

TEXAS TRANSPORTATION COMMISSION

ALL Counties

MINUTE ORDER

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ALL Districts

Pursuant to various provisions of Texas law, the Texas Transportation Commission (commission) is authorized to issue and incur obligations for transportation, mobility and other projects.

To ensure that all financing programs undertaken by the commission and/or the Texas Department of Transportation (department) are completed in accordance with the highest standards of industry, law and government practice and to confirm the intent of the commission and the department to adhere to sound financial management practices, the commission reviewed and adopted a Debt Management Policy through Minute Order 110656 on August 24, 2006. The policy requires an annual review and, if necessary, amendment. The amended policy is attached hereto as Exhibit A for consideration.

The Debt Management Policy establishes parameters in which to administer the commission's financing programs considering acceptable levels of risk, minimizing interest costs and optimizing future flexibility with consideration to achieving and maintaining the best possible credit ratings.

Pursuant to Chapter 1371, Texas Government Code, as amended, and other applicable Texas law, the commission is authorized to execute credit agreements including interest rate swap and other similar agreements.

To establish responsibilities, objectives and guidelines for the use of interest rate swap and other similar products in order to efficiently and prudently manage the commission's asset/liability profile for each financing program the commission has reviewed and adopted a Derivative Management Policy, also pursuant to Minute Order 110656 on August 24, 2006. The policy also requires annual review and, if necessary, modification. The amended policy is attached hereto as Exhibit B for consideration.

IT IS THEREFORE ORDERED by the commission that the Debt Management Policy and Derivative Management Policy have been reviewed and are hereby approved.

Submitted and reviewed by:

Recommended by:

Chief Financial Officer

Executive Director

Minute Number Date Passed