

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.
Gary E. Wood

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

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

October 2, 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, October 2, 2008, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Bert Mijares, Chair, Ms. Ruth Schiermeyer, Vice Chair, Ms. Linda McKenna, Secretary; Mr. Joe Meister, Member; Mr. Gerald Alley, Member; Mr. Tom Roddy, Member; and Dr. Gary E. Wood, Member.

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

Present in their designated capacities were the following persons: Debi Jones, Morgan Keegan; Keith Richard, Banc of America; Robbi Jones, Kipling Jones & Co.; Terry Thornton, Goldman Sachs; Dale Lehman, Piper Jaffray; Mike Steinbrook, Public Financial Management; Lisa Vanderbeek, Nora Chavez, Stifel Nicolaus; Yava Scott, Siebert Brandford Shank; Nancy Hagquist, Julie Houston, Winstead; Liz Prado, Legislative Budget Board; Becky Villasenor, Ramirez & Co.; Danny R. Gallant, Ric Berry, Harold Hall, Baker Pattillo, Stephen F. Austin State University; Tim Kelley, Coastal Securities; and Michael Bartolotta, First Southwest Co.

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. Approve the minutes of the August 2 and August 19, 2008 Board meetings.

Mr. Alley requested additional comment be included in the August 19 minutes regarding the HUB certification discussion to reflect that improvement on HUB participation would be pursued. Mr. Meister noted he was identified incorrectly as Secretary in the August 2 minutes. Dr. Wood moved to approve the minutes with the modifications requested. Mr. Alley seconded. The motion passed unanimously.

Item 4. Consideration and discussion of the impact of current market conditions on the Authority's financings, including its commercial paper programs and possible approval of necessary actions related thereto.

Ms. Edwards stated the market has been tumultuous. She introduced Mike Bartolotta, First Southwest Co. and Tim Kelley, Coastal Securities, to report on the current market status.

First, Mr. Bartolotta discussed how the short term market had become stressed because investors had withdrawn a substantial amount of money from money market funds, which are one of the primary buyers of short term debt, including commercial paper. This had caused interest rates to spike from 1.75% to over 8% in some cases. The lack of buyers had also forced many issuers to call on the liquidity facilities supporting their variable rate debt. The impact of the short term market had also affected the long term market. There are very few buyers and therefore very few long term deals had been sold in recent weeks. Underwriters are not willing to hold any inventory, and so will price the bonds to sell, i.e. with higher rates, and will require higher underwriting commissions. He noted negotiated transactions let issuers better manage market risk, and said that long term, he expects fewer dealers in the business, erosion of credit, and much more limited use of credit enhancement.

Mr. Kelley discussed the impact of these conditions on TPFAs Commercial Paper program. He noted that over \$130 billion had been withdrawn from money market funds, stressing the CP market and causing draws on liquidity. However, he felt that the self-liquidity TPFAs had through the Comptroller's office would insulate TPFAs from much of this impact. Mr. Kelley and Mr. Bartolotta also discussed the impact the expected intervention by the U.S. Treasury might have on the markets.

In response to Board member questions, Ms. Edwards reported on the CP programs. Staff had reviewed the procedures and tax implications in the event their liquidity facility

with the Comptroller's office would need to be used. Staff had also reviewed the impact higher rates would have on the Authority's CP programs. The GO programs could sustain a long period of higher rates because sufficient funds had been appropriated for GO debt service by the 80th Legislature. However, the Master Lease program had tighter cash flows, and if rates did rise to over 4-5% for an extended period of time, the Authority might have to fix-out the notes or collect additional lease payments from client agencies to cover the debt service. Only one CP roll had matured in this time period, at a 4.25%, so it was too soon to know if the higher rates would be sustained. Further discussion ensued on market conditions. Ms. Edwards concluded by saying she felt TPFA was fairly well positioned: \$335 million of outstanding commercial paper, all with state liquidity; the remaining debt is fixed rate, and we have no interest rate swaps. She said her biggest concern was market access for future transactions, but she felt the best course was to prepare the transactions for market, and then be prepared to wait, if necessary for favorable conditions. Mr. Bartolotta also said the Authority should continue to monitor its CP dealers. Ms. Edwards explained that Lehman Brothers had been a CP dealer, along with JP Morgan, on two of the GO CP programs. Barclays Capital acquired that portion of Lehman's business, and TPFA had agreed to transfer the dealer agreement with Lehman to Barclays. However, under the agreement, TPFA can determine how much CP is assigned to each dealer, and so far, had assigned all the Lehman rolls to JP Morgan as they had occurred. Ms. Edwards explained, however, that she wanted to have Barclays as an option, in the event she felt the Authority was too heavily concentrated with JP Morgan. Mr. Meister asked whether the Authority should add a third dealer to the program. Discussion ensued about the economics and plausibility of doing so in the current market. Mr. Bartolotta and Ms. Edwards agreed to continue to monitor the situation.

Ms. Edwards further updated the Board on the status of the Revenue Bonds, Series 1992, RIBS/SAVRS, for which Lehman was a broker dealer. She noted Barclays did not assume this broker dealer contract. Ms. Edwards explained the terms of the RIBS/SAVRS, which include biannual auctions to set the interest rate on the SAVRs. Without a broker dealer, auctions cannot be conducted. Mr. Bartolotta and staff reviewed his recent communications with an investor and the efforts taken to ensure the Authority's responsibilities were properly carried out. Mr. Meister expressed concern about litigation potential regarding these bonds and Mr. Bartolotta provided his perspective that the investor seemed to be satisfied that all parties were taking appropriate actions. Mr. Meister also asked how long it would take to put other dealers in place for the CP programs. Ms. Edwards thought a month would be sufficient time; given the current environment, however, she thought it prudent to monitor for a few more weeks. Mr. Bartolotta agreed.

Mr. Mijares stated that the Authority should have the same expectations and standards from its underwriters in terms of their commitment to underwrite the Authority's bonds. Mr. Bartolotta responded the price for that commitment was higher in today's market, but he would not recommend taking a deal to market without such a clear commitment.

Mr. Mijares stated the Board would appreciate the financial advisors providing updates at meetings until the end of the year or until the market stabilized.

Item 5. Consideration, discussion, and possible action to approve a Request for Financing from Stephen F. Austin State University to issue approximately \$23,000,000 of revenue bonds to finance deferred maintenance projects and the expansion of the nursing school facilities, select a method of sale, appoint outside consultants, and take other necessary related action.

Ms. Edwards stated that Stephen F. Austin State University had submitted two separate requests for financings: \$10 million for deferred maintenance projects, and \$13 million for construction of a nursing school building. She introduced Dr. Baker Pattillo, President of the University, and Mr. Danny Gallant, Vice President of Finance and Administration. Dr. Pattillo stated there is a critical need for nurses in Texas; it is expected the State will have a shortage of 343,000 nurses by 2012. The University was presented a unique opportunity to address this. A prominent family donated 16.83 acres of prime property located on Main Street adjacent to the medical center complex, to the University, on the condition that a state of the art nursing facility be built within two years or the land would revert back to the family. Although the 80th Legislature was not scheduled to issue tuition revenue bonds, the Legislature authorized \$13 million of tuition revenue bonds for the SFA nursing facility.

The University admits 60 students per semester in the nursing program, and currently there are 240 juniors and seniors and 750 freshmen and sophomores in the program. The new building will be 44,000 square feet replacing a smaller 11,000 square foot building. With the new facility, the number of students accepted into the nursing program can be increased from 60 students to 100-110, depending upon recruiting needed faculty. Nursing is tightly regulated in that there must be one professor for every 10 students. Turner Construction is assisting with management of the project, and construction is scheduled to begin in January 2009, with completion by the following January.

Mr. Gallant addressed the deferred maintenance projects and reviewed prior projects. He introduced Mr. Harold Hall, Director, Physical Plant, who showed a drawing of the early childhood research center, which is about 43% complete and has an anticipated move-in date of July 2009. (The Series 2008 Bonds issued by the Board for the University are financing the research center.). Mr. Hall also showed a drawing of the proposed nursing facility. The deferred maintenance projects include renovations to the chemistry building, the theatre, and the power plant II/math nursing building, consisting of mechanical, electrical, HVAC system and storm sewer upgrades, roof repairs, ADA accessibility improvements, and fire and other life code safety improvements.

Mr. Alley asked how Turner Construction would solicit opportunities to general contractors for bids. Mr. Gallant replied that Turner Construction acts as a program manager or advisor. They worked with SFA to assist with the RFP process for a construction manager and were part of the committee, including the physical plant and other staff, who selected the construction program manager at risk firm, which is JE Dunn out of Dallas. Mr. Mijares asked about the beginning construction date and Mr. Gallant explained site preparation would begin this month with actual construction beginning January 2009. Mr. Gallant indicated SFA's Board had approved pre-issuance expenditures, such as site preparation.

Ms. Edwards stated this \$23 million bond issue will be issued under the University's revenue financing system that has a credit rating of A+. The University also intends to issue about \$10 million of Higher Education Assistance Fund (HEAF) bonds, which are Constitutional appropriation bonds, to complete the education research center. The HEAF bonds have to be sold competitively. Given the current market situation, staff recommends a negotiated sale for the Revenue Financing System bonds, with First Southwest Co. as the financial advisor and McCall Parkhurst & Horton as bond counsel. Staff recommended the following underwriting syndicate: Morgan Keegan as the book-running senior manager, with Citigroup, Edwards Jones, RBC Capital Markets and Siebert Brandford Shank, as co-managers.

Mr. Mijares asked if Siebert is a HUB firm. Ms. Edwards stated the firm is minority owned, but due to the residency requirement, it is not a Texas certified HUB. Mr. Meister asked if the firm would be counted on the HUB utilization report. Ms. Edwards indicated the firm would not be counted on the report as a HUB, but it will be included in the Authority's supplemental explanation of our good faith efforts to achieve the State's HUB goals. Under applicable rules, an agency may demonstrate it has made a good faith effort by the participation of non-certified, minority firms.

Ms. Schiermeyer moved to approve staff's recommendations. Mr. Alley seconded. The motion passed unanimously.

Item 6. Consideration, discussion and possible action regarding the renewal of Public Financial Management's contract to provide arbitrage services for the Authority's bonds and variable rate programs.

Ms. Edwards stated that in 2006 the Authority completed a full RFP process for arbitrage services. The Authority received ten proposals and Public Financial Management was selected. The Authority has been very satisfied with the services provided both in the content, the responsiveness and the fees charged. The Authority has over 140 bond issues being monitored. The contract includes an option to renew for two, two year renewal periods. Staff recommends the option be exercised to renew the contract for the first, two year renewal period.

Mr. Meister asked about where the fee fell in relation to the other responses. Ms. Edwards said PFM was one of the most cost-effective bids and that fees for arbitrage services are usually set up on a per calculation basis.

Mr. Alley moved to accept staff's recommendation. Mr. Meister seconded. The motion passed unanimously.

Item 7. Consideration, discussion, and possible action to adopt proposed amendments to rules 34 TAC Chapters 221, 223, and 225.

Ms. Edwards explained that state agencies are required to review their agency rules every four years. The rules are divided into three sections: (1) the bond issuance process; (2) the Master Lease program; and (3) the HUB program.

The material changes are updates to the rule to reflect changes in the operations of the Authority from the 1980s, and the other changes are technical clean-ups such as references to current statutes.

Mr. Meister stated he would like additional opportunity to review and provide comments on the proposed amendments. Ms. Porras indicated there is no deadline on the amendments and the Board may take additional time. Ms. Schiermeyer asked that any changes any Board member proposes be sent to Ms. Edwards for distribution to the Board prior to the next meeting.

Mr. Meister stated his understanding of the HUB rule was that the Legislature adopted a statute with a directive to the agencies to adopt mirror rules. Therefore, a policy discussion is not really within the purview of the Board and this is a compliance issue. Ms. Porras affirmed his understanding.

Mr. Meister moved to delay action on the adoption of the rules. Ms. Schiermeyer seconded. The motion passed unanimously.

Item 8. Consideration, discussion, and possible action to adopt amendments to the Authority's underwriting policies.

Ms. Edwards explained this item is to consider amendments to a set of four policies that the Board first adopted prior to 2000. Basically, this was a way to memorialize the different procedures that TPFA uses to determine if the sale will be negotiated or competitive and, in the event a negotiated sale is selected, the procedures for selecting the underwriter and pricing, and separate and apart from that, procedures for a pricing committee. The first proposed drafts apply to competitive bond sales. The proposed changes reflect statutory changes in terms of the HUB rules and Section 5 is to clarify the current practice. The Authority assembles the documents for a competitive sale and accepts bids at a date and time

specified. The Authority's policy has been that a firm forming a syndicate to bid must make a good faith effort to include HUB or other minority firms in the competitive bidding process. It is permissible to bid solo, but if a syndicate is formed, the bidder must demonstrate it has made a good faith effort to include HUBs by inviting HUBs or other minority firms to participate in the syndicate and provide documentation of this, by properly completing the bid submission form.

Mr. Alley asked for clarification of what an underwriting syndicate is and how it functions. Ms. Edwards explained the mechanics of an underwriting syndicate, mainly that firms choose to form a syndicate to bid on competitive bond sales based on the economics of the transaction. Syndicate members share in both the profit and losses of the underwriting, so on a large transaction forming a syndicate helps to minimize the amount of capital needed to commit and potential underwriting loss. On smaller transactions, firms may decide to bid alone because there is less risk and also less profit to divide among syndicate members. Mr. Alley asked if the Authority was missing an opportunity to improve HUB participation in bond underwriting by not requiring firms to include a HUB firm in the syndicate. Ms. Edwards responded that at the time these procedures were adopted, the Board felt it was not the Authority's prerogative to mandate bidders to form a syndicate, especially on the smaller deals.

Ms. Edwards provided historical background on the development of this policy. She explained that when the HUB rules were first adopted, many issuers quit doing competitive sales altogether, because there is no way to control who is going to bid on the bonds and ensure a good faith effort to include HUB firms. Many went to the negotiated model because they could pick which firms would participate. TPFA did that for a brief time, but she felt it was important to have both competitive and negotiated sales in order to determine that the Authority was getting competitive interest rates and underwriting spreads. Some bond issues are more conducive to a competitive sale than others. The Authority researched what other issuers were doing to encourage minority participation in competitive sales, and then developed the existing policy. TPFA's competitive bid policy is unique in that it requires the bidding firms to make a good faith effort to achieve the Authority's HUB participation goals by requiring a bidding firm to invite a HUB firm to be in the syndicate if they decide to form a syndicate. The Authority does have good participation by HUB and non-certified minority firms in competitive syndicates.

Mr. Alley asked whether HUB participation could be required for negotiated sales. Ms. Edwards responded it may be and the Board's policy on the point is addressed in the next set of policies to be discussed, the underwriting policies and procedures for negotiated sales. That policy states the Board will make a good faith effort to include participation of HUBs, but it does not specify a minimum number of HUB firms to be included. The Authority always includes at least one HUB or minority firms in negotiated syndicates, and often more than one, depending on the size of the bond issue. One of her main responsibilities in attending a pricing is to ensure fair treatment of and participation by the minority firms. Mr.

Alley asked whether the Board's expectation for HUB participation should be more specifically articulated in the policies to ensure consistency regardless of which individual was involved in negotiated transactions. Ms. Edwards indicated that language could be reviewed when the negotiated policies are reviewed.

Mr. Meister asked if the definition of HUB in the rule tracks the statute and the Legislature's directive. Ms. Porras said the definition of "HUB" is exactly what is in the statute and Comptroller's rules. Before any firm can be flagged as a HUB, one has to confirm and verify its status from the HUB directory. When the Legislature changed the definition of HUB to require the minority owner to be a resident of Texas, the number of HUB firms dropped significantly and the policy was amended to provide that the Authority could further demonstrate its good faith effort by including minority or woman owned firms that were not HUB certified.

Mr. Mijares suggested it might be helpful for the Board to get the centralized list so the Board could recognize HUB firms. Ms. Porras agreed but cautioned it may not be 100% accurate on underwriters' services because of the limited business code categories, i.e. there is not a specific category for municipal bond underwriting. Ms. Edwards added that when the Authority issues the RFP for Underwriters it requests information on the ownership status, HUB certification, and the composition of the firm's workforce, so there is a very careful analysis of minority ownership and hiring practices.

Ms. Edwards reviewed the pricing committee policy. She explained that since TPFA staff and Board members felt it was in the State's best interest to have board members and staff directly present at bond sales to negotiate the terms and conditions of the sale, it was necessary to amend the Authority's statute to clarify that a pricing is not a meeting under the Open Meetings Act. Subsequently, Ms. Porras worked with bond counsel and the Attorney General's office to write this policy, first adopted in August 2000, to set forth the procedures for Board participation in the pricing. The proposed changes are to update references to the code after recodification of the public finance statute and make certain changes to reflect current practice. She thanked Mr. Mijares for noting certain differences in current practice and the policy. In particular current practice is that the entire Board in an open meeting designates the members of the pricing committee and names alternates. The logistics (i.e., date, time and place) determine who attends in person and who participates by telephone. Section D has been modified to reflect that practice. Following further discussion, Ms. Edwards suggested that a provision be added requiring the Executive Director to notify the Chairman of the time, date and location of the pricing and which members were participating by phone and in person, which is current practice.

Ms. Edwards reviewed the Underwriting Policies and Procedures for Negotiated Sales. This document outlines the procedures used during pricing and provides a step-by-step explanation of what staff expect of the underwriters and financial advisors. The proposed amendments reflect current market practices. A selling group definition and

provisions relating to the use of selling groups were added, along with the provisions for electronic order entry and a mechanism for staff, pricing committee and financial advisor to view orders on-line during pricing.

The Underwriters Selection Process was developed in 1998 and the emphasis of the Board at that time was that the underwriting community was encouraged to provide full service to the Authority. Full service includes market updates, innovative products, and changes in the investor base. Ms. Edwards stated that she felt those objectives have been cultivated and achieved over the past ten years. The current policy states performance is evaluated on obtaining low cost financing, helping the Authority achieve its goal of 33% HUB participation, and also to have a fair and broad distribution of bonds to all members of the syndicate. Ms. Edwards proposed a fourth criteria, "...willingness and an ability to commit capital to underwrite unsold balances," be added, which is important to have and emphasize in this market.

Mr. Meister commented that the ability to commit capital works at cross purposes with the HUB participation factor. Mr. Alley asked what "no joint proposals will be accepted" means. Ms. Edwards stated that when the RFP for Underwriters is done to establish the pool itself, joint proposals are not accepted. Mr. Alley commented that if a firm has limited capital resources, but meets all the other criteria, prohibiting joint proposals seems to undermine the objective of increasing participation; the "no joint proposals will be accepted" excludes a firm at the entry point and presumes the Authority can identify all potential partners. Discussion ensued. Ms. Schiermeyer stated she did not want to have to exclude a company because we don't want the partner. It may be to the smaller firm's disadvantage if they are partnered with a firm the Board does not want to select because of past performance. It gives them the opportunity to be accepted on their own merits and not be hurt or helped by another company. Ms. Schiermeyer said her preference is to look at each firm individually. Mr. Mijares agreed. Mr. Alley asked if the language could be drafted to provide the option to submit a joint or standalone proposal. Ms. Edwards stated it could; it was ultimately a policy decision to be made by the Board. There was further discussion regarding securities rules uniquely applicable to underwriting firms pertaining to joint ventures, fee arrangements, minimum capital requirements, and disclosures, that could pose compliance problems and would have to be clearly addressed. It can be a fairly lengthy and complicated process to ensure the firms' business arrangements are fully vetted.

Mr. Alley expressed that his concern is the blanket prohibition on proposals, instead of reviewing and "weeding them out" after submission. Mr. Meister offered that joint proposals could be accepted, as we do not have a very good track record of fulfilling the Legislature's HUB mandate, letting the financial firms determine how the compensation should work between them, and provide full disclosure; that is, the burden should be on the firms and not TPFA.

Ms. Porras suggested the sentence be struck. She offered to provide the Board a list of underwriting firms that are HUB certified and a list of the minority firms included in the Authority's underwriting pool. Mr. Alley and Mr. Mijares agreed the sentence prohibiting joint proposals should be struck. Ms. Schiermeyer clarified that the discussion did not have anything to do with HUBs. The purpose of the prohibition was to address joint proposals between the underwriting firm and another firm retained solely to obtain business.

Mr. Meister asked about the criteria used to select firms and whether there is any weighting among the criteria. Ms. Edwards responded that there is no weighting, and she articulated the factors she considers when making a recommendation to the Board. Mr. Alley noted that since it was a subjective process unique to each deal, it might be helpful for the Board to be provided specific information on which criteria were important on each deal and how the recommended firms met those criteria. He also asked what criteria were used to include HUB firms in the syndicate. Ms. Edwards described the factors she considers in determining which minority firms to include, which are very similar to the criteria that she uses for all firms.

Ms. Schiermeyer moved to adopt the underwriting policies. Ms. McKenna seconded. The motion passed unanimously.

Item 9. Consideration, discussion, and possible action on an agency management contingency plan.

The proposed management contingency plan reflecting the Board's prior discussion has been prepared for the Board's consideration. Dr. Wood moved to approve the plan. Mr. Meister seconded. The motion passed unanimously.

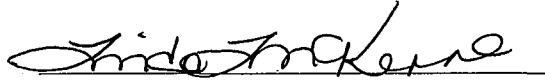
Item 10. Other Business/Staff Report.

Ms. Edwards stated the Bond Counsel RFP deadline had been extended one week until tomorrow, October 3, due to Hurricane Ike hindering some firms' ability to respond. She also indicated that two firms attended the pre-submission conference and the summaries would be available at the next board meeting.

Item 11. Adjourn.

The meeting adjourned at 12:15 p.m.

The foregoing minutes were approved and passed by the Board of Directors on November 6, 2008.

A handwritten signature in cursive script, appearing to read "Linda McKenna", is written over a horizontal line.

Linda McKenna
Secretary

Attachment: Posting Notice - Exhibit "A"

Open Meeting Submission

Success!
Row inserted

TRD: 2008007878
Date Posted: 09/24/2008
Status: Accepted
Agency Id: 0113
Date of Submission: 09/24/2008
Agency Name: Texas Public Finance Authority
Board: Texas Public Finance Authority
Liaison Id: 3
Date of Meeting: 10/02/2008
Time of Meeting: 10:00 AM (###:## AM Local Time)
Street Location: Capital Hearing Extension Room E2.028
City Location: Austin
State Location: TX
If Emergency Meeting, Reason:
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, OCTOBER 2, 2008 10:00 A.M.
 CAPITOL EXTENSION HEARING ROOM E2.028
 AUSTIN, TEXAS 78701

Agenda:

1. Call to order.
2. Confirm meeting posting compliance with the Open Meetings Act.
3. Approve the minutes of the August 7, 2008 and August 19, 2008 Board meetings.
4. Consideration and discussion of the impact of current market conditions on the Authority's financings, including its commercial paper programs and possible approval of necessary actions related thereto.

5. Consideration, discussion, and possible action to approve a Request for Financing from Stephen F. Austin State University to issue approximately \$23,000,000 of revenue bonds to finance deferred maintenance projects and the expansion of the nursing school facilities, select a method of sale, appoint outside consultants, and take other necessary related action.
6. Consideration, discussion and possible action regarding the renewal of Public Financial Management's contract to provide arbitrage services for the Authority's bonds and variable rate programs.
7. Consideration, discussion, and possible action to adopt proposed amendments to rules 34 TAC Chapters 221, 223, and 225.
8. Consideration, discussion, and possible action to adopt amendments to the Authority's underwriting policies.
9. Consideration, discussion, and possible action on an agency management contingency plan.
10. Other Business/Staff Report.

Closed Meeting

11. 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

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

13. 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