Chairman D. V. Guerra, Jr. called to order the meeting of the Texas Water Resources Finance Authority at approximately 9:00 a.m. in Room 1-111 of the William B. Travis Building, Austin, Texas. The following Board members were present, constituting a quorum:

D. V. Guerra, Jr., Chairman  
Bill Meadows, Vice Chairman  
Thomas Weir Labatt III, Secretary/Treasurer  
Jack Hunt, Member  
E.G. Rod Pittman, Member  
James Herring, Member

Persons attending were among those present at the Texas Water Development Board meeting of the same date.

The Authority then considered items on the formal agenda in the following order.

1. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 2003 MEETING.

Mr. Labatt moved to approve the minutes as submitted; Mr. Hunt seconded the motion; it passed unanimously 6-0.

2. CONSIDER AUTHORIZING THE TRANSFER OF $443,852 FROM THE REVENUE FUND OF THE TEXAS WATER RESOURCES FINANCE AUTHORITY (AUTHORITY) TO THE AUTHORITY’S OPERATING FUND FOR THE PAYMENT OF TEXAS WATER DEVELOPMENT BOARD EXPENSES IN SERVICING THE AUTHORITY’S PORTFOLIO.

Portfolio Manager Gerald Slater stated that rider 10 of the General Appropriations Act passed by the 78th Texas Legislature in May 2003 designated $443,852 in Fiscal Year 2005 in Texas Water Resources Finance Authority (Authority) funds to reimburse the Board for the Board’s cost of administering the Authority’s portfolio. The Amended Agreement authorizes the Authority to make payments to the Board as an operating expense for the Board’s cost of administering the Authority’s portfolio. The terms of the Amended Agreement and the bond resolution for the Authority’s Revenue Refunding Bonds, Series 1999, require that, on or before the 14th day of each February and August, Pledged Revenues as needed after consideration of amounts on hand in the Authority’s Operating Fund shall be transferred from the Authority’s Revenue Fund to the Authority’s Operating Fund to pay operating expenses for the next succeeding six months.

He stated that the transfer of $221,926 to occur on or before August 14, 2004 will cover all administrative costs for the first six months of Fiscal Year 2005 for administering the Authority’s portfolio of political subdivision bonds. The transfer of $221,926 to occur on or
before February 14, 2005 will cover all costs for the next succeeding six months for administering the Authority’s portfolio.

Mr. Hunt moved to approve the staff recommendation; Mr. Labatt seconded the motion; it passed unanimously 6-0.

The meeting adjourned at 9:05 a.m.

APPROVED and ordered of record this the 17th day of August, 2004.

TEXAS WATER RESOURCES FINANCE AUTHORITY

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D.V. Guerra, Jr., Chairman

ATTEST:

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Thomas Weir Labatt III, Secretary/Treasurer