

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING
August 15, 2013

Chairman Monte Cluck 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 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: Renita Bankhead, Stacy Barna, Jim Bateman, Ben Benzaquen, JoDawn Bomar, Joyce Bourenane, Kelly Burton, Melanie Callahan, David Carter, Carla Daws, Scot Foltz, Larry French, Monica Galuski, Lisa Glenn, Mark Hall, Dan Hardin, Ruben Hernandez, Amanda Jenami, Chris Jurgens, Sandy Kaiser, Merry Klonower, Randy Lara, Darryl Lingens, Ryan Long, LeeRoy Lopez, Robert Mace, Dave Mitamura, Piper Montemayor, Brannon Morrison, Brenda O'Neill, Ken Petersen, Samantha Pollard, Debbie Ramirez, Steve Rodriguez, Robert Sahn, Ruben Solis, Rebecca Trevino, Jeff Walker, and Carlton Wilkes.

The following individuals were present:

Andy Bynam, Mesirow Financial
Lisa Daniel, Public Financial Management
Kim Edwards, Piper Jaffray
Mark Ellis, Jefferies
Bryan Farney
Perry Fowler, Fowler Group
Jose Gaytan, Bank of Texas
Jeff Heckler, Hays County Public Utility
Authority
Conor Kenny, Chief of Staff for State
Representative Lon Burnam
Keith Kindle, Hibbs & Todd Inc.
Jerry Kyle Jr., Andrews Kurth
Dale Lehman, Piper Jaffray
Tom Liu, Bank of America
Bill Madden

Nancy Marsteller
Art Morales, BOSC, Inc.
Tilman Naylor, Jefferies
Lorraine Palacios, Ramirez & Co.
Tim Peterson, JP Morgan
Robin Redford, Ramirez & Co.
Keith Richard, Morgan Stanley
Ben J. Rosenberg, U.S. Capital Advisors
Jill Savory
Patrick Scott, Barclays
Benjamin Shields, Texas Commission on
Environmental Quality
Dalton Smith, Bank of America
Peter Stare, First Southwest
Eva Steinle-Darling, Carollo Engineers
Barron Wallace, Bracewell & Giuliani

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

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

2. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR THE \$56,515,000 STATE OF TEXAS, GENERAL OBLIGATION WATER FINANCIAL ASSISTANCE BONDS, SERIES 2013B AND THE \$32,215,000 STATE OF TEXAS, GENERAL OBLIGATION WATER FINANCIAL ASSISTANCE REFUNDING BONDS, SERIES 2013C. Monica Galuski, Debt & Portfolio Management, presented this item. Lisa Daniel, Public Financial Management, and Tom Liu, Bank of America, also addressed the Committee.

No action was taken on this item.

3. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, THE ESTABLISHMENT OF A NEW TAX-EXEMPT LENDING RATE SCALE FOR THE DEVELOPMENT FUND II PROGRAM. (BOARD CONSENT ITEM NO. 11) Monica Galuski, Debt & Portfolio Management, presented this item.

Mr. Rylander moved to approve staff's recommendation to recommend approval of Item 3; the motion was seconded by Mr. Vaughan; it passed unanimously.

4. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR THE \$68,945,000 TEXAS WATER DEVELOPMENT BOARD STATE REVOLVING FUND REVENUE REFUNDING BONDS, SERIES 2013A. Piper Montemayor, Debt & Portfolio Management, presented this item. Peter Stare, First Southwest, and Dale Lehman, Piper Jaffray, also addressed the Committee.

No action was taken on this item.

5. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION: (A) AUTHORIZING THE TRANSFER OF FUNDS FROM THE WATER FINANCIAL ASSISTANCE ACCOUNT OF THE WATER DEVELOPMENT FUND II TO THE CLEAN WATER STATE REVOLVING FUND TO MEET STATE MATCH REQUIREMENTS FOR THE FEDERAL FISCAL YEAR 2013 FEDERAL GRANT; AND (B) AUTHORIZING THE REPAYMENT OF THE MATCH. (BOARD CONSENT ITEM NO. 12) Brannon Morrison, Debt & Portfolio Management, presented this item. Piper Montemayor, Debt & Portfolio Management, and Stacy Barna, Program Development, also addressed the Committee.

Mr. Vaughan moved to approve staff's recommendation to recommend approval of Item 5; the motion was seconded by Mr. Rylander; it passed unanimously.

6. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION: (A) AUTHORIZING THE TRANSFER OF FUNDS FROM THE WATER FINANCIAL ASSISTANCE ACCOUNT OF THE WATER DEVELOPMENT FUND II TO THE DRINKING WATER STATE REVOLVING FUND TO MEET STATE MATCH REQUIREMENTS FOR THE FEDERAL FISCAL YEAR 2013 FEDERAL GRANT; AND (B) AUTHORIZING THE REPAYMENT OF THE MATCH. (BOARD CONSENT ITEM NO. 13) Brannon Morrison, Debt & Portfolio Management, presented this item. Piper Montemayor, Debt & Portfolio Management, also addressed the Committee.

Mr. Rylander moved to approve staff's recommendation to recommend approval of Item 6; the motion was seconded by Mr. Vaughan; it passed unanimously.

7. CONSIDER RECOMMENDING FOR APPROVAL, A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR AUTHORITY TO UTILIZE PREPAYMENTS TO DEFEASE CLEAN WATER STATE REVOLVING FUND BONDS. (BOARD CONSENT ITEM NO. 14) Benjamin Benzaquen, Debt & Portfolio Management, presented this item.

Mr. Vaughan moved to approve staff's recommendation to recommend approval of Item 7; the motion was seconded by Mr. Rylander; it passed unanimously.

- 8. CONSIDER RECOMMENDING FOR APPROVAL, A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR AUTHORITY TO UTILIZE PREPAYMENTS TO DEFEASE GENERAL OBLIGATION BONDS. (BOARD CONSENT ITEM NO. 15) Benjamin Benzaquen, Debt & Portfolio Management, presented this item.

Mr. Rylander moved to approve staff's recommendation to recommend approval of Item 8; the motion was seconded by Mr. Vaughan; it passed unanimously.

- 9. CONSIDER RECOMMENDING FOR APPROVAL, A RESOLUTION AUTHORIZING THE USE OF EXCESS INTEREST REPAYMENTS TO ACCELERATE THE REPAYMENT OF STATE REVOLVING FUND MATCH DEBT. (BOARD CONSENT ITEM NO. 16) Benjamin Benzaquen, Debt & Portfolio Management, presented this item.

Mr. Vaughan moved to approve staff's recommendation to recommend approval of Item 9; the motion was seconded by Mr. Rylander; it passed unanimously.

- 10. THE COMMITTEE MAY DISCUSS ITEMS FROM THE BOARD MEETING OF AUGUST 18, 2013.

No other items were discussed.

The meeting adjourned at 9:07 a.m.

APPROVED and ordered of record this the _____ day of _____, 2013.

TEXAS WATER DEVELOPMENT BOARD

_____, Chairman

ATTEST:

Executive Administrator

The Minutes of the August 15, 2013 Finance Committee meeting are unsigned. They were not approved prior to the expiration of the terms of the Committee members.

There is no longer a Finance Committee.