

## MARINA COAST WATER DISTRICT

### Series 2019 Revenue Bonds

Up to \$23 Million Par Amount

### Request for Proposals for Investment Banking / Underwriting Services

On behalf of Marina Coast Water District, (the “District”), we are distributing this Request for Proposals for investment banking/underwriting services for the District’s anticipated issuance of 2019 Revenue Bonds (the “2019 Bonds”). The District anticipates offering the 2019 Bonds to issue new money for capital projects. The 2019 Bonds will be issued on parity to the District’s outstanding debt secured by its water and wastewater systems.

#### **Submittal information:**

Responses are to be delivered electronically to Ms. Kelly Cadiente, Director of Administrative Services of the District, Robert Porr and Lora Carpenter of Fieldman, Rolapp & Associates, Inc. no later than **4:00 PM pacific time on Monday, August 26, 2019.**

Kelly Cadiente	<a href="mailto:kcadiente@mcwd.org">kcadiente@mcwd.org</a>
Robert Porr	<a href="mailto:rporr@fieldman.com">rporr@fieldman.com</a>
Lora Carpenter	<a href="mailto:lcarpenter@fieldman.com">lcarpenter@fieldman.com</a>

Responses should be no more than ten pages, not including any appendices or attachments.

All requests for additional information or questions regarding this RFP shall be directed to Kelly Cadiente, Robert Porr and Lora Carpenter in writing via email by 2PM on Monday, August 19, 2019.

**The District certifies this request has been sent to at least 3 firms.**

#### **I. BACKGROUND**

##### **Introduction**

The District anticipates offering up to \$23 million in tax-exempt Bonds/COPs to fund capital improvement projects. The issuance will be on parity with the District’s existing parity obligations secured by its water and wastewater systems, including Series 2015A Bonds, 2017 Holman Capital Loan and certain SRF Loans. The District’s applicable parity bonds are currently rated “AA-” by S&P. The District also has a subordinate Series 2010A, rated “A+” by S&P with a final maturity in June of 2020. For more information, please refer to the District’s FY 2018 CAFR found on the following link (<https://www.mcwd.org/docs/financials/2018%20CAFR.pdf>).

The expected term of the 2019 Bonds is anticipated to be 30 years, depending on market conditions and District preferences.

## **Timeline**

The estimated timeline for the transaction is to price and close in November 2019.

## **The Project Team**

Fieldman, Rolapp & Associates, Inc. has been retained by the District as its Municipal Advisor and Jones Hall will serve as Bond Counsel; Jones Hall will assist the District to prepare the disclosure documents.

## **Selection Considerations & Criteria**

The District intends to select a firm with highly relevant qualifications providing investment banking and underwriting services for transactions similar to the proposed 2019 Bonds. Selection criteria will include written responses to the questions below, firm qualifications and fees.

The District reserves the right to negotiate fees prior to the selection of an underwriting firm, or firms. The District further reserves the right to select one or more firms or to reject all proposals.

## **II. QUESTIONS**

1. Describe your firm's retail, professional retail and institutional sales capability related to tax-exempt financings. Please provide an example of your firm's pricing of an AA-rated California water transaction for a par amount in a range of \$20 – \$35 million completed within the last two years.
2. Expand on the pricing differences between going to market with Revenue Bonds versus Certificates of Participation and discuss your forecast of the interest rate environment over the next twelve months.
3. Discuss your ideas on various call features that may be recommendable for the District's proposed transaction.
4. In light of the current conditions in the municipal marketplace, discuss your structuring and overall marketing approach for the 2019 Bonds. Provide your firm's forecast of tax-exempt interest rates for the next twelve (12) months.

## **III. QUALIFICATIONS**

1. List or summarize your firm's experience as senior manager for California-based water enterprise revenue bonds in the last 3 years.
2. Provide a proposed project team, including your underwriter, including the resumes and roles of each team member. Provide each team member's experience over the last 3 years with:
  - a. California water enterprise revenue bonds, revenue certificates of participation and note/highlight tax-exempt transactions (senior managed transactions only)

**IV. FEES**

Provide a detail of your proposed fees and expenses for the financing, and any assumptions used in deriving this fee structure. Include takedowns broken out by maturity. For consistency of comparison, please assume a par amount of \$23 million with a 30-year term.

Include the proposed cost of underwriter's counsel as a fixed expense item, and which firm and contact person you propose to retain.