

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS:

D. Joseph Meister, Chair
Ruth C. Schiermeyer, Vice Chair
Gerald B. Alley, Secretary
Billy M. Atkinson, Jr.
Mark W. Eidman
Rodney K. Moore
Robert T. Roddy, Jr.



EXECUTIVE DIRECTOR

Robert P. Coalter

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

November 6, 2012

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, November 1, 2012, Capitol Extension Hearing Room E2.028, Austin, Texas. Present were: Mr. Joe Meister, Chair; Mr. Gerald Alley, Secretary; Mr. Tom Roddy, Member; and Mr. Mark Eidman, Member.

Representing the Authority's staff were: Robert P. Coalter, Executive Director; Susan K. Durso, General Counsel; Mr. John Hernandez, Deputy Director; and Paula Hatfield.

Present in their designated capacities were the following persons: Jim Niederle, Hutchison Shocky & Erley; Jorge Rodriguez, Coastal Securities; Paul Braden, Fulbright & Jaworski; Lorry Palacios, Robin Redford, Ramirez & Co.; Jennie Zhao, Jefferies; and Chris Allen, First Southwest Co.

Mr. Meister called the meeting to order at 11:10 a.m.

Item 2. Excuse absences of board members.

Mr. Roddy moved to excuse the absences of Ms. Schiermeyer, Mr. Atkinson and Mr. Moore. Mr. Alley seconded. The motion passed unanimously.

Item 3. Approve the minutes of the October 4, 2012, Board meeting.

Mr. Meister asked if there were any corrections or additions to the minutes of the Board meeting of October 4, 2012. Mr. Roddy moved to approve the minutes as presented. Mr. Alley seconded. The motion passed unanimously.

Item 4. Discussion, consideration and possible action to adopt a Resolution Approving and Authorizing the Execution of Substitute Liquidity Agreements Relating to Certain Outstanding Texas Public Finance Authority Commercial Paper Notes; and Resolving Other Matters Incident and Related to Such Actions.

Ms. Durso stated that in September the Board had approved staff moving forward with terminating the current liquidity agreements with the private liquidity providers for the 2002A, 2002B, 2008 and 2003 MLPP commercial paper programs. The Board appointed Fulbright and Jaworski as bond counsel to work the Authority and the Comptroller's staff to draft new liquidity agreements and prepare termination notices. Staff has notified all of the private liquidity providers, Wells Fargo on the 2002A&B programs, Sumitomo on the 2008 program, and Barclays on the 2003 MLPP Program that the Authority wishes to terminate the liquidity agreements at the end of the first year of those agreements. The timing was such that in each agreement the Authority would pay a penalty of the remainder of the first year so the chosen timing incurs no additional cost. Each of those liquidity agreements will terminate in the next few weeks and that is the need for a meeting at this time. Staff has negotiated Comptroller liquidity agreements for each of those programs so those preparations are ready. A Board resolution is necessary to substitute the liquidity provider in those four programs.

A few changes are being made in the commitments. In the 2002A program the amount of commitment needed will be reduced from \$8.5 million to \$8.25 million and in the 2008 program the commitment will be increased from \$150 million to \$300 million. TPFA can afford to increase the commitment in the 2008 program because Comptroller liquidity is much cheaper than private liquidity. The liquidity amounts for a year--even when considering the cost of conversion fees for counsel, rating agencies, etc.--there is \$834,000 savings in liquidity costs at the same amounts.

Staff is recommending the Board adopt a resolution approving the substitutions and authorizing staff to notify the paying agents, to secure the ratings and take all the other actions needed to effectuate these transactions. Ms. Durso stated she was happy to answer questions and introduced Paul Braden, Fulbright & Jaworski, who is serving as bond counsel for the transactions.

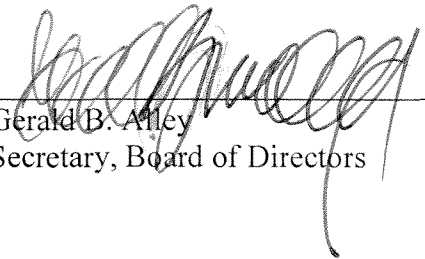
Mr. Meister asked Mr. Braden whether or not the existing liquidity agreements were simply a matter of providing notice or if there was some sort of negotiated termination. Mr. Braden answered that it was just providing a 30-day notice so timing was being planned just so the notice would hit at the one-year anniversary date so no additional fees for unused liquidity would be incurred. Mr. Meister asked who the negotiated was at the Comptroller's office. Mr. Braden indicated he worked with attorneys at the Comptroller's office. Mr. Meister asked if there were any issues he would like to highlight for the Board. Mr. Braden stated the Comptroller liquidity agreement was pretty plain vanilla, ratings are being pursued, a filing with the Attorney General's office is necessary for approval, and it should be an easy proposal.

Mr. Roddy moved to adopt a resolution approving and authorizing the execution of substitute liquidity agreements relating to certain outstanding Texas Public Finance Authority Commercial

Paper Notes, and resolving other matters incident and related thereto. Mr. Alley seconded. The motion passed unanimously.

The meeting adjourned at 11:18 a.m.

The foregoing minutes were approved and passed by the Board of Directors on February 7, 2013.



Gerald B. Alley
Secretary, Board of Directors

ATTACHMENT: Posting Notice - Exhibit A



Open Meeting Archive

Agency Name: Texas Public Finance Authority
Date of Meeting: 11/06/2012
Time of Meeting: 10:30 AM
Board: Texas Public Finance Authority
Street Location: Capitol Extension Hearing Room E2.028
City Location: Austin
State Location: TX
Status: Active
Date of Submission: 10/29/2012
Additional Information Obtained From: If you need any additional information contact Paula Hatfield, 512/463-5544, 300 W. 15th Street, Suite 411, Austin, TX 78701.
Emergency Mtg: N
Agenda: TEXAS PUBLIC FINANCE AUTHORITY
TUESDAY, November 6, 2012, 10:30 A.M.
Capitol Extension, Hearing Room E2.028
AUSTIN, TEXAS 78701

AGENDA

1. Confirm meeting posting compliance with the Open Meetings Act.
2. Excuse absences of board members, if necessary.
3. Approve the minutes of the October 4, 2012, Board meeting.
4. Discussion, consideration and possible action to adopt a Resolution Approving and Authorizing the Execution of Substitute Liquidity Agreements Relating to Certain Outstanding Texas Public Finance Authority Commercial Paper Notes; and Resolving Other Matters Incident and Related to Such Actions.
5. Executive Session:
 - a. 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 conflicts with Texas Government Code, chapter 551.
 - b. Pursuant to Texas Government section 551.074, the Board may convene in closed session at any time during this meeting to deliberate personnel issues, including the duties, responsibilities and performance of the Executive Director,

the General Counsel and the duties and responsibilities and performance of other staff.

Reconvene Open Meeting:

The open meeting will be reconvened, and any final action required concerning matters deliberated in the Closed Meeting must be taken at this time.

6. Discussion of future meeting dates and times.

7. Adjourn.

Persons with disabilities, who have special communication or other needs, who are planning to attend the meeting should contact Paula Hatfield 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. Susan K. Durso, General Counsel, Certifying Official; Paula Hatfield, Agency Liaison.

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For comments and or questions about this website please contact *Texas Register*
register@sos.state.tx.us