



**PERSONNEL & SALARY
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
November 13, 2013
9:00 AM
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER

2. PUBLIC COMMENTS

Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

PRESENTATION ITEMS

None

DISCUSSION ITEMS

3. Job Classification Title Changes
4. Adjustment to Salary Range for Assistant General Manager Job Classification
5. Contract Amendment with Public Financial Management, Inc. (PFM)

INFORMATION ITEMS

6. Late Items (Appropriate Findings to be Made)
 - A. Need to take immediate action; and
 - B. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District's website at www.mnwd.com.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** November 13, 2013
FROM: Joone Lopez, General Manager
SUBJECT: Job Classification Title Changes

SUMMARY:

Issue: The wording of job titles for supervisor-level employees requires updating to properly represent current industry terms, establish position expectations, and ensure consistency.

Recommendation: It is recommended that the Board of Directors approve title changes, only, to the suggested job classifications to ensure consistency, relevancy and clarification of job expectations/progression.

Fiscal Impact: This change will not have an impact on the FY 2013/14 budget.

BACKGROUND:

The Supervisors' Unit is mainly comprised of staff whose primary job function is to supervise the daily activities of personnel in different departments; however, some positions use the title of "supervisor," while others use the title of "crew chief." In the exempt employee group, which is comprised of management-level staff, one position uses "supervisor" in the job title when her role is equivalent to a manager rank within the exempt category. The discrepancies resulted as the industry changed and management's expectations evolved.

DISCUSSION:

In order to ensure consistency and set appropriate expectations for employees who supervise personnel, current titles with "crew chief" would be changed to "supervisor." This also allows for the District positions to be comparable to the market when recruiting externally. Based on staff's research, the term "crew chief" is antiquated and no longer reflects the supervisory capabilities required by the industry. Over the

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last year, there's been an emphasis on job expectations and accountability requiring supervisors to exercise greater oversight.

There are two other positions (District Accountant and Management Information Systems Supervisor) that need to be changed to accurately represent the job responsibilities performed by those individuals.

In order to ensure consistency and clearly delineate the progression of supervisory responsibilities amongst District staff, it is recommended that job titles be changed as follows:

EMPLOYEE GROUP	CURRENT JOB TITLE	PROPOSED JOB TITLE
Supervisory	Collection System Crew Chief	Collection System Supervisor
	Customer Service Crew Chief	Customer Service Supervisor
	District Accountant	Accounting Supervisor
	Inspector Crew Chief	Inspection Supervisor
	Station Maintenance Crew Chief	Station Maintenance Supervisor
	Street Crew Chief	Street Crew Supervisor
	Support Services Crew Chief	Support Services Supervisor
Exempt	Management Information Systems Supervisor	Information Technology Manager



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** November 13, 2013
FROM: Michael Gomez, Director of Finance/Treasurer
SUBJECT: Professional Services Agreement Amendment for Finance Support

SUMMARY:

Issue: The existing agreement with the Public Financial Management, Inc. (PFM) needs to be amended to provide interim financial services for the District until the Director of Finance position is filled.

Recommendation: It is recommended that the Board of Directors approve an amendment to the Professional Services Agreement with PFM and authorize the General Manager to execute all necessary documents on behalf of the District.

Fiscal Impact: The Finance Department budget has savings from vacant positions that will offset the cost of the amendment to the Professional Services Agreement.

DISCUSSION:

Public Financial Management, Inc. (PFM) was hired by the District under the General Manager's signing authority on June 17, 2013, for an amount not to exceed \$44,000 at a monthly flat rate. To date, PFM has billed the District \$30,500. It's anticipated that by beginning of November, PFM will reach its original contractual amount.

The District originally identified several projects that PFM would complete and/or assist staff. The scope of work included:

- Rate and revenue requirement analysis and support
- Bond refinancing advice
- Financial policies review
- Financial and capital planning
- Budget

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On September 19, 2013, PFM presented a status report on the current work progress to the Board of Directors. The presentation included updates for:

- Bond refinancing
- Overall financial position assessment
- Multi-year finance plan
- Rate review
- Operational facilities planning

All the projects originally identified in the scope of work continue to progress towards completion. Over the last five months, staff interaction with PFM has been positive and additional resources through PFM have been beneficial to the overall finance department as we work to fill current vacancies.

Last month, the Director of Finance/Treasurer announced his resignation. Management asked PFM to provide a scope of work that will allow for project direction and support to the Finance Department during the absence of the Director of Finance/Treasurer, and for assistance in the recruitment of the new Director of Finance/Treasurer. Under the revised scope of work, PFM will continue to work and complete items identified in the original agreement, with the addition of the following services:

- Provide direction and support for the Finance Department
- Assist with planning/financing/funding large capital projects
- Rate review management, including revenue requirements, cost of service, and rate design
- Financial reporting planning/analysis/disclosure, including working with staff to complete the comprehensive annual financial report
- Debt/Investment management, including potential refunding of current debt and review of the District's investment portfolio
- Budget coordination and preparation
- Assist in the recruitment of the new Director of Finance/Treasurer

Under the revised scope and contract amendment, PFM will be onsite three days a week (a minimum of 24 hours per week). In addition, analytical support would be provided by PFM staff. The cost for these services is \$30,100 per month including travel; \$210,700 for the term of the contract amendment, which would expire on June 1, 2014.

PFM will also serve as the District's financial advisor in the event the District refunds its current debt. The cost for these services is a flat fee of \$35,000 and would be paid from proceeds of the debt issuance. This fee is contingent on a successful transaction.

- Original contract amount: \$44,000
- Amended/increase amount: \$210,700
- Bond refinancing: \$35,000

TOTAL CONTRACT AMOUNT: \$289,700

Staff recommends to amend the contract for a not to exceed amount of \$289,700. The additional cost of the contract will be funded by savings generated from vacant positions in the Finance Department.

Attachments: 1. Agreement between MNWD and PFM
2. Draft Scope of Work for Interim Director of Finance 10-24-13

CONTRACT NO. 2013-1
 APPROVED: _____

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into by and between MOULTON NIGUEL WATER DISTRICT, a California Water District (District), and Public Financial Management, Inc. (Consultant).

RECITALS

WHEREAS, Consultant represents that it is specially trained, experienced, and competent to perform the services as outlined in the attached scope of services; and

WHEREAS, Consultant is competent and able to render the professional services described herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows;

AGREEMENT:

1. Scope of Service. Subject to the terms and conditions set forth herein, Consultant shall provide the professional services to District as described in the *Scope of Services*, which is **Attachment 1** to this agreement and incorporated herein by this reference. Consultant shall provide the services in the manner specified by the General Manager, Joone Lopez ("District representative").
2. Compensation. District agrees to pay Consultant and Consultant agrees to accept payment at a flat monthly fee, payable in two equal monthly installments as specified in **Attachment 1**, for all services required by this agreement, provided that the total compensation to Consultant shall not exceed the sum of forty-four thousand dollars (\$44,000), which is inclusive of all expenses.
3. Effective Date and Term. This agreement shall become effective on June 1, 2013. Consultant shall endeavor to perform all the services described herein by June 1, 2014. The services will be provided on a monthly basis but not necessarily on a consecutive basis. The schedule of services will be determined by the District. Consultant shall not be entitled to and shall not commence any work hereunder unless and until issuance of a written notice to proceed to Consultant.
- 3.1 Termination. This agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, District may suspend performance by Consultant of any or all services listed in the scope of services by providing written notice to Consultant at least five (5) working days prior to the date on which District wishes to suspend. Upon receipt of such notice, Consultant shall immediately suspend any work or services hereunder, unless otherwise instructed by District in such notice. Consultant shall not perform further services under this agreement after the effective date of suspension until receipt of written notice from District to resume performance.

4. Billings. Consultant shall submit monthly bills to the District in accordance with Attachment 1, describing services performed during the prior 30 day period and any further information required by the District representative, not to exceed the maximum monthly and overall compensation in Section 2 hereof.

5. Status Reports. Consultant shall provide written reports of all significant developments arising during performance of services unless excused by the District representative.

6. Primary Provider of Services. The services described by this agreement shall be performed by Brian Thomas, with assistance from his staff, none of whom shall be replaced without the written consent of the District representative.

7. Assignment and Subcontracting. It is recognized by the parties that a substantial inducement to District for entering this agreement was, and is, the professional reputation and competence of Consultant. Therefore, this agreement may not be assigned by Consultant without the prior written consent of District.

8. Consultant's Responsibility. It is understood that Consultant possesses the skills, experience and knowledge necessary to perform the services agreed to be performed under this agreement, and that District relies upon the Consultant's representation about its skills, experience and knowledge to perform Consultant's services in a competent manner. Acceptance by District of the services performed under the agreement does not operate as a release of said Consultant from responsibility for the services performed. It is further understood and agreed that Consultant is apprised of the scope of the services to be performed under this agreement and Consultant agrees that said services can and shall be performed in a fully competent manner.

9. Indemnification. Consultant shall indemnify, defend, and hold District, its officials, officers and employees harmless from and against any and all actions, claims, damages, expenses and liability arising out of the negligent acts, errors or omissions, or intentional wrongdoing, of Consultant in the performance of its services under this agreement. It is understood that the duty to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

10. Deliverables. The reports and documents prepared by the Consultant pursuant to the agreement as set forth in Attachment 1 shall be delivered to and become the property of the District. All materials of a preliminary nature, such as notes, and other data, prepared or obtained in the performance of this agreement, shall be made available for District review, upon request, at no additional charge. Consultant agrees it shall retain all its files related to this agreement and the services provided hereunder, including all materials of a preliminary nature as described, for a period of no less than four (4) years from the dated date of this agreement.

11. Conflict of Interests. Consultant warrants and covenants that the Consultant presently has no interest in, nor shall any interest be hereinafter acquired in, any matter that will render the services required under the provisions of this agreement a violation of any applicable state, local, or federal law. In the event that any conflict of interest should nevertheless hereinafter arise, the Consultant shall promptly notify the District's Attorney of the existence of such conflict of interest so that the District may determine whether to terminate this agreement.

The Consultant further warrants its compliance with the Political Reform Act (Gov. Code 8100 et Seq.) respecting this agreement. In addition, the Consultant possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel.

12. Copyright. Upon the District's request, the Consultant shall execute appropriate documents to assign to the District the copyright to work created pursuant to this agreement. The issuance of patent or copyright to the Consultant or any other person shall not affect the District's rights to the materials and records prepared or obtained in the performance of this agreement. The District reserves a license to use such materials and records without restrictions or limitation consistent with the intent of the original design, and the District shall not be required to pay any additional fee or royalty for such materials or records. The license reserved by the District shall continue for a period of fifty years from the date of execution of this agreement unless extended by operation of law or otherwise.

13. Insurance. Prior to beginning any of the services or work required by this agreement, Consultant, at its sole cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to the District, the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the District.

- (a) Workers' Compensation. Satisfactory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant shall be provided with limits not less than one million dollars (\$1,000,000.00). In the alternative, Consultant may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the District for loss arising from work performed under this agreement.
- (b) Commercial General and Automobile Liability. Consultant, at Consultant's own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this agreement in an amount not less than one million dollars per occurrence (\$1,000,000.00), combined single limit coverage for risks associated with the work contemplated by this agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this agreement or the general aggregate limit shall be at least twice the required occurrence limit. All this insurance shall cover on an occurrence or an accident basis, and not on a claims made basis. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this agreement including the use of hired and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto). No endorsement shall be attached limiting the coverage.

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy, except as otherwise noted under any numbered requirement:

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- (1) District, its officers, employees, agents, and volunteers are to be covered as insureds as respects each of the following: Liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or Consultant's non-owned automobiles, including automobiles leased, hired, or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded District, its officers, employees, agents, or volunteers.
 - (2) The policy must contain a cross liability or severability of interest clause.
 - (3) An endorsement must state that coverage is primary insurance and that no other insurance affected by the District will be called upon to contribute to a loss under the coverage.
 - (4) Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to District and its officers, employees, agents, and volunteers.
 - (5) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (6) Written notice of cancellation or non-renewal must be received by District at least thirty (30) days prior to such change.
- (c) Professional Liability; Fidelity Bond Coverage. Consultant, at Consultant's own cost and expense, shall maintain for the period covered by this agreement (i) fidelity bond coverage in an amount not less than one million dollars (\$1,000,000.00) for Consultant's representative's performing work pursuant to this agreement; and (ii) professional liability insurance for licensed professionals performing work pursuant to this agreement in an amount not less than one million dollars (\$1,000,000.00) covering the licensed professionals' errors and omissions, as follows:
- (1) Any deductible or self-insured retention shall not exceed \$10,000 per claim, or shall be approved by District if in excess of such amount.
 - (2) Written notice that cancellation, material changes, or nonrenewal must be received by the District at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
 - (3) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 - (a) The retroactive date of the policy must be shown and must be before the date of the agreement, or Consultant will provide evidence of full unknown prior acts coverage
 - (b) Insurance must be maintained and evidence of insurance must be provided for at least two years after completion of the agreement of the work.

- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this agreement, Consultant must provide extended reporting coverage for a minimum of two (2) years after completion of the work. The District shall have the right to exercise, at the Consultant's cost, any extended reporting provisions of the policy should the Consultant cancel or not renew the coverage.
- (d) A copy of the claim reporting requirements must be submitted to the District prior to the commencement of any work under this agreement.
- (d) Deductibles and Self-Insured Retentions. Consultant shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement upon express written authorization of District representative, Consultant may increase such deductibles or self-insured retentions with respect to District, its officers, employees, agents, and volunteers. The District representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Consultant procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the agreement is reduced, limited, or materially affected in any other manner, Consultant shall provide written notice to District at Consultant's earliest possible opportunity and in no case later than five days after Consultant is notified of the change in coverage.
- (f) District's Remedies. In addition to any other remedies District may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, District may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the agreement;
 - (ii) Order Consultant to stop work under this agreement or withhold any payment which becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof;
 - (iii) Terminate this agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies District may have and is not the exclusive remedy for Consultant's failure to maintain insurance or secure appropriate endorsements.

14. Time is of the Essence. The Consultant agrees to diligently carry out the services to be provided under this agreement to completion and in accordance with any schedules specified herein. In the performance of this agreement, time is of the essence.

15. Independent Contractor Status. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this agreement, is an independent contractor and not an employee of the District.

Consultant expressly warrants that it will not represent, at any time or in any manner, that Consultant is an employee of the District.

16. Notices. All notices under this agreement shall be in writing and shall be delivered by personal service or by certified or registered mail, postage prepaid, return receipt requested, of the parties. Any written notice to any of the parties required or permitted hereunder shall be deemed to have been duly given on the date of service if served personally or if served by facsimile transmission (with confirmation of receipt), or seventy-two (72) hours after the mailing. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. Notices of the parties shall be sent to the following addresses:

To Consultant: Brian Thomas, Managing Director
Public Financial Management, Inc.
601 S. Figueroa Street
Suite 4500
Los Angeles, CA 90017

To District: Moulton Niguel Water District
Attn: Joone Lopez, General Manager
27500 La Paz Road
Laguna Niguel, CA 92677
(949) 448-4071
(949) 831-7285 FAX

Each party shall provide the other party with written notice of any change of address or telephone number that occurs as soon as practicable.

17. No Third Party Rights. The parties intend not to create rights in, or to grant remedies to, any third party as a beneficiary of this agreement or of any duty, covenant, obligation, or undertaking established herein.

18. Whole Agreement. This agreement constitutes the entire understanding and agreement of the parties. This agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter thereof.

19. Amendments. This agreement may be modified or amended only by a written document executed by both Consultant and General Manager. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this agreement.

20. Interpretation. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if all parties prepared this agreement. The masculine and neuter genders, the singular number and the present tense shall be deemed to include the feminine gender, the plural number and past and future tense, respectively, where the context so requires.

21. Controlling Law. This agreement and all matters relating to it shall be governed by the laws of the State of California.

22. Counterparts. This agreement may be executed in multiple identical counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument but the parties agree that the agreement on file in the office of the Board Secretary is the version of the agreement that shall take precedent should any differences exist among counterparts of the document.

[signature page follows]

IN WITNESS WHEREOF, Consultant and the District have executed this agreement In Laguna Niguel, California, on June 1, 2013.

DISTRICT:

By: *Joane Lopez*
General Manager

Date: 6/12/13

Attest:

By: *Billie C. Gray*
Board Secretary

Date: 6/13/13

Approved as to Form:
Bowie, Arneson, Wiles & Giannone,
General Counsel

By: *Patricia B. Giannone*
Patricia B. Giannone

Date: 6/17/2013

CONSULTANT: Public Financial Management,
Inc.

Brian Thomas
(Print name)

Brian Thomas
(Signature)

213-462-4025
Telephone Number Fax Number

Social Security/Tax ID Number

Date: _____

[signature page to Professional Services Agreement- Public Financial Management, Inc.]

Attachment 1

Scope of Services

Moulton Niguel Water District
Financial Analysis and Advisory Support
Scope of Services
April 15, 2013

Proposed Scope of Services. Public Financial Management, Inc. ("Consultant") will work with the General Manager, the executive team and finance and planning staff to develop holistic and long-term (five-year) financial plans. This effort includes reviewing and participating in efforts to revise water, recycled water and sewer rates, develop capital expenditure and funding plans, water resource planning, and administrative and budgeting issues. In addition, Consultant will provide advice and counsel regarding special projects, including procurement processes, buy vs. lease decisions, financing (e.g., debt refunding and restructuring), and other specific transactions as requested. Finally, Consultant will assist in the preparation and presentation of reports and analysis to the MNWD board of directors, stakeholder groups, and other interested parties as directed by the General Manager.

Consultant Tasks. Specific tasks include the following:

1. **Rate and revenue requirement analysis and support.** Review and rates proposal and analysis and provide input on analytical approach and objectives. Work with staff to develop appropriate presentation and communication material. Assist in the development of implementation schedule, including alternative approaches to Proposition 218 requirements. Participate, as required, in workshops, public presentations, and board meetings to support the needed rate changes.
2. **Financing and financial advice.** Review and coordinate with MNWD's finance team (including underwriters, bond counsel, staff) to evaluate and analyze financing opportunities. Such opportunities include refunding outstanding debt, issuing new debt, and restructuring debt, all in the context of MNWD's long-term financial and operating objectives.
3. **Financial policies.** Consultant will review MNWD's financial policies (e.g., debt policy, investment policy, rate policy, etc.) and work with staff to update and revise such policies as appropriate. In addition, Consultant will work with staff to identify redundant policies or policies that need to be added.
4. **Financial and Capital Planning.** Consultant will work with staff to develop a long-term (e.g., at least five-year) financial plan. This plan would include funding strategies needed to meet MNWD's ongoing capital needs, operating costs, and water supply costs. This planning effort would necessarily be consistent with ongoing Water Supply Planning efforts and Capital Improvement Planning efforts. The Financial Plan

would integrate each of these elements into an affordable and achievable long-term plan.

5. **Budgets and other operating tasks.** As requested, Consultant will work with staff to develop ongoing operating and capital budgets, including developing presentations, budget documents, and evaluation of rate and revenue impacts.
6. **Special projects.** Consultant will work with staff to develop appropriate decision-making analytics for the consolidation of workforce in to a single work site. This will include working with staff to identify different financing strategies, cost methodologies, and evaluating alternatives. In addition, Consultant will assist staff as requested to evaluate needed professional services to ensure a successful project. Consultant will be available to assist on other special projects as needed.
7. Other projects as assigned. Consultant will be available to work with staff on other projects as determined by the General Manager, and to assist the General Manager evaluate staffing needs in the finance area, and other organizational issues as required.

Schedule and Timeframe. Consultant will be available to begin work on May 13, 2013. Consultant will provide services one day a week at the MNWD office until such time as General Manager determines such service is not required or is not meeting objectives, or as otherwise terminated. It is expected that Consultant services under this scope of services would terminate one year from initial work. However, Consultant and MNWD can extend and modify this scope of services and timeframe at any time with mutual consent.

Personnel. The following PFM employees will conduct work on this project.

Brian Thomas, Managing Director will be the principal assigned to this project. Mr. Thomas will be assisted in analytical work by:

Will Frymann, Senior Managing Consultant
Thomas Toepfer, Senior Managing Consultant

#5.

Fee terms.

Consultant will receive a monthly fee of \$10,000 for all services rendered, payable in two equal instalments on the 15th and 30th day of each month. This fee includes all compensation for out of pocket expenses, including travel, and no additional compensation will be provided other than the flat monthly fee.

**MOULTON NIGUEL WATER DISTRICT
DRAFT SCOPE OF WORK**

**INTERIM DIRECTOR OF FINANCE
October 24, 2013**

The following is a Draft Scope of Work for the Moulton Niguel Water District for professional services related to meeting the roles and responsibilities of the Director of Finance position through June 30, 2014. Brian Thomas of Public Financial Management (PFM) will direct these efforts until a permanent replacement can be hired or June 1, 2014. Michael Bell of Michael Bell Management Consulting (MBMC) will assist PFM as a sub-contractor as needed to ensure continuity of staffing and work product. PFM/MBMC commit to having resources on site at MNWD headquarters 3 days per week for the duration of the project, beginning the week of November 11, 2013. Tasks and duties will include, but not be limited to the following:

Operational

Provide direction and support to Finance Department staff and resources on a daily basis to ensure that all important responsibilities and obligations of the Department are fulfilled.

Operational responsibilities include:

- Supervise and direct staff work as needed
- PFM/MBMC will not be responsible for performance appraisals, but will provide input to MNWD management with regard to Finance Department performance, and provide staff with regular feedback regarding performance and work product
- Coordinate, chair and manage weekly Finance Department staff meetings
- Direct the preparation of Finance staff reports as needed
- Attend and participate as needed in weekly MNWD staff meetings
- Assist MNWD management with organizational structure, class and compensation decisions regarding the Finance Department
- Review and revise existing policies as needed including investment, reserves, debt coverage
- Provide information and support communications with MNWD customers and stakeholders
- Provide information for and attend monthly Finance Committee and Board of Director meetings
- Assist MNWD management with other reports and presentations as needed

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Financial Planning

Develop and implement major financial plans, forecasts and analyses including:

- Assist with planning/financing/funding the Baker Water Treatment Plant (BWTP)
- Assist with planning/financing of Operations/Headquarters facilities
- Develop multi-year (10 year) financial plan
- Develop 10-year cash flow forecast
- Manage Water, Recycled Water, and Sewer rate reviews including:
 - Revenue requirement
 - Cost of service analysis
 - Rate design

Financial Reporting

Ensure that ongoing financial reports, analysis, and disclosure is produced in a timely and accurate basis including:

- Manage and assist with completion of the annual audit
- Manage and assist with completion of the CAFR
- Submit CAFR to GFOA for consideration for award for excellence in financial reporting
- Manage and prepare monthly and quarterly financial reports
- Manage and prepare budgets
- Communicate financial results

Debt/Investment Management

- Coordinate and manage the issuance of refunding and new money debt, including providing the complete range of financial advisory services related to the issuance of debt
- Review investment portfolio on a regular basis
- Evaluate and recommend financing alternatives
- Work with trustee, bond counsel and other parties to ensure timely payment of debt

Budget

- Assist executive management review budget proposals
- Coordinate the preparation and presentation of the 2014/15 budget
- Work with operating divisions to develop a comprehensive and efficient 2014/15 budget
- Participate in workshops, board and committee meetings to review and consider budget

Other Responsibilities as Needed

PFM/MBMC shall provide other services needed under the direction of the MNWD General Manager and Assistant General Manager, including assisting in the recruitment to fill the Director of Finance position.

Timeline

Work performed under this Agreement will be for the period November 1, 2013 through June 1, 2014.

Fee Proposal

PFM/MBMC will perform the above scope of work under the following fee schedule.

PFM/MBMC monthly cost (excluding expenses): \$26,500

Expenses will be billed at actual cost. Monthly expenses are estimated to be \$3,600 per month. PFM/MBMC will follow District protocols regarding travel expenses (e.g., coach flights, room expenses, etc.) Reimbursement for lodging will be capped at \$200/night, including all fees (e.g., transient occupancy taxes, etc.) Receipts for all out-of-pocket expenses will be provided for all expense reimbursement requests.

In the alternative, PFM/MBMC will provide services based on the following hourly rate schedule (plus expenses):

Michael Bell: \$225/hour
Brian Thomas: \$325/hour
Eric Espino: \$275/hour
Russ Branson: \$275/hour

In addition to the above, financial advisory services associated with a debt issuance would be paid from debt proceeds, and would be performed on a flat fee basis equal to \$35,000.

