Texas Water Development Board

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TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Rebecca Trevino, CPA, Chief Financial Officer

FROM: Georgia Sanchez, Director, Debt and Portfolio Management

DATE: June 10, 2019

SUBJECT: Senior and Co-Manager Selection for State Water Implementation Revenue Fund for Texas (SWIRFT) Fall 2019 bond sale

ACTION REQUESTED

Consider approving the selection of senior and co-managing underwriters for the Texas Water Development Board State Water Implementation Revenue Fund for Texas Fall 2019 bond sale.

BACKGROUND

On April 23, 2019, the Board initiated the process for the issuance of bonds to provide funding for projects in the State Water Implementation Fund for Texas (SWIFT) program. Hilltop Securities Inc. was selected to serve as financial advisor for this transaction, McCall, Parkhurst & Horton L.L.P. was selected to serve as bond counsel, and Bracewell LLP as disclosure counsel. Since that time, staff has been coordinating the bond sale timeline as well as certain legal and disclosure documents with these service providers.

The planning process will continue with the selection of the sale's senior and co-managing underwriters. The underwriters will participate in the completion of the legal documents, bond financing structure discussions, investor outreach, and other activities.

Recommendations are as follows: Bank of America Merrill Lynch is recommended to serve as senior managing underwriter for the transaction, and recommended co-managing underwriters include Citigroup, FTN Financial Capital Markets, J.P. Morgan, Mesirow Financial, Morgan Stanley & Co., Piper Jaffray & Co., RBC Capital Markets, Ramirez & Co., Siebert Cisneros Shank & Co, and Wells Fargo Securities.

RECOMMENDATION

In order to ensure a successful issuance of the SWIRFT bonds, the Executive Administrator recommends approving the selection of the senior and co-managing underwriters for the negotiation of the sale.

Board Members

Peter M. Lake, Chairman | Kathleen Jackson, Board Member | Brooke T. Paup, Board Member

Jeff Walker, Executive Administrator