

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING
May 16, 2013

Chairman Monte Cluck was not in attendance at today's meeting. Member, Edward G. Vaughan, acted as Chairman and 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. All other members of the Finance Committee were in attendance and a quorum was present.

All other Board members also attended the meeting.

Members of the Texas Water Development Board staff attending included: Chris Adams, Renita Bankhead, Stacy Barna, Jim Bateman, Joyce Bourenane, Carolyn Brittin, Kelly Burton, Melanie Callahan, David Carter, Lisa Glenn, Rene Gonzales, Mark Hall, Dan Hardin, Ruben Hernandez, Amanda Jenami, Sandy Kaiser, Merry Klonower, Randy Lara, LeeRoy Lopez, Ryan Long, Robert Mace, Jeremy Mazur, David Meeseey, Dave Mitamura, Piper Montemayor, Ken Petersen, Debbie Ramirez, Steve Rodriguez, Rebecca Trevino, Comer Tuck, Jeff Walker, David Yager, and Jessica Zuba.

The following individuals were present:

Danielle Bradford, Piper Jaffray
Anne Burger Entekin, First Southwest
Curtis Flowers, Loop Capital Markets
Jose Gaytan, Bank of Texas
John Hall, Harris County MUD No. 50
Jerry Kyle, Andrews Kurth
Dale Lehman, Piper Jaffray
Rudy Mejia, Estrada Hinojosa
Rick Menchaca, BOSCO, Inc.
Tillman Naylor, Jefferies
Timothy Peterson, J.P. Morgan
Ben Rosenberg, U. S. Capital Advisors
Karin Werness, Backstrom McCorley Berry

1. CONSIDER APPROVAL OF THE MINUTES OF THE APRIL 18, 2013 MEETING.

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

2. BRIEFING AND DISCUSSION ON STATE FISCAL YEAR 2014 CAPACITY ANALYSIS OF THE DRINKING WATER STATE REVOLVING FUND PROGRAM. Piper Montemayor, Debt & Portfolio Management, presented this item.

No action was taken on this item.

3. BRIEFING AND DISCUSSION ON STATE FISCAL YEAR 2014 CAPACITY ANALYSIS OF THE CLEAN WATER STATE REVOLVING FUND PROGRAM AND A PROGRAM SUBSIDY ADJUSTMENT. Piper Montemayor, Debt & Portfolio Management, presented this item.

No action was taken on this item.

4. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING AUTHORIZING: (A) THE EXECUTIVE ADMINISTRATOR AND THE DEVELOPMENT FUND MANAGER TO TAKE ALL NECESSARY ACTIONS FOR THE ISSUANCE, SALE AND DELIVERY OF STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS (DEVELOPMENT FUND), IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$72 MILLION; AND (B) SELECTION OF UNDERWRITER(S) FOR THE NEGOTIATION OF THE BOND ISSUE. (BOARD CONSENT ITEM NO. 5.) Piper Montemayor, Debt & Portfolio Management, presented this item.

Mr. Rylander moved to approve staff's recommendation; the motion was seconded by Mr. Vaughan; it passed unanimously.

5. BRIEFING, DISCUSSION, AND CONSIDER RECOMMENDING AUTHORIZING: THE EXECUTIVE ADMINISTRATOR AND THE DEVELOPMENT FUND MANAGER TO TAKE ALL NECESSARY ACTIONS FOR THE ISSUANCE, SALE AND DELIVERY OF STATE OF TEXAS WATER FINANCIAL ASSISTANCE REFUNDING BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$296,055,000. (BOARD CONSENT ITEM NO. 6) Piper Montemayor, Debt & Portfolio Management, presented this item.

Mr. Rylander moved to approve staff's recommendation; the motion was seconded by Mr. Vaughan; it passed unanimously.

6. BRIEFING, DISCUSSION, AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, THE ESTABLISHMENT OF A NEW TAXABLE LENDING RATE SCALE FOR THE DEVELOPMENT FUND II PROGRAM. (BOARD CONSENT ITEM NO. 7) Piper Montemayor, Debt & Portfolio Management presented this item.

Mr. Rylander moved to approve staff's recommendation; the motion was seconded by Mr. Vaughan; it passed unanimously.

7. BRIEFING, DISCUSSION, AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, A REQUEST FROM THE **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50 (HARRIS COUNTY)** FOR A LOAN IN THE AMOUNT OF \$1,350,000 FROM THE TEXAS WATER DEVELOPMENT FUND TO PROVIDE WATER AND WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (BOARD CONSENT ITEM NO. 13) Jessica Zuba, Financial Analyst, presented this item. John Hall, Management Consultant, Harris County MUD No. 50, also addressed the Committee.

Mr. Rylander moved to approve staff's recommendation; the motion was seconded by Mr. Vaughan; it passed unanimously.

8. THE COMMITTEE MAY DISCUSS ITEMS FROM THE BOARD MEETING OF MAY 16, 2013.

No other items were discussed.

The meeting adjourned at 9:04 a.m.

APPROVED and ordered of record this the 20th day of June, 2013.

TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE

Monte Cluck, Chairman

ATTEST:

Melanie Callahan
Executive Administrator