

## AGENDA ITEM MEMO

**BOARD MEETING DATE:** November 9, 2023

**TO:** Board Members

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

**FROM:** Yolandra Davis, Director, Financial Compliance  
Dennis Kyhos, Manager, Financial Compliance

**SUBJECT:** CFO to GO Program Contracts for Fiscal Years 2024 - 2027

### ACTION REQUESTED

Authorize the Executive Administrator to execute contracts with advisory firms, in a total cumulative amount not to exceed \$5 million, to provide services to selected Texas Water Development Board (TWDB) financial assistance recipients through the CFO to GO program.

### BACKGROUND

Since 2019, the TWDB has engaged with advisory service divisions of Certified Public Accounting firms to provide advisory services to selected recipients of financial assistance through the TWDB 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 small and mid-size 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, or is currently engaged in, projects for 18 participants to date.

Existing contracts with current firms will expire on August 31, 2025. These contracts were for smaller amounts for which expenditure limits will be reached soon. A new Request for Qualifications is currently being advertised. Given the level of interest in and the need for the CFO to GO program, we hope to enlarge the pool of available contractors, enabling us to increase the number of participants over each of the next five years. Contracts based on the new solicitation will be for terms of three years, with two one-year options to renew.

**KEY ISSUES**

Based on the number of small to mid-sized borrowers and grant recipients in the TWDB portfolio who are most likely to benefit from the CFO to GO program, the total budget for providing these services will not exceed \$5 million over 5 years. Costs associated with the program will be paid from accumulated origination fees collected under the CWSRF and DWSRF programs.

**RECOMMENDATION**

The Executive Administrator recommends authorization to execute contracts for the CFO to GO program with qualified advisory firms in a cumulative amount not to exceed \$5 million so that the program remains available to future participants.