



Edward J. Donahue III, CMC

President, Municipal and Financial Services Group



EDUCATION

MBA, 1971, Finance, (Government-Business Relations), George Washington University

BS, 1968, Accounting, Johns Hopkins University

PROFESSIONAL REGISTRATION

Certified Management Consultant (U.S., Canada)

MEMBERSHIPS

American Water Works Association (Past Chairman, Finance, Accounting and Management Controls Committee; Chairman, GASB 34 Task Force; Contributing editor, update and expansion, M29 – *Capital Financing*; Contributing author, *Financial Management for Water Utilities*)

Community Associations Institute
Government Finance Officers Association
Institute of Management Consultants (Past President, D.C. Chapter)
U.S. Naval Surface Warfare Center, Base Realignment and Closure Committee, Restoration Advisory Board
Pension Oversight Commission, Anne Arundel County, Maryland (member; former Chairman)
Water Environment Federation

EXPERIENCE

47 Years

Professional Profile

Mr. Donahue serves as president of the Municipal & Financial Services Group, a specialized consulting practice that focuses on financial, management and economic issues facing public sector and infrastructure clients, especially those involved in large capital-intensive activities. Mr. Donahue has almost fifty years of experience, including forty years of management consulting. Prior to establishing MFSG, he directed a national consulting practice for a Big Four accounting firm. His career includes work as Financial Manager of R&D Operations for Westinghouse Electric Corporation and as a senior systems accountant at the U.S. Environmental Protection Agency.

Technical Expertise

- Financial Planning & Analysis
- Litigation Support
- Strategic Planning
- Regulatory Analysis
- Management Audits & Operational Reviews

Selected Consulting Experience

Financial Planning and Analysis - development of financial alternatives, capital improvement plans and financial feasibility studies for operating and capital costs, such as:

- Cost of service/rate studies for over 150 utilities (water, sewer, electric, solid waste, stormwater)
- Impact fees/capacity fees/system development charges
- Development of long-term business plans
- Negotiation of inter-jurisdictional agreements
- Evaluation of contracts and proposals; acquisition and disposal of assets; change orders
- Financial feasibility studies/debt affordability studies
- Bond-related studies (coverage tests, arithmetic verifications, arbitrage compliance, parity tests, etc.)
- Tax revenue and expenditure analyses (tax and annexation disputes)
- Tax differential / tax setoff studies

Management and Organization - evaluation of performance, efficiency and effectiveness of organizations; establishment of new organizations or consolidation of existing organizations or departments, including development of organizational structures and staffing needs, recruitment of key personnel, job descriptions, compensation programs, capital and operating budgets, revenue analysis, etc. Governance studies for boards of directors, commissions and authorities.

Asset Management - development of asset management processes and systems for infrastructure, including: optimization of operating and capital budgets; definition of service levels; condition assessments; identification and specification of software packages; life cycle costing analyses; development of planned and preventive maintenance programs.

Management Reporting - Development of management reporting systems, including development of information needs, frequency and timing of reports, format of reports. Development of specifications for financial reporting systems for large municipal and federal agencies. Development of testing protocols to validate performance of management reporting with pre-established criteria.

Strategic Planning - development of strategic and long-range plans for non-profit and for-profit organizations.

Tax-Exempt Financing - Use of creative approaches to finance economic development and industrial facilities with tax-exempt debt, and the use of special taxing districts (tax increment financing districts [TIF], special community benefit districts [SCBDs], etc.) to facilitate desirable development, including:

- Automotive coatings facilities
- Electric, steam and chilled water systems
- Paper manufacturing facilities
- Senior living communities

Regulatory Analysis - evaluation of financial and economic impact of various environmental laws and regulations, at industry, company and plant levels.

Litigation Support - financial analysis and expert witness service in a wide variety of litigation and regulatory hearings. Typical areas of review include:

- Documentation/re-creation of historical costs
- Forecasts/projections of costs/revenues
- Sensitivity analysis to identify critical issues for negotiations
- Development of/response to interrogatories
- Forensic accounting
- Financial models
- Cost allocations/rate schedules
- Construction claims/commercial disputes
- Civil bankruptcies (Chapters VII, IX and XI)
- Criminal bankruptcy
- Patent/trademark infringement (lost profits, reasonable royalties)

Hazardous Waste - identification and evaluation of financial risks, and development of recommended assurance and insurance levels and mechanisms for a large fully-permitted landfill accepting industrial and medical wastes; determination of risk management mix for hazardous waste operations.

Selected Cost of Service/Rate Study Work

- Albemarle County Service Authority, VA (water, sewer)
- Anchorage Water & Wastewater Utility, AK (water, sewer)
- City of Annapolis, MD (water, sewer)
- Anne Arundel County, MD (water, sewer, solid waste)
- Town of Barnstable, MA (water, sewer, solid waste)
- City of Beaverton, OR (water)
- Boston Water and Sewer Commission (water, sewer, stormwater)
- Town of Branford, CT (sewer)
- Bristol County Water Authority, RI (water)
- City of Cambridge, MD (water, sewer)
- City of Camden, NJ (water, sewer)
- City of Canandaigua, NY (sewer)
- Cape Fear Public Utility Authority, NC (water, sewer)
- Carroll County, MD (water, sewer)
- Cecil County, MD (sewer)
- Town of Cheshire, CT (water, sewer)
- City of Chesapeake, VA (water, sewer)
- Town of Cheshire, CT (sewer)
- Chesterfield County, VA (effluent reuse)
- Town of Chincoteague, VA (water)
- City of Claremont, NH (water, sewer)
- Clermont County, OH (water, sewer)
- City of Cleveland, OH (water, sewer)
- City of Concord, CA (sewer)
- Dallas Water Utility, TX (water)
- Town of Dartmouth, MA (water)
- DC Water (water, sewer, stormwater)
- Delaware County Regional Authority, PA (sewer)
- Denver Water Board, CO (water)
- City of Dunkirk, NY (water, sewer)
- Town of Durham, NH (water)
- Town of Duxbury, MA (water and sewer)
- City of Effingham, IL (water)
- Town of Elkton, MD (water, sewer)
- El Dorado Irrigation District, Placerville, CA (water, sewer)
- Town of Durham, NH (water)
- Town of Elkton, MD (water, sewer)
- City of Fairbanks, AK (water, sewer)
- Fair Oaks Water District, CA (water)
- City of Falls Church, VA (water)
- Fauquier County W&SA, VA (water, sewer)
- City of Findlay, OH (sewer)
- Frederick County, MD (water, sewer, solid waste)
- Frederick – Winchester Service Authority, VA (sewer)
- Village of Fredonia, NY (water, sewer)
- City of Frostburg, MD (water)
- City of Fullerton, CA (water)
- Garrett County, MD (water, sewer)
- Village of Glenview, IL (water, sewer, stormwater)
- Town of Georgetown, DE (sewer)

- City of Hagerstown, MD (water, sewer)
- City of Hampton, VA (wastewater, solid waste)
- County of Hanover, VA (water and sewer)
- Hazleton City Authority, PA (water)
- City of Hilliard, OH (solid waste)
- Howard County, MD (water, sewer, solid waste)
- James City Service Authority, VA (water, sewer)
- Jurupa Community Services District, CA (water, sewer)
- Kennebunk, Kennebunkport & Wells Water District, ME (water)
- Kent County (DE) Sanitary District (sewer)
- Kent County, MD (water / sewer)
- Town of Leesburg, VA (water, sewer)
- City of Lexington, VA (water, sewer)
- Village of Libertyville, IL (water, sewer)
- Village of Lombard, IL (water, sewer)
- Loudoun Water, VA (water, sewer)
- Town of Lovettsville, VA (water, sewer)
- Lower Cape Fear W&SA, NC (raw water)
- City of Manassas Park, VA (stormwater)
- Town of Manchester, CT (water, sewer)
- Massachusetts Water Resources Authority (water/ sewer)
- Metropolitan District Commission, Boston, MA (sewer)
- City of Mexico, MO (water / sewer)
- City of Middletown, CT (sewer)
- Town of Milton, DE (water, sewer)
- Mohawk Valley Water Authority, NY (water)
- Montgomery County, OH (sewer and solid waste)
- Village of Morton Grove, IL (water, sewer)
- New Hanover County, NC (water, sewer)
- City of New Haven, CT (sewer)
- City of New London, CT (water)
- City of Newport News, VA (sewer, solid waste, stormwater)
- City of New York, (water, sewer, stormwater)
- City of Nome, AK (water and sewer)
- Borough of North East, PA (water, sewer)
- North Slope Borough, AK [Prudhoe Bay] (water, sewer, solid waste)
- Town of Ocean City, MD (water, sewer)
- City of Olathe, KS (water / sewer)
- Village of Orland Park, IL (water, sewer, stormwater)
- City of Oxnard, CA (sewer)
- Pittsburgh Water & Sewer Authority, PA (water, sewer)
- Prince William Service Authority, VA (water, sewer)
- Town of Purcellville, VA (water, sewer)
- Queen Anne's County, MD (water, sewer)
- City of Raymore, MO (water, sewer)
- City of Richmond, VA (solid waste)
- City of Rochester, NY (water)
- City of Rockville, MD (water, sewer, solid waste)
- Sacramento Regional County (CA) Sanitation District (sewer, stormwater)
- City and County of San Francisco, CA (solid waste, stormwater, water and wastewater)
- South Norwalk, CT (electric)
- County of Stafford, VA (water and sewer)
- Summit County, OH (sewer)
- Sussex County, DE (water, sewer)
- City of Tucson, AZ (sewer / effluent reuse)
- Union Bridge, MD (sewer)
- Union Sanitary District, Fremont, CA (sewer)
- Urbana-Champaign Sanitary District, IL (sewer)
- Town of Warrenton, VA (water, sewer)
- Washington County Service Authority, VA (water, sewer)
- Washington Suburban Sanitary Commission, MD (water, sewer)
- Village of Westchester, IL (water, sewer)
- City of Wilmington, NC (water, sewer)

Selected Experience - Litigation Support

- City of Farmers Branch v. Dallas Water Utility
City Attorney (Dallas)
Suburban Water Rates
- Confidential (County Attorney, Charles County, MD)
Forensic Accounting Study Related to Defalcation and Embezzlement by County Administrator
- City of Palo Alto, et al v. City of San Francisco
Howard, Rice (for San Francisco)
Water Rates, Water Rights, Availability
- Hotel Owners Association v. City of San Francisco
William Barrett (Deputy City Attorney)
Stormwater Costs
- Apartment Owners Assoc. v. City of Beaverton, OR
City Attorney (for Beaverton)
Multi-Family Water Rates
- F.R. Briscoe v. Clark County, NV
Lempres & Wulfsberg (for URS Engineers)
Construction Claim, Wastewater Treatment Plant
- Landbank Equity Corp.
Laurence Levey, Trustee
Chapter VII Civil Bankruptcy
- Tri-City Tires
Deborah Fisk (Assistant U.S. Attorney)
Chapter XI Civil Bankruptcy
- City of Brookfield, et al v. Milwaukee MSD
Mulcahy & Wherry (for Brookfield)
Capital Cost Allocation, Sewer Rates
- Confidential
Lempres & Wulfsberg
Propriety of Costs Claimed by Consultant
- Confidential
Hogan and Hartson (for Plaintiff)
Trademark Infringement (Lost Profits)
- Renishaw PLC v. Carl Zeiss
Oliff & Berridge (for Renishaw)
Patent Infringement (Lost Profits, Reasonable Royalties)
- Interstate Plaza Partnership v. Home Fed Bank
McCarthy & Burke (for Home Fed)
Breach of Contract, Construction Claim
- Bancroft-Clover Sanitary District, et al v. Denver Water Board
Saunders, Snyder, Ross & Dickson (for Denver)
Water Rates, System Development Charges

- Town of Ashland v. County of Hanover, VA
McGuire, Woods, Battle & Boothe (for Hanover)
Annexation Dispute Before Virginia Commission on Local Governments
- Dewberry & Davis v. Maryland General Services Administration
Silverstein & Mullens (for Dewberry)
Construction Claim, Correctional Facility
- City of Los Angeles v. City of El Segundo et al.
City Attorney (for Los Angeles)
Capital and Operating Costs of Regional Sewer System
- Clement Tingley, et al., v. Board of Supervisors of Hanover County
Hirschler, Fleischer, Weinberg, Cox & Allen (for Hanover)
Connection Fees for Water and Wastewater Systems
- Thomas Wolf, et al. v. Fauquier County Water & Sanitation Authority
O'Connell & Mayhugh (for Wolf)
Capacity Fees, Property Rights
- Washington County v. City of Hagerstown, MD
Urner, Nairn & Boyer, LLC (for Hagerstown)
(Before Maryland Public Service Commission, Case #8324)
Outside-City Water and Sewer Rates
- SCA v. Charles County, MD
Venable, Baetjer and Howard (for SCA)
Capacity Fees
- Bankruptcy Proceeding 03-03428-DOT
(On behalf of the City of Richmond, VA)
Utility Bill Arrearages as Preference Payments
- Matter of Bramble Hill Water System
Gohn, Hankey & Stichel, LLP (for Bramble Hill)
(Before Maryland Public Service Commission, Case #8984)
Water System Valuation and Customer Tariffs
- Matter of City of Frostburg
Law Offices of Michael Cohen (for the City of Frostburg, MD)
(Before Maryland Public Service Commission, Case #9040)
Inside-City vs. Outside-City Rate Differentials
- Application for Rate Increase, Aqua Virginia, Inc.
Buck, Toscano & Tereskerz, Ltd. (for Lake Monticello Owners' Association)
(Before Virginia State Corporation Commission, Case #PUE 2005-00080)
Water System Valuation and Customer Tariffs
- Smartdesks, Inc. vs. CBT Supply, Inc. MJG-05-3456
Conwell, LLC (for Smartdesks, Inc.)
(Intellectual property – lost profits, reasonable royalties)
- David H. Katz, et al. v. Township of Westfall, PA (Civil Action No. 3:CV-03-0277)
Dewey & LeBoeuf (for Katz)
Land Use / Zoning

- Bankruptcy Proceeding 5-09-02736 (Westfall Township, PA, Debtor)
Dewy & LeBoeuf (on behalf of David H. Katz, et al.)
Chapter 9 – Municipal Bankruptcy
- Fisher v. Little Orleans Campground of America
(Circuit Court of Allegany County, MD, Case #01-C-11-036411)
Poole & Kane, P.A. (for LOCPA)
Contract Pricing Dispute
- Malone Investments, LLC v. Somerset County Sanitary District, Inc.
(Circuit Court of Somerset County, MD, Case #19-C-11-014871)
Adkins, Potts & Smethurst, LLP (for Malone)
Cost Allocation Dispute – Sewer Interceptor
- City of Westlake vs. City of Cleveland.
(Court of Common Pleas, Cuyahoga County, OH, Case #CV-12-782910)
Tucker Ellis LLC (for Cleveland)
Stranded Costs, Cost to Cure – Water Utility
- Conyngham Borough vs. Conyngham Borough Authority
(Court of Common Pleas, Luzerne County, PA, Case #2014-03755)
Falvello law Firm, P.C. (for Conyngham Borough Authority)
Dissolution of Authority