

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
FINANCE COMMITTEE MEETING  
August 18, 2011

Chairman Thomas Weir Labatt III called to order the meeting of the Finance Committee of the Texas Water Development Board at 8:30 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. Member Monte Cluck was not in attendance at the meeting today. The following members were present:

Thomas Weir Labatt III  
Edward G. Vaughan

Board members Lewis H. McMahan, Joe M. Crutcher, and Billy Bradford, Jr. also attended the meeting.

Members of Texas Water Development Board staff attending included: Chris Adams, Renita Bankhead, Stacy Barna, Jim Bateman, Joyce Bourenane, Carolyn Brittin, David Buaas, Melanie Callahan, Kathy Calnan, Chris Caran, David Carter, Rosia Ervin, Mark Evans, Wendy Foster, Monica Galuski, Lisa Glenn, Rene Gonzalez, Mark Hall, Dan Hardin, Francia Harutunian, Samantha Heng, Kathy Hopkins, Bill Hutchison, Chris Jurgens, Merry Klonower, Amanda Lavin, Kathleen Ligon, Darryl Lindgens, Mireya Loewe, Ryan Long, Robert Mace, Nancy Banks Marsteller, Issa McDaniel, Michelle McFaddin, David Meesey, Piper Montemayor, Ben Munguia, John Muraas, Matt Nelson, Darrell Nichols, Javier Pena, Ken Petersen, Lisa Petoskey, Melissa Popkoff, Debbie Ramirez, Joe Reynolds, Steve Rodriguez, Joel Smith, Shawn Snyder, Rubin Solis, John Steib, Augustine Tambe, Comer Tuck, Jeff Walker, Gilbert Ward, Michael Wright, and Daniel Yager.

The following individuals were present:

Melodene Banks  
Ann Beecroft, Zavala County WCID #1  
Matt Boles, RBC Capital Markets  
Dwight Brandt, City of Silverton  
Nora Chavez, Stifel Nicolaus  
Kraig Cox, City of Silverton  
Curtis Darby, City of Iola  
John Daniel, Barclays Capital  
Kim Edwards, Fidelity Capital Markets  
Mark Ellis, Jefferies & Company  
Ann Burger Entrekin, First Southwest  
Cissy Ersland, City of Tahoka  
Curtis Flowers, Loop Capital Markets  
Perry Fowler, AGC of Texas  
Richard A. Fox, First Southwest  
Kyle Fuston, City of Silverton  
Lane Garvin, City of Silverton  
Jose Gaytan, V.P., Bank of Texas  
Amy Hennard, City of Iola

Walter Hicks, City of Hawkins  
Jodie Jiles, RPCCM  
Debi Jones, Morgan Keegan  
Jill Kimball, Zavala County WCID #1  
Richard LeFevre, Zavala County WCID #1  
Dale Lehman, Piper Jaffray  
Joe Luna, Zavala County Judge  
Allison Mackrey, Trinity River Authority  
Bob Marsteller  
Duncan Morrow, Frost Bank  
Tilman Naylor, Jefferies & Co.  
Lorraine Palacios, Ramirez & Co.  
Robin Redford, Ramirez & Co.  
Ben Rosenberg, Coastal Securities, Inc.  
LaQuetta Schott, City of Silverton  
Patrick Scott, Barclays Capital  
DeLane Smith, City of Silverton  
Christina Stover, City of Iola  
Becky Villasenor, Cabrera Capital Markets, LLC  
Jerry Webster, City of Tahoka  
Richard Weiss, Morgan Stanley  
Siglinda West, City of Hawkins  
Mary Williams, Trinity River Authority

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

Mr. Vaughan moved to approve the minutes as submitted; the motion was seconded by Mr. Labatt; it passed unanimously.

2. BRIEFING AND DISCUSSION ON FISCAL YEAR 2012 OPERATING BUDGET. Renita Bankhead, Budget Director, presented this item.

No action was taken on this item.

3. CONSIDER RECOMMENDING FOR APPROVAL THE EXTENSION OF THE SERVICE PERIOD FOR THE TEAM OF UNDERWRITERS FOR TEXAS WATER DEVELOPMENT BOARD BOND SALES THROUGH AUGUST 31, 2012. Melissa Popkoff, Financial Analyst, Debt and Portfolio Management, presented this item. Piper Montemayor, Director, Debt & Portfolio Management, also addressed the Board.

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

4. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION: (A) THE ISSUANCE, SALE AND DELIVERY OF STATE OF TEXAS, WATER FINANCIAL ASSISTANCE BONDS, SERIES 2011B (DEVELOPMENT FUND PROGRAM) IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000; (B) APPROVING AND DEEMING FINAL A PRELIMINARY

OFFICIAL STATEMENT TO BE USED IN THE MARKETING OF THE BONDS; AND (C) APPROVING AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR AND DEVELOPMENT FUND MANAGER TO ACT ON BEHALF OF THE TEXAS WATER DEVELOPMENT BOARD IN THE SALE AND DELIVERY OF SUCH BONDS. (Board Consent Item No. 8) Monica Galuski, Financial Analyst, Debt and Portfolio Management, presented this item.

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

5. CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, A REQUEST FROM THE **CITY OF IOLA (GRIMES COUNTY)** FOR A GRANT IN THE AMOUNT OF \$235,000 FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM FOR THE PLANNING COSTS TO PROVIDE FIRST TIME WASTEWATER SERVICE, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Board Consent Item No.13) Mireya Loewe, Financial Analyst, Project Finance, presented this item. Piper Montemayor, Director, Debt & Portfolio Management, also addressed the Board.

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

6. CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, A REQUEST FROM THE **CITY OF SILVERTON (BRISCOE COUNTY)** FOR A GRANT IN THE AMOUNT OF \$1,735,000 FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM FOR THE PLANNING, ACQUISITION AND DESIGN COSTS FOR WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Board Consent Item No. 14) Mireya Loewe, Project Oversight, presented this item.

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

7. CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, A REQUEST FROM THE **CITY OF TAHOKA (LYNN COUNTY)** FOR A GRANT IN THE AMOUNT OF \$239,000 FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM FOR THE PLANNING AND DESIGN COSTS FOR WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Board Consent Item No. 15) Mireya Loewe, Project Oversight, presented this item.

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

8. CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, A REQUEST FROM THE **ZAVALA COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 (ZAVALA COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,326,000, CONSISTING OF A \$193,000 LOAN AND A \$1,133,000 GRANT, FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-

DESIGN FUNDING OPTION. (Board Consent Item No. 16) Mireya Loewe, Project Oversight, presented this item.

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

9. BRIEFING AND DISCUSSION ON ACTIVITIES OF PROJECT FINANCE AND CONSTRUCTION ASSISTANCE RELATING TO THE ECONOMICALLY DISTRESSED AREAS PROGRAM, INCLUDING THE EDAP STATUS REPORT. Mireya Loewe, Project Oversight, presented this item.

No action was taken on this item.

10. THE COMMITTEE MAY DISCUSS ITEMS FROM THE BOARD MEETING OF JULY 21, 2011.

No other items were discussed.

The meeting adjourned at 9:06 a.m.

APPROVED and ordered of record this, the 22nd day of September, 2011.

TEXAS WATER DEVELOPMENT BOARD  
FINANCE COMMITTEE

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Thomas Weir Labatt III, Chairman

ATTEST:

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Melanie Callahan  
Interim Executive Administrator