

AGENDA ITEM MEMO

BOARD MEETING DATE: January 19, 2023

TO: Board Members

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

FROM: Georgia Sanchez, Development Fund Manager
Alejandro Imatzu, Senior Financial Analyst

SUBJECT: Authorization to begin work on the proposed 2023 State Revolving Fund Revenue Bonds

ACTION REQUESTED

Consider authorizing the Executive Administrator, Chief Financial Officer, and Development Fund Manager to take all necessary actions for the issuance, sale and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds in one or more series; and approving the selection of financial advisor, bond counsel, disclosure counsel, senior managing underwriter, and co-managing underwriters for the negotiation of the bond issue.

BACKGROUND

The Texas Water Development Board is authorized to issue revenue bonds pursuant to Chapter 15, Subchapter J and Chapter 17, Subchapter I of the Texas Water Code.

Bond proceeds have historically been used to fund projects under the Clean Water State Revolving Fund (CWSRF) to provide financial assistance to various wastewater treatment systems, and used to fund projects under the Drinking Water State Revolving Fund (DWSRF) to provide financial assistance to community water systems, including projects funded by federal capitalization grant state match requirements.

Our Mission

Leading the state's efforts in ensuring a secure water future for Texas and its citizens

Board Members

Brooke T. Paup, Chairwoman | George B. Peyton V, Board Member | L'Oreal Stepney, P.E., Board Member
Jeff Walker, Executive Administrator

KEY ISSUES

The net proceeds of the bonds will be used to provide funding to the DWSRF and CWSRF.

Hilltop Securities Inc. is recommended to serve as financial advisor, McCall, Parkhurst & Horton L.L.P. as bond counsel, and Bracewell LLP as disclosure counsel.

RBC Capital Markets is recommended to serve as senior managing underwriter for the transaction. Recommended co-managing underwriters include Jefferies, Mesirov Financial, Inc., Morgan Stanley, Piper Sandler & Co., and Raymond James.

With approval of this item, staff will finalize the timeline, engage the service providers, obtain ratings, complete the debt issuance process as required by the Bond Review Board, update the investor outreach website (via BondLink), and take other necessary steps to prepare the bonds for issuance and sale. The Executive Administrator will return with a request to adopt the associated bond resolution(s) and approval of the Preliminary Official Statement for any series to be issued under this authorization.

RECOMMENDATION

In order to ensure a successful issuance of the State Revolving Fund Revenue Bonds, the Executive Administrator recommends authorizing the Executive Administrator, Chief Financial Officer, and Development Fund Manager to take all necessary actions for the issuance, sale and delivery of Texas Water Development Board State Revolving Fund Revenue Bonds in one or more series; and approve the selection of Hilltop Securities Inc. as financial advisor, McCall, Parkhurst & Horton L.L.P. as bond counsel, Bracewell LLP as disclosure counsel, RBC Capital Markets as senior managing underwriter, Jefferies, Mesirov Financial, Inc., Morgan Stanley, Piper Sandler & Co., and Raymond James as co-managing underwriters.