

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING

March 1, 2012

Monte Cluck called to order the meeting of the Finance Committee of the Texas Water Development Board at 8:40 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. He announced that the Chairman was in route and would be attending the meeting. The following members were present:

Edward G. Vaughan
Monte Cluck

Board members Lewis H. McMahan and Joe M. Crutcher also attended the meeting. Board member Billy Bradford, Jr. did not attend.

Members of Texas Water Development Board staff attending included: Chris Adams, Jorge Arroyo, Stacy Barna, Jim Bateman, Joyce Bourenane, Kelly Burton, Melanie Callahan, Katherine Calnan, David Carter, Wendy Foster, Larry French, Monica Galuski, Lisa Glenn, Rene Gonzales, Mark Hall, Dan Hardin, Ruben Hernandez, Amanda Jenami, Merry Klonower, Mireya Loewe, Ryan Long, Robert Mace, David Meeseey, Dave Mitamura, Piper Montemayor, Darrell Nichols, Brenda O'Neill, Ken Petersen, Lisa Petoskey, Samantha Pollard, Debbie Ramirez, Joe Reynolds, Steve Rodriguez, John Steib, Comer Tuck, Jeff Walker, and David Yaeger.

The following individuals were present:

Mario Carrasco, Citi Group
Lisa Daniel, Public Financial Management
Mark Ellis, Jefferies
Erin Finley
Jerry Kyle, Jr., Andrews Kurth LLP
Dale Lehman, Piper Jaffray
Rick Menchaca, BOSC, Inc.
Lorraine Palacios, Ramirez & Co.
Ben Rosenberg, Coastal Securities
Dalton Smith, Merrill Lynch

1. **CONSIDER APPROVAL OF THE MINUTES OF THE FEBRUARY 2012 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 RESULTS OF ISSUANCE OF THE \$39,930,000 STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS, SERIES 2012A (WATER INFRASTRUCTURE FUND) AND THE \$14,955,000 STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS, SERIES 2012B (ECONOMICALLY DISTRESSED AREAS PROGRAM), SENIOR MANAGED BY CITIGROUP.** Monica Galuski, Financial Analyst, Debt and Portfolio Management, introduced Mario Carrasco, Director, Citi Group, who presented this item. Lisa Daniel, Public Financial Management, also addressed the Committee.

No action was taken on this item.

Mr. Labatt arrived and joined the meeting.

3. BRIEFING, DISCUSSION AND CONSIDER RECOMMENDING: (A) APPROVAL OF THE ISSUANCE, SALE AND DELIVERY OF STATE OF TEXAS, WATER FINANCIAL ASSISTANCE BONDS, SERIES 2012C (DEVELOPMENT FUND PROGRAM) IN ONE OR MORE SERIES IN A PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000; (B) APPROVING AND DEEMING FINAL A PRELIMINARY OFFICIAL STATEMENT TO BE USED IN THE MARKETING OF THE BONDS; AND (C) AUTHORIZING THE EXECUTIVE ADMINISTRATOR AND THE 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. 6) Monica Galuski, Financial Analyst, Debt and Portfolio Management, presented this item.

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

4. BRIEFING, DISCUSSION AND CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **TOWN OF ANTHONY (EL PASO COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,540,000 CONSISTING OF: (A) A LOAN IN THE AMOUNT OF \$762,000; AND (B) \$1,778,000 IN LOAN FORGIVENESS, FROM THE DRINKING WATER STATE REVOLVING FUND-DISADVANTAGED COMMUNITY TO FINANCE WATER SYSTEM IMPROVEMENTS UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Board Consent Item No. 7)

Mr.Cluck announced that this Item would not be considered at this meeting.

5. THE COMMITTEE MAY DISCUSS ITEMS FROM THE BOARD MEETING OF MARCH 1, 2012.

Mr. McMahan asked to discuss Board Consent Item No. 10. Comer Tuck, Director, Water Science and Conversation, addressed the Committee.

No other items were discussed.

The meeting adjourned at 8:58 a.m.

APPROVED and ordered of record this the 19th day of April, 2012.

TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE

Thomas Weir Labatt III, Chairman

ATTEST:

Melanie Callahan
Executive Administrator