

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

Chairman Joe M. Crutcher called to order the meeting of the Audit Committee of the Texas Water Development Board at 8:33 a.m. in the Stephen F. Austin Building, Room 170, Austin, Texas. Mr. Herring was not in attendance at today's meeting. The following members were present:

Joe M. Crutcher, Chairman
Lewis H. McMahan, Member

Board Chairman Edward Vaughan was also present.

Members of the Texas Water Development Board staff attending included: Chris Adams, Renita Bankhead, Stacy Barna, Carolyn Brittin, Melanie Callahan, David Carter, Shari Daffern, Mark Evans, Larry Gambone, Lisa Glenn, Mark Hall, Dan Hardin, Francia Harutunian, Samantha Heng, Bill Hutchison, Randy Lara, Amanda Lavin, Cori Leva, Darryl Lindgens, Mireya Loewe, Ryan Long, Robert Mace, David Meeseey, Gilbert Mokry, Piper Montemayor, Matt Nelson, Darrell Nichols, Ken Petersen, Lisa Petoskey, Rima Petrossian, Minerva Regalado, Patty Robinson, Debbie Ramirez, Cindy Ridgeway, Patty Robinson, Steve Rodriguez, Jim Scott, Mike Smith, Ruben Solis, John Steib, Rebecca Trevino, Comer Tuck, Jeff Walker, Carleton Wilkes, Leila Wurst, and Kevin Ward.

Individuals attending were:

Bill Mullican
Carlos Sharpless, Stearne Agee
Ryan Wannemacher, J.P. Morgan

1. CONSIDER APPROVAL OF THE MINUTES OF THE OCTOBER 2010 MEETING.

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

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

No action was taken on this item.

3. CONSIDER APPROVAL OF THE REVISED INTERNAL AUDIT CHARTER. Shari Daffern, Director of Internal Audit presented this item.

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

4. BRIEFING AND DISCUSSION ON THE INTERNAL AUDIT REVIEW OF THE TEXAS WATER DEVELOPMENT BOARD'S QUARTERLY INVESTMENT REPORTS FOR FISCAL YEAR 2010. Gilbert Mokry, Internal Auditor, presented this item.

No action was taken on this item.

5. BRIEFING AND DISCUSSION ON FISCAL YEAR 2010 ANNUAL FINANCIAL REPORT. Rebecca Trevino, Director of Accounting, presented this item.

No action was taken on this item.

Board Member, Thomas Weir Labatt III, joined the meeting.

6. BRIEFING AND DISCUSSION ON FISCAL YEAR 2011 FIRST QUARTER BUDGET REPORTS. Renita Bankhead, Budget Director, Finance Office, presented this item.

No action was taken on this item.

7. BRIEFING AND DISCUSSION ON FISCAL YEAR 2011 FIRST QUARTER FINANCIAL STATEMENTS. Rebecca Trevino, Director of Accounting, presented this item.

No action was taken on this item.

8. BRIEFING AND DISCUSSION ON FISCAL YEAR 2011 FIRST QUARTER FINANCIAL MONITORING. Carleton Wilkes, Team Lead in Financial Monitoring, presented this item.

No action was taken on this item.

Board Member, Jack Hunt, joined the meeting.

9. BRIEFING AND DISCUSSION ON FISCAL YEAR 2011 FIRST QUARTER PERFORMANCE MEASURES. Leila Wurst, Governmental Relations presented this item.

No action was taken on this item.

10. THE COMMITTEE MAY DISCUSS ITEMS FROM THE WORK SESSION OF JANUARY 19, 2011, OR THE FINANCE COMMITTEE OR BOARD MEETINGS OF JANUARY 20, 2011.

Mr. McMahan requested that the Committee discuss Item No. 5 on the Board's Consent Agenda scheduled later today regarding a request from the City of Houston. Mark Evans, Project Oversight, Project Finance, presented this item. Amanda Lavin, Deputy Executive Administrator of Project Finance, also addressed the Board.

Mr. Hunt requested that the Committee discuss Item No. 3 on the Board's Consent Agenda scheduled later today regarding the Financial Assistance Programs Performance Report. Jeff Walker, Director of Project Development in Project Finance, presented this item. Piper Montemayor, Director of Debt & Portfolio Management, also addressed the Board.

The Board did not discuss any other items.

The meeting adjourned at 9:34 a.m.

APPROVED and ordered of record this, the 4th day of May, 2011.

TEXAS WATER DEVELOPMENT BOARD
AUDIT COMMITTEE

Joe M. Crutcher, Chairman

ATTEST:

Melanie Callahan
Interim Executive Administrator