



Mike DeWine, Governor
R. Gregory Browning, Chairman
Michael Fraizer, Executive Director

December 18, 2024

Re: Request for Qualifications for Underwriting

Enclosed is a Request for Qualifications (RFQ) for inclusion in the underwriting pool for the Ohio Water Development Authority (Authority) relating to the issuance of bonds for our revolving loan programs over the next three to five years. Firms may be qualified to serve as Senior Manager or Co-Manager. A pool will be selected to serve in each capacity. Over the next several years, the Authority expects to issue bonds for the following programs:

- a) Fresh Water
- b) Water Pollution Control Loan Fund (State SRF for wastewater)
- c) Drinking Water Assistance Fund (State SRF for drinking water)

The Authority is requesting five hard copies of the RFQ be mailed in addition to an electronic response emailed to mfraizer@owda.org, tskruck@owda.org, ryan.callender@squirepb.com and cameronj@pfm.com by 4:00 p.m. (EDT) on January 24, 2025. The emailed version will serve as the copy to sufficiently meet the deadline. The five hard copies are to be postmarked by January 24th and sent to:

Ohio Water Development Authority
Attn: Mike Fraizer
480 South High St
Columbus OH 43215

Two day shipping for hard copies is sufficient. The Authority's wish is to receive hard copies by January 28th, however physical receipt of mailed copies subsequent to the 28th will not disqualify an applicant from consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Fraizer".

Michael Fraizer
Executive Director

**THE OHIO WATER DEVELOPMENT AUTHORITY
REQUEST FOR QUALIFICATIONS**

If you wish to submit your firm's qualifications, please observe the following requirements:

1. Your response must be submitted in the precise format specified. All pages are to be included and responses to the requested information should be limited to the number of pages indicated. All exhibits should be numbered and referenced, but not included in the text of your response. The Authority may request more detailed information on any part of the written presentation.

2. For this RFQ, the Authority is requesting five hard copies be sent two day delivery in addition to an electronic copy of your response. Electronic responses to the RFQ are to be e-mailed to mfraizer@owda.org, tskruck@owda.org, ryan.callender@squirepb.com and cameronj@pfm.com no later than 4:00 p.m. (EDT) on January 24, 2025. Responses should be submitted as a word searchable PDF and use the following naming convention:

FirmName_Response_OWDA_RFQ

The five hard copies are to be postmarked January 24th and sent via two day shipping or quicker to:

Ohio Water Development Authority
Attn: Mike Fraizer
480 South High St
Columbus OH 43215

3. Should additional information be needed to respond to this RFQ, such requests should be submitted in writing and received by 11:00 a.m. (EDT) on January 3, 2025. Any such request must be sent by email and should be directed to:

*Jessica Cameron Mitchell
PFM Financial Advisors LLC
E-mail:cameronj@pfm.com*

The Authority will consider all reasonable requests for additional information and will send written responses to all the recipients of this Request for Qualifications by the close of business on January 10, 2025. The Authority will respond only to requests seeking specific information regarding the Authority and its outstanding debt obligations. The Authority will not respond to requests seeking an indication of the Authority's preferences or intentions, nor will the Authority respond to any requests that seek to have the Authority, its financial advisor, or its bond counsel verify or opine as to the economic or legal acceptability of any particular proposal. In

addition, the Authority reserves the discretion to decline to respond to any request if responding to that request would create an undue burden or expense for the Authority or create an unfair advantage to any applicant.

4. The Authority reserves the right to add, promote, demote or eliminate firms from its underwriting groups for reasons including, but not limited to, the following:
 - Personnel changes
 - Mergers or acquisitions of firms
 - Sanctions or limitations imposed, or investigations or proceedings instituted by any applicable regulatory body (SEC, NASD, FINRA, etc.)
 - Unsatisfactory performance
 - Actual or apparent conflicts of interest
 - Sanctions or enforced statements of limitations imposed by the State of Ohio
5. Responses are restricted to the space provided on the pages of this Request for Qualifications. Additional information may be provided by an addendum to your response. Written responses should not be in a font size smaller than 11 pt.
6. Any firm which, in the judgment of the Authority, submits a complete and substantive response to this request will be considered for the co-manager pool if not selected to be among the group of senior managers unless the proposing firm expressly requests not to be.
7. It is the intent of the Authority to select a group of four to five qualified senior managers and up to ten co-managers. The Authority is unable to predict the size and timing of the borrowing needs of our programs over the next few years, we will strive to utilize firms as senior manager and co-manager based on the needs of the program, the qualifications of senior manager candidates and other factors as appropriate. The Authority reserves the right to request additional information from qualified senior managers prior to selecting the senior manager for a specific transaction.
8. The Authority requires that firms not contact rating agencies or other State or Federal agencies with respect to questions regarding this RFQ. Failure to observe these requirements may result in the disqualification of the offending firm.
9. A copy of the Authority's program guidelines, financial statements for calendar year 2023, Investment Policy, Debt Policy, and Interest Rate Swap Policy, current cash flows for the programs of the Authority and additional information about the Authority are available on our web site at www.owda.org.

Scope of Services

The scope of services being requested from the underwriter in connection with issuing bonds shall include, but not be limited to, the following:

1. Coordinate the preparation of a financing plan with the Authority and the Financial Advisor to assess the requirements relative to applicable laws, tax issues, revenue streams, market conditions and circumstances; prepare debt models containing estimates of interest, principal amortization and issuance costs; recommend debt structures, cash flow and security structures and credit enhancements; and develop strategies for selling debt securities in the public markets. Please note that the Authority's financial advisor prepares the numbers and cash flows for all transactions;
2. Coordinate the preparation of preliminary and final official statements with the Authority and bond counsel to provide disclosure in accordance with the most recent laws and guidelines established by the Securities and Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB) and the Government Finance Officers Association (GFOA). Senior Manager also coordinates the printing of the official statements;
3. Participate in the preparation of a second party opinion from a qualified provider for any ESG issuances. This process may include a request for qualifications process;
4. Prepare an investor presentation to provide investor outreach and marketing for the issuance. The investor presentation should include transaction summary, program overview, ESG summary, if applicable, credit and bond security highlights, and issuance structure;
5. Prepare a "Pricing Book" of pre-marketing materials to precede the sale of each issue of bonds which should provide:
 - a. An estimated price scale for the debt securities;
 - b. Price views from the underwriting syndicate;
 - c. A description and characterization of current market conditions, including market update calls with the underwriter in the week or two preceding the call; and
 - d. A plan for marketing the bonds;
6. Provide services concerning technological advancements of benefit to the Authority including the distribution of sale documents, use of AI by investors and how to make our transaction stand out and/or disclosure information, etc.;
7. Coordinate closing arrangements with the Authority members, bond counsel, financial advisor, DTC & Trustees;
8. Prepare a formal and detailed issuance schedule and distribution list. This schedule

identifies tasks to be completed, deadlines to be achieved, and the persons who are assigned responsibility of these tasks from kickoff call to bond closing;

9. Provide personnel to be readily available to Authority representatives at all times to ensure that all project tasks are completed on time and to coordinate all efforts with the Authority's Executive Director, Chief Financial Officer, counsel, bond counsel and financial advisor;
10. Assist with the preparation of formal presentations to credit rating agencies and bond insurance providers as may be requested by the Authority;
11. Manage the co-managing underwriters, negotiate the sale of bonds, provide preliminary pricing, take orders, allow the Authority to follow pricing and, if necessary, to do so remotely, finalize pricing, and maintain the records of the account;
12. Prepare a final proposal and contract with the Authority for the purchase of each issue of debt securities for resale to investors. This includes underwriting syndicate policies, takedowns and liabilities, and definition of retail orders;
13. Prepare a Final Pricing Book of Board presentation materials summarizing the pricing results and share with Authority staff the Thursday before the next Board Meeting. Attend next Board meeting in person and present the results of the pricing and address any questions Board Members have. The book should include:
 - a. A Financing Summary of key financing statistics;
 - b. Market conditions during pricing;
 - c. Actual price scale for the bonds;
 - d. Comparison of actual pricing to the applicable index (for the actual pricing date);
 - e. A pricing progression with pre-marketing, preliminary and final spreads emphasizing subscription levels and bumps/cuts;
 - f. Details and comparisons to actual recent comparable sales;
 - g. Description of actual market conditions at the time of sale; and
 - h. A summary of orders and allotments by underwriter and investor.
14. Provide continuing investment banking services as required by the Authority after the closing of the bond issues.

To cause any negotiated arrangement to conform to the Authority's policies and requirements, the Authority and its financial advisor must approve all agreements among underwriters (A.A.U.).

Basis of Selection

The Authority will qualify firms to serve as senior manager and co-manager. For individual transactions, the Authority will determine in its sole judgment the size of and make-up of the underwriting team that best meets the needs of the individual transaction. The Authority will

consider a number of factors in determining its team, including but not limited to, and in no particular order:

- a. Capability to perform required services;
- b. Ongoing support of the Authority's Programs;
- c. Ability to market obligations;
- d. Financial capacity to underwrite the purchase of the bonds;
- e. Understanding of the projects and needs;
- f. Demonstration of the ability to identify and analyze key issues;
- g. Ohio-based and/or Public finance presence in Ohio¹;
- h. Experience with similar projects and issuers;
- i. Experience with the Authority;
- j. Benefits to the State of Ohio;
- k. Assurances and availability of key personnel;
- l. Ideas and innovations benefiting the Authority; and
- m. Costs.

The Authority may also choose to utilize a short RFP process for certain transactions.

The Authority will negotiate terms that include, but is not limited to, fees, liability, and priority of orders per transaction. The Authority reserves the right to reject firms initially selected as a result of this negotiation.

Schedule of Events

The Authority intends to use the following schedule of events for the solicitation, selection and award of underwriter(s) and debt issuance:

<u>Date</u>	<u>Description of Event</u>
December 18, 2024	Publication of RFQ
January 3, 2025	Requests for additional information
January 10, 2025	Response to requests
January 24, 2025	Receive underwriter responses
Week of February 17th	Conduct interview of underwriter(s), if necessary
February 27, 2025	Projected announcement of qualified firms at Board Meeting

¹ Ohio-based firm is defined as a firm with a corporate headquarters located in Ohio or a public finance office which serves as the main office for some or all of the lead relationship and quantitative bankers that serve as the main point of contact for the Authority's debt coverage.

Other Terms and Conditions

The underwriting firm must perform to the Authority's satisfaction throughout the term. Any failure of the firm to provide the designated principal representatives to attend meetings, provide the reports or to provide any other services that have been requested may be considered to be a breach of performance and may result in immediate replacement as underwriter.

The Authority and its financial advisor will review and/or approve all agreements regarding bond participation and bond allocation plans or procedures and distribution of underwriting fees, if any.

The underwriting firm must deliver a draft of the Bond Purchase Agreement to the Authority, financial advisor and bond counsel for approval prior to the Authority approving the related issuance of bonds.

In connection with this project and this Request for Qualifications, the Authority reserves the right to:

1. Cancel this solicitation;
2. Reject any or all responses;
3. Request an interview with, or request additional information from, individuals or firms prior to final selection of book-running senior managing underwriter, co-senior managing underwriter(s) or co-managing underwriter(s);
4. For the proposed issues, select any firm or combination of firms for contract negotiations which, in the Authority's sole judgment, will best meet the Authority's needs as referenced with "Basis of Selection";
5. Change any issue's schedule of events or cancel any issuance without any financial obligation for services provided, out-of-pocket expenses incurred, or any other obligations to the underwriters;
6. Waive any technicalities and make any award(s) that is determined to be in the Authority's best interests.

Requested Qualifications and Approach to the Authority

The requested information must be presented in the order below and are subject to individual page limits. Appendices and exhibits are excluded from individual page limits.

I. Requested Qualifications

A. Lead Banker Experience (One page)

Provide the contact information for the lead banker(s) including name, title, address, phone number and email. Provide a summary of the lead banker’s experience with SRF-Water and Sewer and pooled bond issuances and experience as lead banker with the Authority. Also identify all team members assisting the lead banker and the roles they will play in serving the Authority. Provide the number of years each team member has been in the business, as well as the number of years employed by the firm responding to this RFQ. Provide a brief resume of each individual as an appendix.

B. Lead Underwriter Experience (One page)

Provide the contact information for the lead underwriter(s) including name, title, address, phone number and email. Provide a summary of the lead underwriter experience with SRF-Water and Sewer and pooled bond issuances and prior experience as lead underwriter with the Authority. Provide the number of years the lead underwriter has been in business, as well as the number of years employed by the firm responding to this RFQ. Provide a brief resume as an appendix.

C. General Information of the Firm

Provide background information on your firm by completing and including the table in your response along with written responses to Items 1-7 below the table:

	1/1/22	1/1/23	1/1/24	11/30/24
Number of professionals ² in public finance and municipal bond sales				
Number of firm professionals located in Ohio				
Number of public finance professionals located in Ohio				
Number of institutional sales personnel assigned exclusively to marketing tax-exempt bonds				
Net Capital of firm				
Number of municipal bond transactions the firm has participated in as a book-running senior or sole manager in Ohio				
Monetary volume of municipal bond transactions the firm has participated in as book-running senior or sole manager in Ohio				

1. Number of years the firm has been in public finance.
2. What location will provide sales and marketing of the Authority’s bonds and where the individuals are located who will be pricing the issue.

² “Professionals” is defined as analyst level and above

3. Please state whether your firm is currently under investigation or has been censured, fined or found guilty for any violation of a federal or state security law or regulation in the last three years.
4. Please describe any other engagements, relationships, or contractual arrangements that may, or may appear to, interfere with your firm's performance of its services to the Authority.
5. Please list any lobbyist employed by or under contract with your firm for the purpose of seeking municipal finance business anywhere in the State of Ohio.
6. Provide a copy of the firm's most recent audited financial statement.
7. Describe your firm's policy with respect to diversity, equity, and inclusion. Please attach a copy of any policy (policy may be included in an appendix).

D. Bond Experience (One Page Maximum)

For Senior Managers please provide a summary of the transactions for which your firm was the “book-running” senior or sole manager since January 1, 2022, for SRF-Water and Sewer, pooled bond transactions, or other Ohio issuers at the state or local level (i.e. Ohio Housing Finance Agency, Office of Budget and Management, local municipalities, etc.). Please provide the amount of par and the name of the lead banker and the lead underwriter for each transaction.

For all respondents, please list all book-running senior or sole manager transactions since January 1, 2022, that you consider relevant to the Authority. Provide the date of issuance, the name of the issuer, the par amount, the firm's management position for the transaction, the security type and the name of the lead banker with the firm.

E. Marketing and Investor Base (One Page Maximum)

Address how your firm would market the Authority's bonds and efforts to strengthen and diversify the Authority's investor base. Please provide examples and how this approach could benefit the Authority.

Committed Capital Examples (Senior Managers Only - One Page Maximum)

Please provide an example where your firm committed capital in order to complete an underwriting of a bond issuance. Include in your examples the total par of the transaction, the amount of committed capital, where the capital was needed in the order book, how the committed capital impacted the pricing adjustment after the order period, the circumstances that led to the capital commitment, and whether those bonds remained unsold at the end of that business day. Exclude any stock orders placed but not filled.

Informational Requests for Underwriting Services

- 1.) Please list all concepts or program recommendations that your firm has presented to the Authority in writing since January 1, 2022. Please include if concept was implemented or acted upon and when. Concepts and programs used above should not include market updates, introductory books or case studies.
- 2.) Based on your experience with other SRFs what is the maximum concentration percentage that one borrower should represent in the pool? Please include your reasoning for your presented concentration, any rating agency considerations to maintain the Authority's AAA/Aaa credit

ratings, along with any methods used by other SRFs to mitigate this risk. Finally, please include any recommendations you or your firm can provide to abate this risk.

- 3.) The Authority needs to have cash on hand or in the process of collection to award a loan. The Authority currently utilizes note purchase agreements and other flexible draw products to provide encumbrance capacity without needing to have funds on hand. Are there other products or recommendations for consideration?
- 4.) The Authority currently sets loan rates monthly based upon rates for the prior eight weeks, but issues bonds to reimburse for project disbursements made in the past 18 months. Please identify risks that should be highlighted with this strategy and/or mitigation efforts you would recommend the Authority consider to maintain its capacity.
- 5.) With the prohibition on tax-exempt advance refunding, opportunities for refunding savings have diminished. How would you recommend the Authority maximize the optionality of its bond calls. Please assume the following:
 - a. The Authority's bonds will have a 10-year par call and a preference at issuance for premium coupons
 - b. More than one transaction may be needed to refund all callable bonds for a given series
 - c. The Authority will be in market for new money to fund projects at least:
 - i. Annually for WPCLF
 - ii. Every 12 to 18 months for DWAF and Fresh Water
 - iii. As much as practicable, The Authority will likely synchronize the timing of new money issuances within 90 days of calls to allow current refundings and new money issuances to be issues as separate series issued concurrently.
- 6.) Please make any structuring recommendations to maximize the Authority's investor base, attempting to maintain revenue coverage of 120% while maximizing flexibility on future bond issuances.
- 7.) Please provide any ideas that may broaden the Authority's investor base.
- 8.) Please provide any programs used by other SRF-Water and Sewer or other recommendations firms can identify to address the Harmful Algal Blooms (HABs) in lakes and streams.
- 9.) Additional Information regarding your firm that you would like the Authority to consider.