

AGENDA ITEM MEMO

BOARD MEETING DATE: February 2, 2023

TO: Board Members

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

FROM: Georgia Sanchez, Director, Debt and Portfolio Management
David Duran, Team Lead, Debt and Portfolio Management

SUBJECT: Financial Advisor Contract Extension Option

ACTION REQUESTED

Consider authorizing the Executive Administrator to exercise the option to renew the existing contract with Hilltop Securities Inc. for a one-year term beginning March 1, 2023, at a cost of \$980,000, and authorizing up to two additional one-year renewal options per the contract terms, for a total contract amount not to exceed \$4.9 million.

BACKGROUND

In February 2021, the Board approved the selection of Hilltop Securities Inc. as financial advisor and authorized the Executive Administrator to negotiate and enter into a financial advisory consultant contract. The initial term of the service period was two years, covering March 1, 2021 through February 28, 2023, with three one-year renewal options in an estimated amount of \$980,000 each, for a total five-year contract amount not to exceed \$4.9 million. While the term and amounts were described in the board memorandum, specific board authority was not included to administratively exercise the contract extension options.

RECOMMENDATION

To continue to receive financial advisory services, including those pertaining to debt transactions, the Executive Administrator recommends exercising the option to renew the existing contract with Hilltop Securities Inc. for a one-year term beginning March 1, 2023 at a cost of \$980,000, and authorizing up to two additional one-year renewal options per the contract terms, for a total contract amount not to exceed \$4.9 million.

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