



## Legislation Text

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File #: AI 13-2388, Version: 1

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

### RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 06-20-966 of the Edwards Aquifer Authority Board of Directors to approve an agreement with Valley View Consulting, L.L.C., to serve as the EAA investment advisor for the period July 1, 2020 through June 30, 2022, in an amount not to exceed \$50,000.

### SUMMARY:

The purpose of this agenda item is for the board to consider an Executive Committee recommendation to approve a contract with Valley View Consulting, L.L.C., 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.

Section 9.08 of the EAA Bylaws allow the Board to "contract with an investment management firm to provide management advice and assist the Authority in the investment and management of the Authority's public funds and other funds under its control." Attached to this item is Resolution and Order No. 06-20-966, and the draft agreement with Valley View, L.L.C., each of which have been reviewed by legal counsel.

At the meeting on June 2, the Executive Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors to approve an agreement with Valley View Consulting, L.L.C., to serve as the EAA investment advisor for the period July 1, 2020 through June 30, 2022, in an amount not to exceed \$50,000.

M/WBE PARTICIPATION:

Valley View Consulting, L.L.C., 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 2020 operating budget. Funding for the remaining portion of the contract will be included in future EAA budgets.