Minutes

Texas Bond Review Board

Board Meeting

Thursday, November 18, 2010, 10:15 a.m.

Capitol Extension, Room E2.026

1400 N. Congress Avenue

Austin, Texas

The Texas Bond Review Board (BRB) convened in a regular meeting at 10:15 a.m., Thursday, November 18, 2010 in the Capitol Extension, Room E2.026 in Austin, Texas. Alternates present were Ed Robertson, Chair and Alternate for Governor Rick Perry; Don Green, Alternate for Lieutenant Governor David Dewhurst; Jesse Ancira, Alternate for Speaker Joe Straus; and Kenneth Besserman, Alternate for Comptroller Susan Combs. Also in attendance were Tom Griess with the Office of the Attorney General, Bond Finance Office staff members and others.

**I. Call to Order**

Ed Robertson, as Chair, called the meeting to order at 10:27 a.m. A quorum was present.

**II. Approval of Minutes**

UPON MOTION BY DON GREEN AND SECOND BY KENNETH BESSERMAN, THE TEXAS BOND REVIEW BOARD APPROVED THE MINUTES FOR THE SEPTEMBER 14, 2010 PLANNING SESSION, THE SEPTEMBER 23, 2010 PLANNING SESSION AND THE SEPTEMBER 23, 2010 BOARD MEETING.

1. **Public Comment**

There were no public comments.

1. **Texas Public Finance Authority (TPFA) Texas Southern University (TSU) Revenue Financing System Revenue Bonds, Series 2010**

Representative present was Susan Durso, General Counsel, TPFA.

UPON MOTION BY KENNETH BESSERMAN AND SECOND BY DON GREEN THE TEXAS BOND REVIEW BOARD APPROVED THE ISSUANCE OF THETEXAS PUBLIC FINANCE AUTHORITY TEXAS SOUTHERN UNIVERSITY REVENUE FINANCING SYSTEM REVENUE BONDS, SERIES 2010 WITH A MAXIMUM AGGREGATE PAR AND TOTAL PROCEEDS AMOUNT NOT TO EXCEED $31,500,000 INCLUDING PREMIUMS, IF ANY, AS OUTLINED IN THE APPLICATION DATED NOVEMBER 2, 2010 AND SUPPLEMENTS THROUGH NOVEMBER 11, 2010.

1. **Texas State Technical College Lease Purchase (IT Equipment and Software)**

Representative present was Susan Durso, General Counsel, TPFA.

UPON MOTION BY ED ROBERTSON AND SECOND BY KENNETH BESSERMAN THE TEXAS BOND REVIEW BOARD APPROVED THE ISSUANCE OF THE TEXAS STATE TECHNICAL COLLEGE SYSTEM’S LEASE PURCHASE FOR VARIOUS IT EQUIPMENT AND SOFTWARE PURCHASES THROUGH THE TEXAS PUBLIC FINANCE AUTHORITY’S MASTER LEASE PURCHASE PROGRAM OR OTHER VENDOR FINANCING WITH A MAXIMUM COST OF $915,000 AS OUTLINED IN THE APPLICATION DATED OCTOBER 19, 2010 AND SUPPLEMENTS THROUGH NOVEMBER 8, 2010.

1. **The University of Texas System Authorized but Unissued Tuition Revenue Bond Projects**

Representatives were exempt from attendance.

UPON MOTION BY KENNETH BESSERMAN AND SECOND BY DON GREEN THE TEXAS BOND REVIEW BOARD APPROVED THE ISSUANCE OF THE UNIVERSITY OF TEXAS SYSTEM TUITION REVENUE BOND PROJECT IN THE AMOUNT OF $39,796,000 FOR THE UT-PAN AMERICAN CAMPUS FOR FISCAL YEAR 2011 AS OUTLINED IN THE SYSTEM’S REQUEST DATED OCTOBER 15, 2010 AND SUPPLEMENTS THROUGH NOVEMBER 1, 2010.

1. **Texas Water Development Board (TWDB) Debt Reclassification from Not-Self Supporting to Self Supporting for the Water Infrastructure Fund State of Texas Water Financial Assistance Bonds, Series 2008A and Series 2009A**

Representatives present were Nancy Marstiller, Development Fund Manager, TWDB and Piper Montemayor, Director Debt and Portfolio Management, TWDB.

UPON MOTION BY DON GREEN AND SECOND BY KENNETH BESSERMAN THE TEXAS BOND REVIEW BOARD APPROVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO CERTIFY TO THE LEGISLATIVE BUDGET BOARD THAT THE OUTSTANDING INDEBTEDNESS OF THE TEXAS WATER DEVELOPMENT BOARD IN THE WATER INFRASTRUCTURE FUND REFERENCED IN THE CERTIFICATE OF THE TEXAS WATER DEVELOPMENT BOARD REGARDING DEMONSTRATION OF SELF-SUPPORTING STATE DEBT PURSUANT TO ARTICLE III, SECTION 49-j OF THE TEXAS CONSTITUTION EXECUTED BY THE EXECUTIVE ADMINISTRATOR OF THE TEXAS WATER DEVELOPMENT BOARD ON NOVEMBER 18, 2010 IS HEREBY DESIGNATED AS SELF SUPPORTING AND NO LONGER REQUIRES PAYMENT FROM THE GENERAL REVENUES OF THE STATE.

1. **EXEMPT - Veterans’ Land Board State of Texas Veterans Bonds, Taxable Refunding Series 2010D**

This transaction was approved on the EXEMPT track on Friday, November 12.

1. **EXEMPT - Veterans’ Land Board State of Texas Veterans Bonds, Taxable Refunding Series 2010E**

This transaction was approved on the EXEMPT track on Friday, November 12.

1. **Texas Water Development Board State of Texas Water Financial Assistance Bonds, Series 2011A (WIF) and 2011B (SPP)**

Representatives present were Nancy Marstiller, Development Fund Manager, TWDB and Piper Montemayor, Director Debt and Portfolio Management, TWDB.

UPON MOTION BY KENNETH BESSERMAN AND SECOND BY DON GREEN THE TEXAS BOND REVIEW BOARD APPROVED THE ISSUANCE OF THETEXAS WATER DEVELOPMENT BOARD STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS SERIES 2011A, (WATER INFRASTRUCTURE FUND) AND SERIES 2011B, (STATE PARTICIPATION PROGRAM) IN ONE OR MORE SERIES WITH PAR AMOUNTS AND MAXIMUM TOTAL PROCEEDS OF $384,065,311 INCLUDING PREMIUMS, IF ANY, AS OUTLINED IN THE APPLICATION DATED NOVEMBER 3, 2010, SUBJECT TO COMPLIANCE WITH ANY LEGISLATIVE BUDGET BOARD ACTION TAKEN PURSUANT TO THE GENERAL APPROPRIATIONS ACT.

1. **Date for Next Board Meeting**

The next scheduled Planning Session is January 10, 2011 at 2:00 pm and the next scheduled Board Meeting is January 20, 2011.

1. **Report from the Executive Director**

* BRB staff, the Comptroller’s Office and SECO completed the ESPC spreadsheet to be submitted by Issuers requesting approval of ESPC transactions. The form is available on SECO’s website. Additionally, details of ESPC contracts will be posted on the SECO website to enable agencies and higher education institutions to monitor the terms of those contracts for comparison with their own proposed contracts. This process is designed to provide added transparency to the ESPC contracting process and increase competition among ESPC contractors.
* BRB staff is working on the Annual Report that is due November 30, 2010.
* Rob Latsha gave an update on RZBs stating that two qualifying applications were received last week: $45 million was awarded to the Fort Bend Economic Development and $20 million to Muleshoe Economic Development Corporation.
* Justin Groll gave a brief update on PAB stating that November 15, 2010 was the last day to apply for 2010 volume cap and the total allocated was $1.57 billion. The total capacity for the year was $5.41 billion compared to $4.47 billion in 2009. The 2011 Lottery was cancelled due to no applications being received.

1. **Adjourn**

There being no further business, this Board meeting adjourned at 10:58 a.m.