation in due diligence, and otherwise, for a fixed fee of \$43,000.00, plus reimbursable expenses, which reimbursable expenses will not exceed \$2,000.00. Rutan is pleased to present this fee proposal and hopefully to serve as bond counsel in relation to the above-described bonds.

If you have any questions, please do not hesitate to contact me.

Sincerely,

RUTAN & TUCKER, LLP



William M. Marticorena

WMM:lw

cc: Suzanne Harrell
Harrell & Company Advisors, LLC



HARRELL & COMPANY
A D V I S O R S , L L C

July 25, 2019

Casitas Municipal Water District
1055 Ventura Ave.
Oak View, CA 93022

Attention: Michael Flood
General Manager

RE: Proposed Issuance of Bonds - Proposal to Serve as Municipal Advisor

Dear Mike:

The District proposes to issue an additional series of special tax bonds (the “2019 Bonds”) secured by its CFD No. 2013-1 (Ojai) (“CFD”). We appreciate the opportunity to submit this proposal to serve as Municipal Advisor with respect to the Bonds.

Our engagement as Municipal Advisor will require us to complete the following:

- Structure and size the 2019 Bonds.
- Develop a schedule for delivery of Bond proceeds.
- Obtain fee proposals from financing participants.
- Prepare the Official Statement including any required information relating to the CFD and RMA and the District.
- Review and comment on all legal documents, bond resolutions and closing documents.
- Attend financing team meetings and Board Meetings.
- Prepare the staff reports for District Board actions.
- Prepare rating agency presentation.
- Prepare Staff for dialogue with ratings analysts.
- Prepare staff for due diligence call with disclosure counsel and underwriter.

- For the negotiated sale of the 2019 Bonds:
 - advise the District on the propriety of the underwriter's proposed pricing and compensation relative to the current market conditions;
 - negotiate to provide the lowest available rates and costs to the District;
 - provide the District with a pricing analysis and comparison of its transaction with other recent sales of comparable credit quality or review the analysis prepared by the underwriter; and
 - provide schedules showing the results of the final pricing.
- Provide any post-closing follow up as required.
- Provide any other services reasonably requested and not otherwise set forth above.

Our fee for acting as Municipal Advisor for the issuance of an approximate amount of \$12 million in 2019 Bonds shall be a fixed fee of \$50,000 and for preparation of the Official Statement shall be a fixed fee of \$15,000. Payment of the fee is contingent on closing and payable from 2019 Bond proceeds.

In addition to such fees, we would expect to be reimbursed for actual out-of-pocket expenses associated with the transaction in an amount not to exceed \$2,000. Reimbursed expenses are expected to include shipping, delivery, printing, photocopying, teleconferences and direct and overlapping debt statements.

Our services will commence on the date hereof and may be terminated as described in Exhibit A hereto.

Certain disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board regarding municipal advisors are attached hereto as Exhibit A.

I hope the foregoing proposal and fee is acceptable to the District. Please call if you have any questions or would like to discuss any of the foregoing. I look forward to working with you, the District staff and your financing team again.

Very truly yours



Suzanne Q. Harrell

Accepted By:

Michael Flood, General Manager

Exhibit A
Municipal Advisor Disclosures

Harrell & Company Advisors, LLC (Harrell & Co.) is registered as a “municipal advisor” pursuant to Section 15B of the Securities Exchange Act (Act) and rules and regulations adopted by the United States Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). The SEC has approved MSRB Rule G-42 which, among other matters, requires Harrell & Co. to provide the District with information regarding any conflicts of interest that Harrell & Co. may have and with information about where to find Harrell & Co.’s SEC filings on the SEC website.

As a municipal advisor in connection with the issuance of the Bonds, Harrell & Co. will owe a fiduciary duty to the District and affiliated entities such as the CFD (collectively, the “District”) and will carry out its duties in accordance with such duty. Simply put, this means that Harrell & Co. owes the District both a duty of loyalty and a duty of care and that in performing services that Harrell & Co. may undertake in connection with any bond issue, Harrell & Co. will put the needs of the District ahead of its own. This standard of care is higher than that required of other financial services providers such as underwriters.

The fees to be paid by the District to Harrell & Co. relating to the issuance of the Bonds are contingent on the successful closing of the Bonds. Although this form of compensation may be customary, it presents a conflict because Harrell & Co. may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the District. In addition, if facts or circumstances arise that could cause the financing to be delayed or fail to close, Harrell & Co. may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing. Harrell & Co. manages and mitigates this conflict primarily by adherence to the fiduciary duty which Harrell & Co. owes to municipal entities such as the District which require Harrell & Co. to put the interests of the District ahead of its own.

Harrell & Co. has determined, after exercising reasonable diligence, that other than described above, it has no known material conflicts of interest that would impair its ability to provide advice to the District in accordance with its fiduciary duty to municipal entity clients such as the District. To the extent any such material conflicts of interest arise after the date of our engagement Harrell & Co. will inform the District of such conflicts as described below.

The District may terminate Harrell & Co.’s services at any time upon written notice. Harrell & Co. may withdraw from its representation as Municipal Advisor upon 30 days’ written notice to the District, subject to the fiduciary duty described above which may require it to continue to represent the District until an appropriate replacement is identified which will depend on the status of the transaction.

Harrell & Co. is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving us. Pursuant to MSRB Rule G-42, Harrell & Co. is required to disclose any legal or disciplinary event that is material to the District’s evaluation of Harrell & Co. or the integrity of its

management or advisory personnel. As reflected in Harrell & Co.'s filings with the SEC, Harrell & Co. has determined that no such event exists.

Copies of our filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either "Harrell & Co Advisors" or for our CIK number which is 0001610917.

The Act further prohibits underwriters from switching from a financial advisory role in developing a financing to an underwriting role. Harrell & Co. is not engaged in underwriting.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.
