

AGENDA ITEM MEMO

BOARD MEETING DATE: July 27, 2022

TO: Board Members

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

FROM: LeeRoy Lopez, Accounting Director

SUBJECT: Computershare Trust Company, NA (formerly Wells Fargo Bank, NA)
Contract Amendment, Ref: Contract No. 1900012372

ACTION REQUESTED

Consider authorizing the Executive Administrator to execute a contract amendment with Computershare Trust Company, NA (formerly Wells Fargo Bank, NA) to extend the contract for an additional one-year period and to increase the value of the contract by \$350,000 for the purposes of registering and safekeeping political subdivision obligations (PSOs) for all financing programs except the State Water Implementation Revenue Fund for Texas (SWIRFT).

BACKGROUND

The Texas Water Development Board (TWDB) registers PSOs issued by entities participating in its financing programs with the Depository Trust and Clearing Corporation (DTCC) and uses its clearing services for processing principal and interest payments of its PSOs. Utilization of DTCC's clearing services improves agency efficiency by eliminating manual processing and facilitating financial reporting. Because TWDB is not formally classified as a banking institution, it accesses the DTCC system via a contractual relationship with Computershare Trust Company, NA (formerly Wells Fargo Bank, NA).

The contract for these services was procured during fiscal year 2018 and commenced September 1, 2019, for a three-year term with options to extend for two additional one-year periods; annually.

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

[Board Members](#)

Brooke T. Paup, Chairwoman | Kathleen Jackson, Board Member | George B. Peyton V, Board Member
Jeff Walker, Executive Administrator

KEY ISSUES

Based on the number of securities currently held, as well as projected FY 2023 growth, it is estimated that costs for FY 2023 will not exceed \$350,000. Costs associated with Development Fund, Economically Distressed Areas, Water Infrastructure Fund, and Flood Infrastructure Fund programs will be paid with general revenue, while costs associated with the Clean Water or Drinking Water State Revolving Funds will be paid with administrative funds.

RECOMMENDATION

The Executive Administrator recommends the Board delegate authority to execute a contract amendment to extend the contract term for an additional one-year period and to increase the value of the contract by \$350,000 for the purposes of registering and settling TWDB's PSOs for all programs except SWIRFT.