



Legislation Text

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Consider recommendation from the Finance/Administrative Committee to approve amendments to Article X of the ByLaws of the Edwards Aquifer Authority pertaining to the EAA Investment Policy and Investment Strategy and designating investment officers.

RECOMMENDED MOTION:

Move the board adopt Resolution and Order No. 11-22-041 of the Edwards Aquifer Authority Board of Directors approving amendments to Article X of the EAA Bylaws pertaining to the EAA Investment Policy and Investment Strategy.

Move the board reflect in the minutes that the named persons occupying the positions of Executive Director - Administration and Financial Services and Controller are the Investment Officers under Article X of the Bylaws.

SUMMARY:

The purpose of this agenda item is for the board to consider a Finance/Administrative Committee recommendation to approve amendments to Article X of the EAA Bylaws pertaining to the EAA Investment Policy and Investment Strategy, and designate the EAA's Investment Officers.

Article X - Investment Policy and Investment Strategy Statement

The Texas Public Funds Investment Act requires that the EAA "...review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies..." The proposed edits to Article X, recommended by the EAA's investment advisor (Valley View Consulting), include grammatical and immaterial word choice changes, as well as, the following specific section edits:

- Section 10.03 Investment Strategy: Updated to include definitions of Suitability, Safety of Principal, Liquidity, Marketability, Diversification and Yield for the EAA's fund types.
- Section 10.03(c) Conservation/Aquifer Protection Fund: Updated to include funding received from Authority-controlled groundwater permit leases as a revenue source.
- Section 10.05 Authorized Investments: Updated to clarify that the Authority requires a competitive environment for all individual security purchases and sales, financial institution time deposit placements and financial institution transaction accounts, and money market mutual fund and local government investment pool selections.
- Section 10.09 Selection of Authorized Brokers: Updated the list of approved Broker/Dealers.

Investment Officers

Investment officers for the EAA, as designated in Article X, Section 10.04 of the EAA ByLaws, are as follows:

Executive Director - Administration and Financial Services: Felix Marquez

Controller: Shelly Hendrix

The proposed amendments to the ByLaws and Resolution and Order No. 11-22-041, which have been reviewed by legal counsel, are attached.

At the meeting on October 25, the Finance/Administrative Committee voted to recommend the board adopt a resolution and order of the Edwards Aquifer Authority Board of Directors approving amendments to Article X of the EAA Bylaws pertaining to the EAA Investment Policy and Investment Strategy, and to reflect in the minutes that the named persons occupying the positions of Executive Director - Administration and Financial Services and Controller are the Investment Officers under Article X of the Bylaws.

STRATEGIC PLAN REFERENCE:

This agenda item is required by Texas Government Code, Public Funds Investment, Section 2256.005(e).

FISCAL IMPACT:

None.