

AGENDA ITEM MEMO

BOARD MEETING DATE: July 7, 2022

TO: Board Members

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

FROM: Daniel Palacios, Director, Financial Compliance
Dennis Kyhos, Manager, Financial Compliance

SUBJECT: CFO to GO Program—Master Contracts FY2023-FY2025

ACTION REQUESTED

Authorize the Executive Administrator to negotiate and execute contracts with financial consulting firms for an amount not to exceed \$1 million for the purpose of providing services through the CFO to GO program to selected financial assistance recipients of the Texas Water Development Board (TWDB).

BACKGROUND

Since 2019, the TWDB has engaged the advisory service divisions of Certified Public Accounting firms (CPAs) to provide financial consulting services to selected recipients (municipalities and water supply corporations, etc.) of financial assistance through the TWDB's Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. These services include evaluating existing financial and operational processes and procedures of participating entities, and identifying opportunities to enhance their effectiveness, particularly in the areas of financial reporting, internal controls, and regulatory and borrowing covenant compliance. The CFO to GO program has completed projects for eight entities to date.

Master contracts with current consulting firms will expire on August 31, 2022. A new Request for Qualifications compliant with State of Texas procurement requirements is being advertised. Given the level of interest in, and need for, the CFO to Go program, we hope to expand the program by securing more firms enabling us to increase the number of participants over each of the next three years. Master contract terms will run three years with an option to renew for an additional two years.

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Leading the state's efforts in ensuring a secure water future for Texas and its citizens

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Brooke T. Paup, Chairwoman | Kathleen Jackson, Board Member

Jeff Walker, Executive Administrator

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KEY ISSUES

Based on the number of small to mid-sized borrowers and grant recipients in the TWDB's portfolio who are most likely to benefit from the CFO to GO program, the total budget for the purpose of providing these services will not exceed \$1 million. Costs associated with the program will be paid from accumulated origination fees collected under the CWSRF (\$500,000) and DWSRF (\$500,000) programs.

RECOMMENDATION

To continue and expand the CFO to GO program, the Executive Administrator recommends the Board authorize the Executive Administrator to negotiate and execute master contracts with financial consulting firms for an amount not to exceed \$1 million.