Chairman D.V. Guerra, Jr. called to order the meeting of the Texas Water Resources Finance Authority at approximately 4:00 p.m. in the Renaissance Room of the Menger Hotel in San Antonio, 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
E.G. Rod Pittman, Member
James Herring, Member

Board Member Jack Hunt was not present.

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 AUGUST 2005 MEETING.

Mr. Labatt moved to approve the minutes as submitted; Mr. Meadows seconded the motion; it passed unanimously 5-0.

2. CONSIDER AUTHORIZING AN EXTENSION OF THE EXISTING FINANCIAL ADVISOR CONTRACT.

Development Fund Manager Nancy Marstiller stated that the current Financial Advisory contract with First Southwest Company will expire on December 31, 2005. She stated that the Texas Water Resources Finance Authority can either extend the current contract for one additional year or issue a Request for Qualifications (RFQ) for Financial Advisory Services.

Ms. Marstiller said the RFQ process set by law requires that the RFQ be posted on the State Business Daily. The additional posting requirements result in a more lengthy process than what staff originally anticipated, and means the current contract would expire before a new one is in place. Therefore, staff recommends extending the current contract for one additional year to allow staff adequate time to coordinate the issuance of an RFQ with the posting requirements next year.

Mr. Pittman moved to approve the staff recommendation; Mr. Labatt seconded the motion; it passed unanimously 5-0.

The meeting adjourned at 4:06 p.m.
APPROVED and ordered of record this the 13th day of June 2006.

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