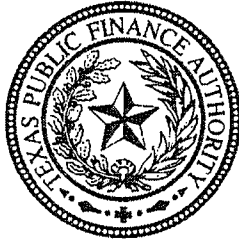


# Texas Public Finance Authority

## Board of Directors:

H.L. Bert Mijares Jr., Chair  
Ruth C. Schiermeyer, Vice Chair  
Linda McKenna, Secretary  
Gerald Alley  
D. Joseph Meister  
Robert T. Roddy, Jr.

Kimberly K. Edwards  
Executive Director



Mailing Address:  
Post Office Box 12906  
Austin, Texas 78711-2906

Physical Address:  
300 West 15th Street, Suite 411  
Austin, Texas 78701

Telephone: (512) 463-5544  
Facsimile: (512) 463-5501  
[www.tpfa.state.tx.us](http://www.tpfa.state.tx.us)

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

REVISED  
March 6, 2008

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 10:00 a.m., Thursday, March 6, 2008, Capitol Extension Hearing Room E1.022, Austin, Texas. Present were: Mr. Bert Mijares, Chair, Ms. Ruth Schiermeyer, Vice Chair, Ms. Linda McKenna, Secretary, Mr. Gerald Alley, Member, and Mr. Tom Roddy, Member.

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

Present in their designated capacities were the following persons: Liz Prado, Legislative Budget Board; Nancy Hagquist, Julie Houston, Winstead Sechrest & Minick; Jerry Kyle, Greg Shields, Andrews & Kurth; and Mike Bartolotta, First Southwest Co., Tim Kelley, Coastal Securities, Richardo Villasenor, Ramirez & Co., Mark Ellis, Depfa First Albany, and David Potter, Morgan Stanley.

### Item 1. Call to order.

Mr. Mijares called the meeting to order at 10:00 a.m.

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

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

**Item 3. Excuse board member absences.**

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

**Item 4. Approval of minutes of the February 7, 2008 Board meeting.**

Mr. Mijares asked if there were any corrections or additions to the minutes of the Board meeting February 7. Ms. McKenna moved to approve the minutes. Mr. Alley seconded. The motion passed unanimously.

**Item 5. Board member work session on current market conditions and other matters relating to the Authority's responsibilities.**

Ms. Edwards introduced the Authority's financial advisors, Mike Bartolotta, First Southwest Co., and Tim Kelley, Coastal Securities. They provided a background briefing on recent developments in the municipal market.

Mr. Bartolotta discussed municipal bond insurance and the impact the rating downgrades of several municipal bond insurers has had on the capital markets, including the municipal securities market. Mr. Kelley discussed variable rate debt. He compared commercial paper, variable rate demand bonds and auction rate securities and how each type of debt has been affected by bond insurer rating downgrades. Discussion ensued regarding the Authority's variable rate debt, which only includes commercial paper.

Ms. Edwards reviewed the impact of the market conditions and bond insurance rating changes on the Authority's debt portfolio. She noted that the Authority had filed material event notices on about six bond issues that were insured by insurance companies with rating downgrades. In addition, two bond issues have reserve funds funded with surety policies issued by downgraded firms and the loan to the Port of San Antonio under the Texas Military Value Revolving Loan Fund is insured by a downgraded firm. As a result, the Texas Military Preparedness Commission had requested the Port of San Antonio to provide quarterly financial information so that the loan can be monitored more closely.

**Item 6. Consider the adoption of a Resolution establishing the Authority's State of Texas General Obligation Commercial Paper Notes, Series 2008, approving the Offering Memorandum, and authorizing a Liquidity Agreement, Dealer Agreement, and Issuing and Paying Agent Agreement, and resolving related matters.**

Ms. Edwards explained that the Board was being asked to adopt the Resolution to establish a new Commercial Paper Program. In doing so, the Board would also approve the Offering Memorandum and authorize the related agreements, including the Liquidity Agreement with the Comptroller's Office, the Dealer Agreement between TPFPA and

Goldman Sachs, and the Issuing and Paying Agent Agreement between TPFA and Deutsche Bank. The total size of the program is \$1 billion, but the initial liquidity is for only \$300, effectively limiting the amount of outstanding CP to \$300 million.

Ms. Schiermeyer moved to adopt the Resolution. Mr. Alley seconded. The motion passed unanimously.

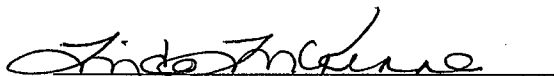
**Item 7. Other Business/Staff Report**

No other business was discussed. Mr. Mijares thanked Mr. Bartolotta and Mr. Kelley for their market conditions update.

**Item 8. Adjourn.**

The meeting adjourned at 10:35 a.m.

The foregoing minutes were approved and passed by the Board of Directors on April 3, 2008.



Linda McKenna  
Secretary

Attachment: Posting Notice - Exhibit "A"



## Open Meeting Submission

***Success!***

**Row inserted**

**TRD:** 2008001668  
**Date Posted:** 02/27/2008  
**Status:** Accepted  
**Agency Id:** 0113  
**Date of Submission:** 02/27/2008  
**Agency Name:** Texas Public Finance Authority  
**Board:** Texas Public Finance Authority  
**Liaison Id:** 3  
**Date of Meeting:** 03/06/2008  
**Time of Meeting:** 10:00 AM (###:## AM Local Time)  
**Street Location:** Capitol Extension Conference Room E1.022  
**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, MARCH 6, 2008 10:00 A.M.  
 CAPITOL EXTENSION CONFERENCE ROOM E1.022  
 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 February 7, 2008 Board meeting.
  5. Board member work session on current market conditions and other matters relating to the Authority's responsibilities.
  6. Consider the adoption of a Resolution establishing the Authority's State of Texas General Obligation Commercial Paper Notes, Series 2008,

approving the Offering Memorandum, and authorizing a Liquidity Agreement, Dealer Agreement, and Issuing and Paying Agent Agreement, and resolving related matters.

7. Other Business/Staff Report.

Closed Meeting

8. Pursuant to Texas Government, Section 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

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