

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Rebecca Trevino, Chief Financial Officer  
Todd Chenoweth, General Counsel

**FROM:** Georgia Sanchez, Director of Debt and Portfolio Management

**DATE:** January 2, 2020

**SUBJECT:** Hilltop Securities Inc. financial advisory contract

### **ACTION REQUESTED**

Consider authorizing the Executive Administrator to execute a contract amendment to extend the term of the contract with Hilltop Securities Inc. by one year and increase the limit on total payments for services and expenses by \$550,000.

### **BACKGROUND**

On February 23, 2017, the Board approved the selection of First Southwest, a Division of Hilltop Securities, as financial advisor and authorized the Executive Administrator to negotiate and enter into a financial advisory consultant contract. The Texas Water Development Board (TWDB) entered into a contract effective March 1, 2017 and terminating February 28, 2019, with two extension options for an additional 12-month period in each case. The maximum value of the contract was set at \$1 million. In January 2018, the firm's name was formally changed to "Hilltop Securities Inc." On May 17, 2018, the Board approved execution of the first one-year extension option through February 28, 2020, along with a \$975,000 increase to the contract.

### **KEY ISSUES**

The term of the contract with Hilltop Securities Inc. is renewable at the TWDB's option for one additional one-year period through February 28, 2021. The amount of the projected contract authority requirement for this renewal is \$550,000, for a total contract amount of \$3,425,000.

### **RECOMMENDATION**

To continue to receive financial advisory services, including those pertaining to debt transactions, the Executive Administrator recommends that the Board authorize an amendment to the contract with Hilltop Securities Inc. to extend the term of the contract by one year and increase the limit on total payments for services and expenses by \$550,000.

Our Mission	:	Board Members
To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas	:	Peter M. Lake, Chairman   Kathleen Jackson, Board Member   Brooke T. Paup, Board Member
	:	Jeff Walker, Executive Administrator