



P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

AGENDA ITEM MEMO

BOARD MEETING DATE: August 21, 2025

TO: Board Members

THROUGH: Bryan McMath, Executive Administrator
Ashley Harden, General Counsel
Georgia Sanchez, Chief Financial Officer

FROM: David Duran, Director of Debt and Portfolio Management

SUBJECT: Selection of Bond and Disclosure Counsel

ACTION REQUESTED

Consider selection of bond and disclosure counsel and authorize the Executive Administrator to negotiate and enter into contracts for outside counsel services from September 1, 2025, through August 31, 2027.

BACKGROUND

The Texas Water Development Board (TWDB) issues State of Texas General Obligation and Revenue bonds to fund various financial programs. Bond issues are primarily tax exempt for these programs; however, taxable bonds are issued as necessary based upon the type of entity to which the financial assistance is made or the nature of the project financed. The TWDB uses the bond proceeds to purchase debt obligations of Texas political subdivisions and to make limited grants to economically distressed areas in the state. During the upcoming biennium, the TWDB estimates undertaking eight bond sale transactions as well as several early redemptions, all requiring bond counsel representation. Additionally, the continued evolution of disclosure requirements make it prudent to dedicate counsel to serve as disclosure counsel in conjunction with specific bond transactions or situations.

Pursuant to Texas Government Code Sections 1201.027 and 2254.004, the TWDB selects a pool of outside counsel firms through a formal Request for Qualifications (RFQ) process and enters into contracts with each firm in the pool. Subsequently and before each debt issuance, the Executive Administrator recommends bond and disclosure counsel from this pool.

On May 16, 2025, an RFQ was posted on the Electronic State Business Daily website seeking responses for outside bond counsel and disclosure counsel services. The RFQ deadline was June 16, 2025, at 5:00 P.M., and five firms responded.

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Leading the state's efforts
in ensuring a secure
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[Board Members](#)

L'Oreal Stepney, P.E., Chairwoman | Tonya R. Miller, Board Member
Bryan McMath, Executive Administrator

KEY ISSUES

An internal evaluation team independently reviewed the responses to develop a recommendation in accordance with the RFQ. The recommendation for the pool of outside counsel firms was based primarily on the following criteria:

- Firms' company profile and history, their assigned personnel's legal expertise and experience with public finance, and the demonstration of the firms' abilities, including transaction experience as bond counsel, co-bond counsel, disclosure counsel, underwriters' counsel, or special tax counsel
- Innovations developed or worked on for tax-exempt security issues, including bond enhancement agreements, and derivative products
- Capabilities providing guidance related to market disclosure
- Experience in assisting public finance clients in creating new and/or pooled financing programs
- Experience with arbitrage and other tax-related compliance issues

The Executive Administrator recommends selection of four firms to serve as outside counsel. This will provide sufficient representation available to help ensure the best possible service and provide options if a conflict of interest, or even the appearance of a conflict, should develop.

RECOMMENDATION

Based on the review of the submitted RFQs and to ensure the best possible service and flexibility to handle the volume of anticipated bond transactions, the Executive Administrator recommends the selection of Bracewell LLP; McCall, Parkhurst & Horton L.L.P.; Orrick, Herrington & Sutcliffe LLP; and Troutman Pepper Locke LLP to serve in the bond and disclosure counsel pool, and authorization for the Executive Administrator to negotiate and enter into contracts for outside counsel services from September 1, 2025, through August 31, 2027.