

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING
July 21, 2011

Member Monte Cluck called to order the meeting of the Finance Committee of the Texas Water Development Board at 9:30 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. Chairman Thomas Weir Labatt III was not in attendance at the meeting today. The following members were present:

Monte Cluck
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, Jim Bateman, Joyce Bourenane, Carolyn Brittin, David Buaas, Melanie Callahan, Kathy Calnan, David Carter, Monica Galuski, Mark Hall, Dan Hardin, Francina Harutunian, Samantha Heng, Merry Klonower, Amanda Lavin, Kathleen Ligon, Darryl Lindgens, Mireya Loewe, Robert Mace, Michelle McFaddin, David Meesey, Dave Mitamura, Piper Montemayor, Matt Nelson, Darrell Nichols, Javier Pena, Ken Petersen, Lisa Petoskey, Debbie Ramirez, Steve Rodriguez, Mike Smith, Shawn Snyder, John Steib, Comer Tuck, and Jeff Walker.

The following individuals were present:

Danielle Bradford, Piper Jaffray
Mario Carrasco, CitiBank
Nora Chavez, Stifel Nicolaus
Kim Edwards, Fidelity Capital Markets
Mark Ellis, Jefferies & Co.
Ann Burger Entrekin, First Southwest
Perry Fowler, AGC of Texas
Jose Gaytan, V.P., Bank of Texas
Lizzeth Gamboa, Stifel Nicolaus
Bill Moriatty, City of Keller
Art Morales, Siebert Brandford Shank & Co.
Glenn Opel, Vinson & Elkins
Keith Richard, Morgan Stanley
Jose Rodriguez, Naismith Engineering
Ben Rosenbert, Coastal Securities, Inc.
Dennis Waley, PFM

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

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

2. BRIEFING AND DISCUSSION ON THE QUARTERLY INVESTMENT REPORT FOR THE PERIOD MARCH 1, 2011 THROUGH MAY 31, 2011. Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

No action was taken on this item.

3. BRIEFING AND DISCUSSION ON THE RESULTS OF THE \$129,540,000 WATER FINANCIAL ASSISTANCE BONDS, SERIES 2011A (WATER INFRASTRUCTURE FUND), SENIOR MANAGED BY JEFFERIES & COMPANY. Piper Montemayor, Director, Debt & Portfolio Management, introduced Mark Ellis, Jeffries & Company, who presented this item.

No action was taken on this item.

4. CONSIDER RECOMMENDING FOR APPROVAL, A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR, AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE CLEAN WATER STATE REVOLVING FUND BOND DEBT SERVICE. (Board Consent Item No. 9) Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

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

5. CONSIDER RECOMMENDING FOR APPROVAL, A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE GENERAL OBLIGATION BOND DEBT SERVICE. (Board Consent Item No. 10) Monica Galuski, Financial Analyst, Debt & Portfolio Management, presented this item.

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

6. 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. 11) Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

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

7. CONSIDER RECOMMENDING FOR APPROVAL: (A) THE SELECTION OF ONE OR MORE FIRMS TO SERVE AS OUTSIDE BOND AND TAX COUNSEL FOR THE TEXAS WATER DEVELOPMENT BOARD; AND (B) AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND ENTER INTO CONSULTANT CONTRACTS FOR OUTSIDE COUNSEL SERVICES FROM SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2013. (Board Consent Item No. 12) Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

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

8. CONSIDER RECOMMENDING FOR APPROVAL: (a) 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 BONDS, IN ONE OR MORE SERIES (DEVELOPMENT FUND PROGRAM) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200 MILLION; AND (b) THE SELECTION OF UNDERWRITER(S) FOR THE NEGOTIATION OF THE BOND ISSUE. (Board Consent Item No. 13) Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

Mr. Vaughan moved to recommend approval of the staff recommendation as proposed; the motion was seconded by Mr. Cluck; 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, Financial Analyst, Project Finance, 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 10:24 a.m.

APPROVED and ordered of record this, the 18th day of August, 2011.

TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE

Thomas Weir Labatt III, Chairman

ATTEST:

Melanie Callahan
Interim Executive Administrator