

AGENDA  
TEXAS WATER RESOURCES FINANCE AUTHORITY  
December 12, 2006 – 11:00 a.m.

Stephen F. Austin Building, 1700 N. Congress, Room 170  
Austin, Texas

Chairman D.V. Guerra, Jr., called to order the meeting of the Texas Water Resources Finance Authority at approximately 11:07 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. The following Board Members were present, constituting a quorum:

D.V. Guerra, Jr., Chairman  
Bill Meadows, Vice Chairman  
Thomas Weir Labatt III, Secretary/Treasurer  
E.G. Rod Pittman, Member  
Jack Hunt, Member  
James E. Herring, Member

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 NOVEMBER 2006 MEETING.

Mr. Pittman, moved to approve the minutes as submitted; the motion was seconded; it passed unanimously 6-0.

2. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE APPROPRIATE CONTRACTS AND AGREEMENTS WITH THE TEXAS TREASURY SAFEKEEPING TRUST COMPANY TO PROVIDE INVESTMENT ADVISORY SERVICES FOR THE AUTHORITY. (FINANCE #3 - 12/12/06)

Mrs. Veronica Hinojosa-Segura, Chief Financial Officer, presented an overview of the selection process for the seven investment firm responses to the Request for Qualifications, along with the Safekeeping Trust Company, meetings held, key issues discussed, the contract negotiation process, and staff's vendor selection and recommendation as stated in the Agenda material.

Mr. Labatt moved to approve the staff recommendation as proposed; the motion was seconded; it passed unanimously 6-0.

3. CONSIDER AUTHORIZING THE ASSIGNMENT OF THE CONTRACT FOR ARBITRAGE SERVICES FROM ERNST & YOUNG TO PINNACLE ARBITRAGE COMPLIANCE LLC. (BOARD #22 - 12/12/06)

Mrs. Veronica Hinojosa-Segura, Chief Financial Officer, provided background information on the vendor selection process and key issues for the arbitration services compliances for all the Board's bond issues, as Ernst and Young discontinued these services, and the staff recommendation as stated in the Agenda material.

Mr. Pittman moved to approve the staff recommendation as proposed; the motion was seconded; it passed unanimously 6-0.

The meeting adjourned at 11:14 a.m.

APPROVED and ordered of record this the 27th day of February 2007.

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