Minutes

Texas Bond Review Board

Planning Session

Tuesday November 8, 2011, 10:00 a.m.

Capitol Extension, Room E2.026

1400 N. Congress Ave.

Austin, TX 78701

The Texas Bond Review Board (BRB) convened in a planning session at 10:00 a.m., Tuesday November 8, 2011 in the Capitol Extension, Room E2.026 in Austin, Texas. Present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Kenneth Besserman, Alternate for Comptroller Susan Combs and Andrew Blifford, Alternate for Speaker Joe Straus. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

1. **Call to Order**

Bob Kline, Executive Director of the BRB, called the meeting to order at 10:10 a.m. He announced that this was a planning meeting of Board staff to receive and discuss information relative to the applications before the Board. No votes would be taken. There was a quorum**.**

1. **Texas Water Development Board State of Texas Water Financial Assistance Bonds, Series 2012A and 2012B**

Representatives present were: Piper Montemayor, Director Debt & Portfolio Management, TWDB; Monica Galuski, Analyst, TWDB; and Benjamin Benzaquen, Analyst, TWDB.

The TWDB seeks approval to issue its State of Texas General Obligation Water Financial Assistance Bonds, Series 2012A (WIF) and Series 2012B (EDAP) with par and maximum proceeds including premiums, if any, not to exceed $51,000,000 and $26,000,000, respectively for a total issuance of $77,000,000.

The proceeds from bonds will be used to finance water assistance projects through the WIF-Construction program by providing program loans to certain political subdivisions for water and water-related projects and to finance loans and grants to certain political subdivisions through EDAP for water and water-related projects and to pay the costs of issuance.

The bonds are general obligations of the State of Texas and are secured by the state’s full faith and credit.

EDAP currently has $8.3 million in unfunded commitments. Proceeds from the Series 2012B bonds will be used to finance those commitments and future EDAP commitments.

Piper Montemayor stated that TWDB is seeking authority to issue in one or more series to have the flexibility to fund its commitments when funds are required.

1. **Texas Public Finance Authority General Obligation Commercial Paper Notes, Series 2008**

Representatives present were: Susan Durso, Interim Executive Director & General Counsel, TPFA; John Hernandez, Deputy Director, TPFA; Lynn Ward, Director of Staff Services, THC; Sharon Fleming, Assistant Director for the Courthouse Program, THC; Peter Maass, Director of Project Management, Director of Minor Construction, Facilities Design & Construction, TFC; Stanton Korn, Director of Budget, TFC; Kay Molina, General Counsel, TFC; and Wilson Day, Deputy Chief Financial Officer, DSHS.

TPFA is seeking approval to issue $100,000,000 of CP (notes) under the 2008 Program to finance maintenance, repair and renovation projects for certain facilities of the Texas Facilities Commission (TFC), Texas Department of State Health Services (DSHS) and the Texas Historical Commission (THC) in amounts of $60,000,000, $20,000,000 and $20,000,000, respectively, plus the costs of issuance and related administrative costs, if any.

THC received LBB approval on September 26, 2011. As of November 4, 2011, LBB approval has not been received for TFC or DSHS, and TPFA does not know when LBB approval will be received.

The liquidity agreement with the Comptroller’s office expires on November 30, 2011 after which Sumitomo Mitsui Banking Corporation will become the liquidity provider for the 2008 Program with a maximum commitment of $150,000,000.

Susan Durso stated that the liquidity amount is for the full amount authorized in the biennium and TPFA will request authority to issue the remaining $50 million at a later date.

1. **Proposed Rule changes to Texas Administrative Code §181.1, §181.2, §181.3, §181.9 and §181.10**

The proposed rule changes will align the Board’s rules with statutory changes made by Senate Bill 5 in the 82nd Legislative Regular Session.

1. **Public Comment**

There was no public comment.

1. **Date for Next Board Meeting**

The next scheduled Board Meeting is Thursday, November 17, 2011.

1. **Items for Future Agendas**

An updated list detailing future bond transactions was handed out.

1. **Report from the Executive Director**

* Staff is putting together a Brown Bag Lunch presentation scheduled for December 9 with Kim Edwards as its first speaker.
* The latest draft of the Annual Report will be sent to the Alternates for comments on November 22.
* Staff has proposed breaking out conduit debt in the Annual Report and has provided the Alternates with a draft of this proposed presentation.

1. **Adjourn**

There being no further business to discuss, the planning session adjourned at 10:36 a.m.