



## Legislation Details (With Text)

**File #:** AI 13-1824    **Version:** 1    **Name:** investment advisor agreement  
**Type:** Action Item    **Status:** Reported from Committee  
**File created:** 5/16/2018    **In control:** Board of Directors  
**On agenda:** 6/12/2018    **Final action:** 6/12/2018  
**Title:** Consider recommendation from the Finance/Administrative Committee to approve an agreement with Valley View Consulting, LLC, to serve as the EAA investment advisor in an estimated amount not to exceed \$50,000.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Valley View Investment Services 2018-2020 Proposed

Date	Ver.	Action By	Action	Result
5/22/2018	1	Finance/Administrative Committee		

**Consider recommendation from the Finance/Administrative Committee to approve an agreement with Valley View Consulting, LLC, to serve as the EAA investment advisor in an estimated amount not to exceed \$50,000.**

### RECOMMENDED MOTION:

Move the board approve an agreement with Valley View Consulting, LLC, to serve as the EAA investment advisor for the period July 13, 2018 through June 30, 2020, in an amount not to exceed \$50,000.

### SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve a contract with Valley View Consulting, LLC, to serve as the EAA investment advisor. According to Article IX of the EAA Bylaws, the Investment Policy and Investment Strategy Statement, "it is the policy of the Edwards Aquifer Authority's Board that all available funds are to be invested to the maximum extent possible at the highest possible rates obtainable at the time of investment...". However, the Investment Policy also states that investment yield follows preservation and safety of the principal, liquidity, and investment diversification in the priority order of investment objectives.

To identify additional investment opportunities and further diversify EAA investments consistent with the Investment Policy, staff recommends continuing to engage an independent consultant to serve as the EAA investment advisor. Valley View has provided investment advising and portfolio management services to the EAA since 2010. The fee paid to Valley View, which is explained in the attached agreement, is based on the book value of the EAA's portfolio, with a not to exceed maximum fee. Based on current value and projections, it is estimated that the fee paid to Valley View for each year

of the contract will be approximately \$25,000.

Attached to this item is the draft agreement with Valley View, LLC, which has been reviewed by legal counsel. Although this item is within the General Manager's signature authority, the Texas Public Funds Investment Act requires board approval of such contracts.

At the May 22 meeting, the Finance/Administrative Committee voted to recommend the board approve an agreement with Valley View Consulting, LLC, to serve as the EAA investment advisor for the period July 13, 2018 through June 30, 2020, in an amount not to exceed \$50,000.

#### M/WBE PARTICIPATION:

Valley View, LLC, is not an M/WBE vendor.

#### STRATEGIC PLAN REFERENCE:

This agenda item does not relate to a specific goal within the Strategic Plan, but supports the general EAA mission.

#### FISCAL IMPACT:

This two-year agreement is estimated to cost no more than \$25,000 annually. Funding is available in the 2018 operating budget. Funding for the remaining portion of the contract will be included in future EAA budgets.