

Minutes of the  
TEXAS WATER RESOURCES FINANCE AUTHORITY  
July 19, 2005

Vice Chairman Bill Meadows. called to order the meeting of the Texas Water Resources Finance Authority at approximately 11:00 a.m. in Room 1-100 of the William B. Travis Building, Austin, Texas. The following Board members were present, constituting a quorum:

Bill Meadows, Vice Chairman  
Thomas Weir Labatt III, Secretary/Treasurer  
Jack Hunt, Member  
James Herring, Member

Chairman D.V. Guerra, Jr. and Member E.G. Rod Pittman were not present.

Persons attending were among those present at the Texas Water Development Board meeting of the same date.

The Authority then considered items on the formal agenda in the following order.

1. CONSIDER APPROVAL OF THE MINUTES OF THE MAY 2005 MEETING.

Mr. Herring moved to approve the minutes as submitted; Mr. Labatt seconded the motion; it passed unanimously 4-0.

2. CONSIDER AUTHORIZING THE TRANSFER OF \$161,607 FROM THE REVENUE FUND OF THE TEXAS WATER RESOURCES FINANCE AUTHORITY (AUTHORITY) TO THE AUTHORITY'S OPERATING FUND FOR THE PAYMENT OF TEXAS WATER DEVELOPMENT BOARD EXPENSES IN SERVICING THE AUTHORITY'S PORTFOLIO.

Portfolio Manager Gerald Slater stated that staff recommends that the Texas Water Resources Finance Authority (Authority) authorize two transfers for a total of \$161,607 from the Authority's Revenue Fund to the Authority's Operating Fund for payment of Texas Water Development Board (Board) expenses in servicing the Authority's portfolio for Fiscal Year 2006.

Mr. Slater noted that Rider No. 10 of the General Appropriations Act, passed by the 79<sup>th</sup> Texas Legislature in May 2005, designated \$323,214 for the Fiscal Year 2006-2007 biennium in Authority funds to reimburse the Board for its cost of administering the Authority's Portfolio.

Mr. Labatt moved to approve the staff recommendation; Mr. Herring seconded the motion; it passed unanimously 4-0.

3. CONSIDER SELECTION OF FIRMS TO NEGOTIATE FOR BOND COUNSEL SERVICES.

General Counsel Suzanne Schwartz stated that on May 17, 2005, requests were sent to 67 law firms in Texas listed in The Bond Buyer's Municipal Marketplace "Red Book" seeking proposals for bond counsel services for the Texas Water Development Board (Board) and Texas Water Resources Finance Authority (Authority). Notice also was published in the Texas Register.

She said that over the last two years, McCall, Parkhurst & Horton, LLP (McCall) represented the Authority as its outside counsel. McCall also represented the Board on its Development Funds, Drinking Water State Revolving Fund and Clean Water State Revolving Fund (CWSRF) programs. Delgado, Acosta Braden & Jones (Delgado) served the Board as counsel for the Agricultural Water Conservation Bond program, and as co-counsel for the Development Funds. The Board retained the ability to use Delgado in its CWSRF program, but did not avail itself of this option.

She stated that upon careful review of the eight firms' submitted proposals, staff recommends hiring McCall for the Texas Water Resources Finance Authority. She said that the Board will consider on today's Board agenda the hiring of McCall and Delgado for their continued roles of the last two years.

Mr. Herring moved to approve the staff recommendation; Mr. Hunt seconded the motion; it passed unanimously 4-0.

The meeting adjourned at 11:05 a.m.

APPROVED and ordered of record this the 16th day of August, 2005.

TEXAS WATER RESOURCES FINANCE AUTHORITY

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D.V. Guerra, Jr., Chairman

ATTEST:

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Thomas Weir Labatt III, Secretary/Treasurer