

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
AUDIT COMMITTEE MEETING  
October 20, 2011

Billy Bradford, Jr. called to order the meeting of the Audit Committee of the Texas Water Development Board at 8:30 a.m. in the Stephen F. Austin Building, Room 170, Austin, Texas. Chairman, Lewis H. McMahan, was not in attendance at today's meeting. The following members were present:

Joe M. Crutcher, Member  
Billy Bradford, Jr., Member

The following Board members were also present:

Edward Vaughan, Chairman  
Monte Cluck, Member

Board member, Thomas Weir Labatt, III, was not in attendance.

Members of the Texas Water Development Board staff attending included: Chris Adams, Stacy Barna, Ben Benzaquen, Joyce Bourenane, Ernesto Briones, Carolyn Brittin, Kelly Burton, Melanie Callahan, Kathy Calnan, Chris Caran, David Carter, Michael Clough, Jo Ann Duncan, Mark Evans, Luis Farias, Wendy Foster, Maxine Gilford, Lisa Glenn, Monica Galuski, Rene Gonzalez, Mark Hall, Ingrid Hansen, Dan Hardin, Francia Harutunian, Samantha Heng, Ruben Hernandez, Amanda Jenami, Chris Jurgens, Merry Klonower, Jessica Kohlrenken, Dain Larson, Amanda Lavin, Kathleen Ligon, Darryl Lindgens, Mireya Loewe, Ryan Long, Robert Mace, Sylvia May, Issa McDaniel, Michelle McFaddin, Temple McKinnon, David Meeseey, Dave Mitamura, Piper Montemayor, John Muras, Matt Nelson, Charles Nichols, Darrell Nichols, Louis Ojeda, Brenda O'Neill, Javier Pena, Ken Petersen, Lisa Petoskey, Jonathan Pi, Debbie Ramirez, Minerva Regalado, Joe Reynolds, Cindy Ridgeway, Steve Rodriguez, Clay Schultz, Shawn Snyder, John Steib, Rebecca Trevino, Comer Tuck, Carlton Wilkes, David Yager, and Larry Zamzow.

The following individuals were present:

Danielle Bradford, Piper Jaffray  
Tom Brown, Naismith Engineering  
Ray Buck, Upper Guadalupe River Authority  
Nora Chavez, Stifel Nicolaus  
Tony Corbett, Upper Guadalupe River Authority  
Ryan Cunningham, Southwest Securities  
Dr. W. H. Espey, City of Bedford  
Doug Holcomb, Texas Commission on Environmental Quality  
Garry Kimball, Greater Texoma Utility Authority  
Keith Kindle, CHT  
Jerry Kyle, Jr., Andrews Kurth LLP  
Dale Lehman, Piper Jaffray

Jonathan Letz, Commissioner, Kerr County  
Rick Menchaca, BOSC, Inc./TX Public Finance  
Garry Merritt, Real County Judge  
Con Mims, Nueces River Authority  
Art Morales, Siebert Brandford Shank & Co.  
Bill Norris, NRS Engineers  
Mark O'Brien, Morgan Keegan & Co.  
Tom Oppenheim, Morgan Keegan & Co.  
Scott Parker, Upper Guadalupe River Authority  
Jose Rodriguez, Naismith Engineering, Inc.  
Shirley Ross  
Steven Schrom, Texas Legislative Service  
Ricky Tow, City of Cameron

1. CONSIDER APPROVAL OF THE MINUTES OF THE JULY 2011 MEETING.

Mr. Crutcher moved to approve the minutes as submitted. Mr. Bradford seconded the motion; it passed unanimously.

2. CONSIDER APPROVAL OF THE MINUTES OF THE AUGUST 2011 MEETING.

Mr. Crutcher moved to approve the minutes as submitted. Mr. Bradford seconded the motion; it passed unanimously.

REPORTS

3. FISCAL YEAR 2011 FOURTH QUARTER BUDGET REPORTS. Rebecca Trevino, Director, Accounting, presented this item.

No action was taken on this item.

4. FISCAL YEAR 2011 FOURTH QUARTER FINANCIAL STATEMENTS. Rebecca Trevino, Director, Accounting, presented this item.

No action was taken on this item.

REGULAR

5. BRIEFING AND DISCUSSION ON THE ACTIVITIES OF INTERNAL AUDIT, INCLUDING THE STATUS OF OUTSTANDING AUDIT ISSUES AND CURRENT EXTERNAL AUDITS. Amanda Jenami, Director of Internal Audit, presented this item.

No action was taken on this item.

6. BRIEFING AND DISCUSSION ON THE INTERNAL AUDIT IMPROVEMENT ACTION PLAN. Amanda Jenami, Director of Internal Audit, presented this item.

No action was taken on this item.

7. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING APPROVAL OF THE FISCAL YEAR 2012 AUDIT PLAN. (Board Consent Item No. 7) Amanda Jenami, Director of Internal Audit, presented this item.

Mr. Crutcher moved to recommend approval of the staff recommendation as proposed; the motion was seconded by Mr. Bradford; it passed unanimously.

8. BRIEFING AND DISCUSSION ON FISCAL YEAR 2011 FOURTH QUARTER FINANCIAL MONITORING. Carleton Wilkes, Team Lead in Financial Monitoring, presented this item. Piper Montemayor, Director, Debt & Portfolio Management, also addressed the Committee and introduced and recognized the members of the Financial Monitoring Team: Ernest Briones, Sylvia May, Louis Ojeda, Charles Nichols, and Ben Benzaquen.

No action was taken on this item.

9. THE COMMITTEE MAY DISCUSS ITEMS FROM THE WORK SESSION OR THE FINANCE COMMITTEE OF OCTOBER 19, 2011, OR THE BOARD MEETING OF OCTOBER 20, 2011.

The Board did not discuss any other items.

The meeting adjourned at 9:28 a.m.

APPROVED and ordered of record this, the 2<sup>nd</sup> day of February, 2012.

TEXAS WATER DEVELOPMENT BOARD  
AUDIT COMMITTEE

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Lewis McMahan, Chairman

ATTEST:

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Melanie Callahan  
Interim Executive Administrator