

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE MEETING
September 20, 2012

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. In addition to Chairman Cluck, the following Committee Members were also present:

Edward G. Vaughan
F.A. "Rick" Rylander

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, James Bronikowski, Kelly Burton, Melanie Callahan, David Carter, JoAnne Duncan, Mark Ellison, Mark Evans, Luis Farias, Scott Foltz, Wendy Foster, Larry French, Monica Galuski, Maxine Gilford, Lisa Glenn, Rene Gonzales, Mark Hall, Ingrid Hansen, Dan Hardin, Francia Harutunian, Ruben Hernandez, Janie Hopkins, Amanda Jenami, Zhenwen Jia, Chris Jurgens, Sandy Kaiser, Jennifer Kennedy, Merry Klonower, Randy Lara, Dain Larsen, Darryl Lindgens, Mireya Loewe, Ryan Long, Robert Mace, Issa McDaniel, Michelle McFaddin, David Meeseey, Dave Mitamura, Piper Montemayor, Darrell Nichols, Brenda O'Neill, Javier Pena, Ken Petersen, Lisa Petoskey, Jonathan Pi, Samantha Pollard, Debbie Ramirez, Joe Reynolds, Cindy Ridgeway, Steve Rodriguez, Melissa Rothrock, Jim Scott, Joel Smith, Shawn Snyder, Ruben Solis, Comer Tuck, Jeff Walker, Gilbert Ward, Mark Wentzel, David Yeager, and Jessica Zuba.

The following individuals were present:

Danielle Bradford, Piper Jaffray
Nora Chavez, Stifel Nicolaus
Kim Edwards, Piper Jaffray
Mark Ellis, Jefferies & Co.
Anne Burger-Entrekin, First Southwest
Lizzeth Gambos, Stifel Nicolaus
Paul Jack, Estrada Hinojosa & Company
Debi Jones, Raymond James/Morgan Keegan
Keith Kindle, Hibbs & Todd, Inc.
Dale Lehman, Piper Jaffray
Michael Moya, Half Associates
Tilman Naylor, Jefferies
Lorraine Palacios, Ramirez
Clayton Pope, City of Houston
Patrick Scott, Barclays
Dalton Smith, Merrill Lynch
Tim Williams, J. P. Morgan

1. CONSIDER APPROVAL OF THE MINUTES OF THE AUGUST 16, 2012 MEETING.

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

2. BRIEFING, DISCUSSION, AND RECOMMEND APPROVAL OF THE ANNUAL REVIEW OF THE BOARD'S INVESTMENT POLICY AND STRATEGIES. (BOARD CONSENT ITEM NO. 5) 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. Rylander; it passed unanimously.

3. BRIEFING, DISCUSSION AND RECOMMEND APPROVAL OF THE BOARD'S DEBT MANAGEMENT POLICY. (BOARD CONSENT ITEM NO. 6) Piper Montemayor, Director, Debt & Portfolio Management, presented this item.

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

4. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR THE \$29,385,000 STATE OF TEXAS, GENERAL OBLIGATION WATER FINANCIAL ASSISTANCE BONDS SERIES 2012F (ECONOMICALLY DISTRESSED AREAS PROGRAM) ISSUANCE. Monica Galuski, Debt & Portfolio Management, and Nora Chavez, Stifel Nicolaus, presented this item. Piper Montemayor, Debt & Portfolio Management, also addressed the Committee.

No action was taken on this item.

5. CONSIDER RECOMMENDING FOR APPROVAL BY RESOLUTION, THE ESTABLISHMENT OF A NEW TAX-EXEMPT LENDING RATE SCALE FOR THE ECONOMICALLY DISTRESSED AREAS PROGRAM. (BOARD CONSENT ITEM NO. 7) Monica Galuski, Debt & Portfolio Management, presented this item.

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

6. THE COMMITTEE MAY DISCUSS ITEMS FROM THE BOARD MEETING OF SEPTEMBER 20, 2012.

No other items were discussed.

The meeting adjourned at 8:50 a.m.

APPROVED and ordered of record this the 17th day of October, 2012.

TEXAS WATER DEVELOPMENT BOARD
FINANCE COMMITTEE

Monte Cluck, Chairman

ATTEST:

Melanie Callahan
Executive Administrator