Texas Water Development Board

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TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Rebecca Trevino, Chief Financial Officer
Ashley Harden, General Counsel

FROM: Georgia Sanchez, Development Fund Manager

DATE: June 8, 2020

SUBJECT: Approve selection of underwriting team

ACTION REQUESTED

Consider the selection and approval of a team of underwriters to serve the Texas Water Development Board for bond sales and other underwriting activities as necessary from June 25, 2020 through August 31, 2021 with an option to renew for up to two additional two-year terms.

BACKGROUND

The Texas Water Development Board (TWDB) selects a team of underwriters through a formal Request for Qualifications (RFQ) process. From this team, the Executive Administrator recommends a senior manager and co-managers for each debt issuance.

On March 12, 2020, an RFQ was sent to firms listed on the Centralized Master Bidders List and an internal distribution list seeking proposals for underwriting services. The RFQ was posted on the Electronic State Business Daily with a deadline of April 9, 2020 at 2 p.m., and 34 firms responded.

KEY ISSUES

An internal review team independently reviewed the responses to develop a recommendation based on the RFQ criteria. The review team's recommendation for the team of underwriters was based on each firm's distribution abilities, experience issuing municipal bonds, demonstrated innovation, qualifications of personnel assigned to TWDB, and financial/capital considerations.

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

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

Jeff Walker, Executive Administrator

The recommended underwriting team is as follows:

BofA Securities, Inc.
BOK Financial Securities, Inc.
Citigroup Global Markets Inc.
FHN Financial Capital Markets
Frost Bank Capital Markets
Jefferies LLC
Mesirow Financial, Inc.
Morgan Stanley & Co. LLC
Piper Sandler & Co.
RBC Capital Markets, Inc.
Ramirez & Co., Inc.
Raymond James & Associates, Inc.
Robert W. Baird & Co. Inc.
Siebert Williams Shank & Co. LLC
Stifel, Nicolaus, & Company, Inc.
UMB Bank, n.a.
Wells Fargo Securities

The scope of this review and evaluation was solely to select underwriting firms to serve in the TWDB's underwriting pool. The TWDB will separately select specific firms to serve on each proposed bond issuance.

The proposed term of the underwriting team is June 25, 2020 through August 31, 2021 with an option to renew for up to two additional two-year terms. The TWDB would reserve the right to remove firms from the underwriting team at any time based on factors including, but not limited to, performance; change in firm organization, management, staffing, or financial condition; or a change in market conditions or development of new financing structures.

RECOMMENDATION

Based on the review of the submitted RFQs, the Executive Administrator recommends the selection and approval of the recommended team of underwriters to serve the Texas Water Development Board for bond sales and other underwriting activities as necessary from June 25, 2020 through August 31, 2021 with an option to renew for up to two additional two-year terms.