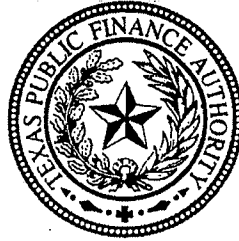


Texas Public Finance Authority

Board of Directors:

R. David Kelly, Chairman
H.L. Bert Mijares Jr., Vice Chairman
J. Vaughn Brock, Secretary
Carin M. Barth
Linda McKenna
Ruth C. Schiermeyer
Marcellus A. Taylor



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Austin, Texas 78711-2906
Telephone: (512) 463-5544

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Facsimile: (512) 463-5501
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Kimberly K. Edwards
Executive Director

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY

February 1, 2007

The Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") convened in open meeting, notice duly posted pursuant to law (a copy of which notice is attached hereto as Exhibit "A") at 10:30 A.M., Thursday, February 1, 2007, Central Services Building, Room 402, Austin, Texas. Present were: Mr. David Kelly, Chairman; Mr. Bert Mijares, Vice-Chairman; Mr. Vaughn Brock, Secretary; and Ms. Ruth Schiermeyer, Member.

Representing the Authority's staff were: Ms. Judith Porras, General Counsel, Mr. John Hernandez, Deputy Director; Ms. Pamela Scivicque and Ms. Paula Hatfield.

Present in their designated capacities were the following persons: Lester Graves Lennon, Stone & Youngberg; Jim Niederle, Estrada Hinojosa & Co.; Jim Dong, Piper Jaffray; Don Henderson, Chris Halaska, JP Morgan; Charlotte Knight-Marshall, TKG & Associates; Curt Shelmire, Merrill Lynch; Yava Scott, Siebert Brandford Shank & Co.; Robbi Jones, SBK Brooks; Tim Peterson, First Southwest Co.; Debi Jones, Morgan Keegan; Richard Donoghue, McCall Parkhurst & Horton; and Tim Kelley, Coastal Securities.

Item 1. Call to order.

Mr. Kelly called the meeting to order at 10:37 A.M.

Item 2. Confirm meeting posting compliance with the Open Meetings Act.

Mr. Kelly confirmed the meeting had been duly posted in compliance with the Open Meetings Act.

Item 3. Excuse board member absences.

Mr. Mijares moved to excuse board member absences. Ms. Schiermeyer seconded. The motion passed unanimously.

Item 4. Approval of minutes of the January 4, 2007 Board meeting.

Mr. Kelly asked if there were any corrections or additions to the minutes of the Board meeting of January 4. Mr. Brock moved to approve the minutes. Ms. Schiermeyer seconded. The motion passed unanimously.

Ms. Porras requested that Item 6 be taken out of order since the Financial Advisor and Bond Counsel on Agenda Item 5 were still collecting documents.

Item 5. Select winning bid and adopt a resolution authorizing the issuance of \$15,000,000 Texas Parks and Wildlife Department Fish Hatchery Project, Series 2007, the execution of documents in connection therewith, and other related actions to effect the sale and delivery of the bonds and resolve related matters.

Ms. Porras introduced Tim Kelley, Coastal Securities. Mr. Kelley reported the Authority had another successful competitive sale this morning. Wells Fargo Brokerage was the low bidder with a true interest cost of 3.875636%. The 17 bids received were the following: Southwest Securities, 3.884928%; UBS Securities, 3.895319%; AG Edwards, 3.914389%; JP Morgan Securities, 3.919917%; SAMCO Capital Markets, 3.925086%; Merrill Lynch, 3.931580%; Morgan Keegan & Co., 3.942517%; Vining-Sparks IBG, 3.944987%; Morgan Stanley, 3.945195%; RBC Capital Markets, 3.946365%; Piper Jaffray, 3.948912%; Goldman Sachs & Co., 3.966799%; Stone and Youngberg, 3.973659%; Popular Securities, 3.974174%; Wachovia Securities, 3.995364%; and Fidelity Capital Markets Services, 3.996979%.

Mr. Kelley stated the spread was very narrow and that several of the firms made the decision to use insurance. Ms. Porras stated that Wells Fargo Brokerage bid included the minority firm of Valdes Moreno, Inc., a Missouri firm.

Mr. Mijares moved to accept the winning bid from Wells Fargo Brokerage and to adopt the resolution. Mr. Brock seconded. The motion passed unanimously.

Item 6. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPGA General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2007 A-1, A-2, and B, designate a pricing committee and take other necessary, related action.

Ms. Porras stated the general obligation bonds would be issued for the Texas Military Value Revolving Loan Program. The loans will go to the City of Corpus Christi and the Port of San Antonio. These bonds are going to be issued in three separate series to reflect the separate tax status of each of the series. Series A-1 are tax-exempt bonds for City of Corpus Christi, the A-2 bonds are private activity bonds which are subject to alternative minimum tax provisions, and Series B will be the taxable issue for the Port of San Antonio.

The Resolution, Preliminary Official Statement, Loan Agreements with Corpus Christi and San Antonio, respectively, and the Military Preparedness Commission who will actually sign those loans with each of the jurisdictions, and the Financing Agreement are provided. The Bond Resolution authorizes the issuance of the bonds and a parameter sale which requires the Board to designate a pricing committee. The pricing for the Corpus Christi bonds is scheduled for February 7 and the San Antonio bonds will price on February 22. The reason for separate pricing dates are that the Series A-1 bonds will be treated as a separate issue from the A-2 and B bonds for tax

purposes as suggested by tax counsel, Hal Flanigan from the Dallas office of McCall, Parkhurst & Horton.

The pricing for the Corpus Christi issue will be held at the offices of Morgan Keegan in Dallas, and the members of the pricing committee can attend in person or participate by telephone. The parameters for the sale as stated in the resolution are a maximum par of 95% and a designated interest rate of no more than 5.5% for the tax exempt bonds and no more than 6.5% for the taxable bonds. Tim Peterson, First Southwest, stated he expected the tax exempt portions, Series A-1 and A-2, to have a true interest cost in the range of 4.40 to 4.80% and the taxable portion to be in the range of 5.8%. Debi Jones, Morgan Keegan, stated the buyer expectation would be retail or non-institutional buyers and that the bonds would not compete with other sales scheduled for February 7.

The Pricing Committee for February 7 will consist of Ruth Schiermeyer, Bert Mijares and Vaughn Brock, and David Kelly will serve as the alternate member. The Pricing Committee for February 22 will consist of David Kelly, Ruth Schiermeyer and Bert Mijares, and Vaughn Brock will serve as the alternate member.

Ms. Schiermeyer moved to adopt the Resolution and approve the distribution of the Preliminary Official Statement. Mr. Mijares seconded. The motion passed unanimously.

Item 7. Other Business/Staff Report.

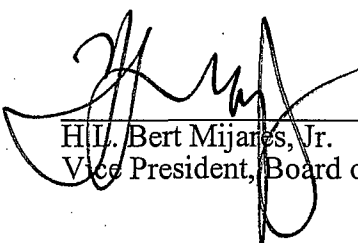
Ms. Porras advised the Board that the waiver from the State Office of Risk Management had been received and that property insurance with FM Global had been purchased at a premium of about \$500,000. Ms. Edwards has asked participants in the market their views of this property insurance on the revenue assets and had received mixed responses. Additional input is still desired and now that the coverage is secured, the issue can be explored further for another Board discussion to be scheduled in the future.

Ms. Edwards presented the Authority's budget at the Senate Finance Committee meeting yesterday. All the Authority's exceptional items were approved with the exception of about \$9,000.

Item 8. Adjourn.

The meeting adjourned at 11:02 A.M.

The foregoing minutes were approved and passed by the Board of Directors on June 7, 2007.


Hilbert Mijares, Jr.
Vice President, Board of Directors

ATTACHMENT: Posting Notice - Exhibit "A"



Open Meeting Submission

Success!

Row inserted

TRD: 2007000742
Date Posted: 01/24/2007
Status: Accepted
Agency Id: 0113
Date of Submission: 01/24/2007
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Liaison Id: 3
Date of Meeting: 02/01/2007
Time of Meeting: 10:30 AM (###:## AM Local Time)
Street Location: 1711 San Jacinto, Room 402, Central Srvs Bldg
City Location: Austin
State Location: TX
Liaison Name: Paula Hatfield

Additional Information Obtained From: If you need any additional information contact Paula Hatfield, 512/463-5544, 300 W. 15th Street, Suite 411, Austin, Texas 78701.

TEXAS PUBLIC FINANCE AUTHORITY
 THURSDAY, FEBRUARY 1, 2007 10:30 A.M.
 CENTRAL SERVICES BUILDING
 1711 SAN JACINTO, ROOM 402
 AUSTIN, TEXAS 78701

- Agenda:**
1. Call to order.
 2. Confirm meeting posting compliance with the Open Meetings Act.
 3. Excuse board member absences.
 4. Approve the minutes of the January 4, 2007 Board meeting.
 5. Select winning bid and adopt a resolution authorizing the issuance of \$15,000,000 Texas Parks and Wildlife Department Fish Hatchery Project, Series 2007, the execution of documents in connection therewith, and other related actions to effect the sale and delivery of the bonds and resolve related matters.

6. Consider the adoption of a Resolution and approval of the Preliminary Offering Statement for the TPFA General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2007 A-1, A-2, and B, designate a pricing committee and take other necessary, related action.

7. Other Business/Staff Report.

Closed Meeting

8. Pursuant to Texas Government 551.071(2), the Board may convene in closed session at any time during this meeting to obtain legal advice from its counsel concerning any matter, listed on this agenda, in which the duty of its attorney under the Texas Disciplinary Rules of Professional Conduct conflict with Texas Government Code, chapter 551.

Reconvene Open Meeting

9. The open meeting will be reconvened for final action of the Board concerning matters deliberated in the Closed Meeting, if such action is required.

10. Adjourn.

Persons with disabilities, who have special communication or other needs, who are planning to attend the meeting should contact Paula Hatfield or Donna Richardson at 512/463-5544. Requests should be made as far in advance as possible.

Certification: I certify that I have reviewed this document and that it conforms to all applicable Texas Register filing requirements. Kimberly K. Edwards, Executive Director, Certifying Official; Paula Hatfield, Agency Liaison.

New