

# Texas Water Development Board

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**TO:** Board Members

**THROUGH:** Kevin Patteson, Executive Administrator  
Les Trobman, General Counsel  
Jeff Walker, Deputy Executive Administrator, Water Supply & Infrastructure

**FROM:** Temple McKinnon, Manager, Regional Water Planning

**DATE:** March 20, 2015

**SUBJECT:** Consider approving the 2011 Region D Regional Water Plan, as revised, relating to the resolution of an interregional conflict; and authorizing the Executive Administrator to post notice for a public hearing for an associated amendment to the 2012 State Water Plan.

## **ACTION REQUESTED**

Approve the 2011 Region D Regional Water Plan, as revised, and, authorize the Executive Administrator (EA) to post notice for a public meeting for a future request to incorporate the revised 2011 Region D Regional Water Plan into the 2012 State Water Plan in accordance with Texas Water Code §16.053(h)(6) and 31 TAC §357.50(k).

## **BACKGROUND**

At their January 8, 2015, meeting, the Board members of the Texas Water Development Board (TWDB) approved an Order concerning the interregional conflict between the 2011 Region C and Region D Regional Water Plans (Attachment A). In compliance with that Order, the Region D Regional Water Planning Group (RWPG) prepared revisions to their 2011 Regional Water Plan to reflect the mediation, Board action, and other actions taken as part of the resolution of the interregional conflict (Attachment B). The Region D RWPG held a public hearing on the revisions on March 18, 2015, and adopted the revisions in a public meeting on March 18, 2015. These adopted revisions were submitted to TWDB by the March 20, 2015, deadline in the Order.

In accordance with the criteria regarding required actions for approving 2011 Regional Water Plans per Texas Water Code §16.053(h)(7) and 31 TAC §357.50(i), the Executive Administrator has conducted a review of the adopted revisions to the Region D Regional Water Plan.

Our Mission	:	Board Members
To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas	:	Carlos Rubinstein, Chairman   Bech Bruun, Member   Kathleen Jackson, Member
	:	Kevin Patteson, Executive Administrator

Board Members

March 20, 2015

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**KEY ISSUES**

The Executive Administrator has reviewed the 2011 Region D Regional Water Plan, as revised, and found that it complies with the January 8, 2015 Order and all other requirements in statute and TWDB rules.

**RECOMMENDATION**

The Executive Administrator recommends approval of this item.

This recommendation has been reviewed by legal counsel and complies with applicable statutes and TWDB rules.

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Les Trobman, General Counsel

Attachment:

- A. January 8, 2015 Board Order concerning the interregional conflict between the 2011 Region C and Region D Regional Water Plans.
- B. Revisions to 2011 Region D Regional Water Plan

# TEXAS WATER DEVELOPMENT BOARD



**AN ORDER** concerning the interregional conflict between the 2011 North Central Texas Regional Planning Area Regional Water Plan and the 2011 North East Texas Regional Planning Area Regional Water Plan in accordance with Texas Water Code § 16.053.

On January 8, 2015, the Texas Water Development Board (Board) considered the interregional conflict between the 2011 North Central Texas Regional Planning Area (Region C) Regional Water Plan and the 2011 North East Texas Regional Planning Area (Region D) Regional Water Plan.

In reaching its decision, the Board considered the following information: the 2011 Regional Water Plans for Regions C and D including all attachments thereto; oral arguments of the parties made in front of the Board on August 7, 2014 and January 8, 2015; the May 19, 2014, recommendation made by the Executive Administrator; the Briefs submitted on June 20, 2014 and Reply Briefs submitted by Regions C and D submitted on July 7, 2014; the analysis and quantification submitted by Region C on October 29, 2014; Region D's response to that analysis submitted on December 17, 2014; and the Executive Administrator's Recommendation based on Region C's analysis and quantification submitted on December 17, 2014.

The Board finds that Region C's 2011 Regional Water Plan together with the analysis and quantification submitted on October 29, 2014, meet the applicable statutory and regulatory criteria. Further, the Board finds that in accordance with Texas Water Code (TWC) §§ 16.051 and 16.053, the interregional conflict as asserted by Region D is hereby resolved with the inclusion of the Marvin Nichols Reservoir Project as a recommended water management strategy in the 2011 Region C Regional Water Plan. Accordingly, the Board adopts the following Findings of Fact and Conclusions of Law:

## **I. FINDINGS OF FACT**

### **Procedural History**

1. Every five years, each of the sixteen Regional Water Planning Areas submits a Regional Water Plan (RWP) to the Board for approval and incorporation into the State Water Plan (SWP) in accordance with TWC §§ 16.051 and 16.053.
2. On October 4, 2010, the Board approved the 2011 Region D RWP, which asserted that the inclusion of the proposed Marvin Nichols Reservoir as a water management strategy in any 2011 RWP or the 2012 SWP would create an interregional conflict based on negative impacts to Region D.
3. On December 6, 2010, the Board approved the 2011 Region C RWP, which included the proposed Marvin Nichols Reservoir as a recommended, long-term water management strategy for Tarrant Regional Water District, North Texas Municipal Water District and the Upper Trinity Regional Water District, and as an alternative strategy for Dallas Water Utilities and the City of Irving.
4. On January 12, 2011, Ward Timber Ltd., et. al. filed a lawsuit in Travis County District Court, seeking judicial review of the Board's decision approving the Region C 2011 RWP.
5. On December 5, 2011, the District Court denied the Board's plea to the jurisdiction, declared that an interregional conflict existed between the Region C and Region D water plans, reversed the Board's approval of Region C's 2011 RWP, and remanded the case back to the Board to resolve the conflict.
6. On May 23, 2013, the 11<sup>th</sup> Court of Appeals of Texas, Eastland, affirmed the ruling of the District Court.
7. On December 16, 2013, in an attempt to negotiate a resolution to the conflict, the TWDB facilitated mediation for the Region C and D regional water planning groups. The mediation was conducted by the State Office of Administrative Hearings.
8. On December 17, 2013, the mediator reported the mediation as unsuccessful.
9. On March 4, 2014, the Executive Administrator issued a preliminary draft recommendation to resolve the conflict between the Region C and Region D 2011 RWPs.

10. After publishing notice in accordance with 31 TAC § 357.14, on April 29, 2014 a public hearing was held in Region C and on April 30, 2014, a public hearing was held in Region D during which the Executive Administrator received input from the public regarding the Executive Administrator's draft resolution of the conflict.
11. The Executive Administrator issued his final recommendation regarding resolution of the interregional conflict on May 19, 2014.
12. Regional water planning groups for Regions C and D submitted briefs to the Board on June 20, 2014 and reply briefs on July 7, 2014.
13. On August 7, 2014, the Board heard comments from designated representatives from Regions C and D as well as from the Executive Administrator.
14. After consideration of the comments and all information submitted by the Executive Administrator and Regions C and D, the Board then issued an Interim Order in which Region C was ordered to conduct an analysis and quantification of the impacts of the Marvin Nichols Reservoir on the agricultural and natural resources of Region D and the State, pursuant to TWC §§ 16.051 and 16.053 and Title 31 Texas Administrative Code, Chapters 357 and 358. Region C was to submit this analysis and quantification to the Board by November 3, 2014.
15. Region C submitted the analysis and quantification of the impacts of the Marvin Nichols Reservoir to the Board on October 29, 2014.
16. Region D submitted comments related to Region C's October 29, 2014, analysis and quantification on December 17, 2014. The Executive Administrator submitted a recommendation to the Board related to Region C's analysis and quantification on December 17, 2014.
17. The Board relies upon and adopts the information contained in the filings submitted for consideration in this matter as support for its ultimate determinations on resolution of this conflict, to the extent consistent with its decision.

### **Project Description and Cost**

18. The Marvin Nichols Reservoir as proposed by Region C is to be located on the main stem of the Sulphur River Basin in Franklin, Titus, and Red River Counties, and entirely within the boundaries of Region D.

19. **The Marvin Nichols Reservoir is a recommended water management strategy for Tarrant Regional Water District and North Texas Municipal Water District, and the Upper Trinity Regional Water District. It is an alternative strategy for Dallas Water Utilities and the City of Irving.**
20. **Region C indicates in its 2011 RWP that the capital cost of the Marvin Nichols Reservoir, including the primary delivery infrastructure, is approximately \$3.43 billion.**
21. **The cost per thousand gallons of water from the Marvin Nichols Reservoir will be approximately \$2.07 until the debt service is paid. Once the debt service is paid, the cost per thousand gallons of water will be reduced to approximately \$0.57.**
22. **The range of costs for other potentially feasible water management strategies for Region C vary between just over \$.50 to \$7.78 per thousand gallons.**
23. **As proposed, the current site for the Marvin Nichols Reservoir conflicts with existing cemeteries, electric lines, oil and gas pipelines, oil and gas wells, water wells and roads. Region C has estimated that 10 percent of the capital costs would be applied to address these issues.**
24. **The projected yield of the Marvin Nichols Reservoir is 612,300 acre-feet per year. Of this, 489,840 acre-feet per year will be allocated to Region C. Region D will be allocated 20 percent of the yield.**
25. **As noted in Region C's 2011 RWP, the division of the 489,840 acre-feet per year assumed to be available to Region C from the proposed Marvin Nichols Reservoir is:**
  - a. **280,000 acre-feet per year for Tarrant Regional Water District;**
  - b. **174,840 acre-feet per year for North Texas Municipal Water District; and**
  - c. **35,000 acre-feet per year for Upper Trinity Regional Water District.**

#### **Public Health, Safety, and Welfare**

26. **Ensuring that municipal demands are met is a way to safeguard the public's health, safety, and welfare. Municipal demand includes potable water supply as well as sufficient supply for sanitation and fire protection. Municipal demand also includes the needs of residential, commercial, and institutional water users.**
27. **In 2006, 90.7 percent of the water use in Region C was directed for municipal purposes.**

28. As shown in the Region C 2011 RWP, the supply from the Marvin Nichols Reservoir is an integral supply to Tarrant Regional Water District, North Texas Municipal Water District and Tarrant Regional Water District, each of which provide a large supply of its water for municipal demands.
29. Including the Marvin Nichols Reservoir in the Region C 2011 RWP as a recommended strategy will enable the Region to meet its projected municipal needs.

#### **Furtherance of Economic Development**

30. Timber is abundant and supports a large timber industry in Region D.
31. The development of a new reservoir in the Sulphur River Basin could act as a catalyst for economic development and growth in the area. New reservoirs may stimulate the economy through new recreational business and local improvements.
32. The Board Staff provides technical assistance to regional water planning groups. One aspect of the technical assistance is the development of the socio-economic impacts of failing to meet projected water needs. The Board Staff estimated that the annual economic value and income loss associated with the projected Region C potential water shortages in 2060, is over \$50 billion.

#### **Protection of Natural Resources**

33. Both Regions acknowledge that there are negative impacts to natural resources associated with the Reservoir.
34. The analysis and quantification submitted by Region C on October 29, 2014 relied on a 2013 report prepared by Freese and Nichols, Inc. for the United States Army Corps of Engineers.
35. The analysis and quantification provided by Region C on October 29, 2014, is based primarily on the area to be inundated by the Marvin Nichols Reservoir, which is a total of 66,103 acres.
36. The quantification of impacts to natural resources provided by Region C included a summary of the flow-frequency relationship for the Sulphur River immediately below the proposed Marvin Nichols Reservoir with and without the Reservoir.

37. It is estimated that the proposed Marvin Nichols Reservoir will inundate 5.2 percent of the forested wetlands, 2.4 percent of the bottomland hardwood forests, and 0.4 percent of the upland forests in Region D.
38. It is estimated that the proposed Marvin Nichols Reservoir would reduce flows discharging to bays, estuaries and arms of the Gulf of Mexico by approximately 670,000 acre-feet per year.
39. There are an estimated 5.973 million acres of bottomland hardwoods in Texas.
40. There are an estimated 831,838 acres of bottomland hardwoods in Region D.
41. The Marvin Nichols Reservoir as proposed would inundate 31,600 acres of bottomland hardwood.
42. Mitigation will be required to offset impacts of the Marvin Nichols Reservoir on natural resources, but the estimates of mitigation land are wide-ranging at this stage. The estimates for the required mitigation that have been provided to the Board at this time have been between approximately 47,000 and 749,000 acres.
43. In the counties in which the proposed Marvin Nichols Reservoir would be located, there are three federally endangered species, none of which are expected to be impacted by the Reservoir; and 21 species listed as threatened or endangered by the Texas Parks and Wildlife Department, three of which are considered to have moderate potential to be impacted by the Reservoir.
44. It is estimated that the proposed Marvin Nichols Reservoir will impact 34 sites that are likely eligible for the National Register of Historic Properties, and 18 sites that are not likely eligible for the National Register of Historic Properties.

#### **Protection of Agricultural Resources**

45. Of the approximately 66,000 acres of land to be inundated by the Marvin Nichols Reservoir, close to 43,000 acres are useful in the growth and harvesting of timber.
46. It is anticipated that mitigation land required for the Marvin Nichols Reservoir will be located in Region D and that farming and timbering activity on mitigation land will be prohibited or significantly restricted.
47. The inundation of the Marvin Nichols Reservoir will impact an estimated 1.6 percent of the total timberland in Region D.

48. As proposed, the Marvin Nichols Reservoir would inundate an estimated 0.76 percent of the prime farmland in Region D and an estimated 0.04 percent of the prime farmland in the state.

#### **Water Conservation Practices and Drought Management Measures**

49. Region C recommended water management strategies that are expected to reduce water use by 567,473 acre-feet by the year 2060.
50. The water conservation plans and drought contingency plans for the required entities in Region C were reviewed and updated in the 2011 Region C RWP.
51. Consistent with TWDB rules, both Region C and Region D included water management strategies in their RWPs that if built, would provide a greater supply than their projected demand.

#### **Long-Term Protection of State's Water Resources**

52. Region C's 2011 RWP is consistent with the long-term protection of the state's water resources, in part because the Region used the surface water availability models and groundwater availability models approved by the Texas Commission on Environmental Quality and the Board, the results of which were used to determine the amount of supply that could be allocated while still protecting the sustainability of the resource.
53. Region C undertook several studies to address the rapid population growth and other changing conditions in Region C. The results of those studies were incorporated into the development of the 2011 Region C RWP.

## **II. CONCLUSIONS OF LAW**

1. The Board has jurisdiction over this matter pursuant to TWC § 16.053(h)(6), which states that the Board shall facilitate coordination between regions to resolve an interregional conflict, and if a conflict remains, the Board shall resolve the conflict.
2. The Board is required to approve RWPs pursuant to TWC §16.053.

3. **The Board is required to prepare and adopt a comprehensive SWP that incorporates the RWP approved from each region under TWC § 16.051.**
4. **Pursuant to TWC § 16.053(h)(7), the Board may approve and incorporate a RWP only after determining that all interregional conflicts involving that regional planning area have been resolved; the plan includes water conservation practices and drought management measures; and the plan is consistent with long-term protection of the state's water resources, agricultural resources, and natural resources as embodied in the guidance principles adopted under TWC § 16.051(d).**
5. **The Board resolves this conflict pursuant to TWC § 16.053(h)(6) after following the procedures contained in the Board's rules.**
6. **There are no outstanding interregional conflicts related to the 2011 Region C RWP.**
7. **The Region C 2011 RWP together with the analysis and quantification submitted on October 29, 2014, meets the statutory requirements related to the Regional and State Water Plans under TWC §§ 16.051 and 16.053 as well as the Board's rules.**
8. **The projected cost per thousand gallons of water from the Reservoir is reasonable under TWC §§ 16.051 and 16.053.**
9. **The public health, safety, and welfare of the state will be ensured, in part through the provision of water from the proposed Marvin Nichols Reservoir and therefore, including it in the 2011 RWP for Region C, complies with the requirements of TWC §§ 16.051 and 16.053.**
10. **Region C has submitted a reasonable analysis and quantification of the impacts of the Reservoir on the agricultural and natural resources of Region D and the State, in accordance with TWC §§16.051 and 16.053.**
11. **Region C's 2011 RWP is consistent with the long-term protection of the state's agricultural and natural resources as provided for in TWC §16.053(h)(7)(C).**
12. **In reviewing a regional water plan, the Board must consider and balance the statutory criteria contained in TWC § 16.053.**
13. **In accordance with TWC § 16.053(h)(7), the water conservation plans and drought contingency plans for the required entities in Region C were reviewed and updated in the 2011 Region C RWP.**
14. **Region C included a drought management plan in its 2011 RWP that met the requirements of TWC § 16.053(h)(7).**

15. Region C included reasonable and comprehensive water conservation practices in its 2011 RWP and is therefore in compliance with TWC § 16.053(h)(7).
16. Pursuant to 31 TAC § 357.62, this Order is final and not appealable to the Board.

**NOW, THEREFORE, BE IT ORDERED BY THE TEXAS WATER DEVELOPMENT BOARD, IN ACCORDANCE WITH THESE FINDINGS OF FACT AND CONCLUSIONS OF LAW THAT:**

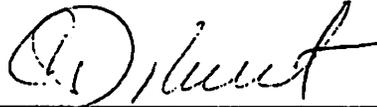
1. The Region C Regional Water Planning Group shall revise, pursuant to TWC § 16.053(h)(6), Chapter 10 of its 2011 RWP, relating to the Plan Approval Process to reflect the mediation, this Board action, and other actions taken to effectuate this decision. Region C shall adopt the revisions and submit its revised RWP and supporting documents to the Board on or before March 20, 2015, for Board consideration.
2. The Region D regional water planning group shall revise, pursuant to TWC § 16.053(h)(6), its 2011 RWP by revising all references to a conflict to reflect that the conflict has been resolved, and to revise Chapter 10 of its 2011 RWP, relating to the Plan Approval Process, to reflect the mediation, this Board action, and other actions taken to effectuate this decision. Region D shall adopt the revisions and submit its revised RWP and supporting documents to the Board on or before March 20, 2015, for Board consideration.
3. The Executive Administrator is directed to undertake an examination of current rules and guidance pertaining to the development of regional water plans as well as an evaluation of Board staff's review process, and identify any opportunities for: completing a more substantive review of the plans; ensuring that future regional and state water planning efforts include all statutorily-required analyses; involving the Regional Water Planning Groups Stakeholder Committee in considering ways to identify potential conflicts and facilitate resolution early in the planning process; and defining "interregional conflict" in a manner that is consistent with the ruling of the 11<sup>th</sup> Court of Appeals in *Texas Water Development Board vs. Ward Timber, Ltd.*, 411 S.W.3d 554 (Tex. App.-Eastland 2013,

no pet.). Once the Executive Administrator has completed his review, the Executive Administrator will report back to the Board for further guidance.

4. The Region C and Region D regional water planning groups are encouraged to continue to participate in the Sulphur River Basin Study.
5. If any provision, sentence, clause, or phrase of this order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of this order.
6. Authority is delegated to the General Counsel to make non-substantive changes to this order, as needed.

Issue Date: January 8, 2015

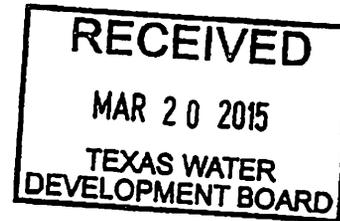
TEXAS WATER DEVELOPMENT BOARD



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Carlos Rubinstein, Chairman

March 18, 2015



Temple McKinnon, Region D Project Manager  
Texas Water Development Board  
P.O. Box 12321  
Austin, Texas 78711

RE: Revisions to Adopted 2011 Regional Water Plan

Dear Temple,

Please find enclosed the submittal of revised text developed to be consistent with the Region C and D conflict resolution process implemented by the Texas Water Development Board, which is considered to be part of the adopted 2011 Regional Water Plan.

Thank you for your attention to this letter.

Sincerely,

A handwritten signature in cursive script that reads "Walt Sears, Jr.".

Walt Sears, Jr.  
General Manager  
Northeast Texas Municipal Water District  
Administrative Agency  
North East Texas Regional Water Planning Group – Region D

While the North East Texas Regional Water Planning Group (NETRWPG) continues to expect that further analysis will concur with its analysis that Marvin Nichols Reservoir is not consistent with protecting the State’s agricultural and natural resources, the NETRWPG acknowledges that TWDB has implemented its conflict resolution process and made a determination that the conflict between Region C and Region D is resolved for purposes of the 2011 water planning process.

Thus, any and all instances of references to conflict between Region C and Region D should be removed from the 2011 plan. Enumerated herein are the specific revisions to the 2011 North East Texas (Region D) Regional Water Plan to reflect the conflict resolution process.

**Table of Contents**

**(1) Revision for Volume 1, Page TOC-vi, Chapter 7 Title:**

Delete italicized text “INCONSISTENCY OF ANY” within the Table of Contents for the title of Chapter 7.

**CHAPTER 7.0 DESCRIPTION OF HOW THE REGIONAL WATER PLAN IS CONSISTENT WITH LONG-TERM PROTECTION OF THE STATE’S WATER RESOURCES, AGRICULTURAL RESOURCES, AND NATURAL RESOURCES, AND THE *INCONSISTENCY OF ANY* MARVIN NICHOLS I RESERVOIR PROPOSED BY REGION C IN PROTECTING THESE RESOURCES..... 7-2**

7.1 Introduction .....7-Error! Bookmark not defined.

7.2 Consistency with the Protection of Water Resources.....7-Error! Bookmark not defined.

7.2.1 Resources .....7-Error! Bookmark not defined.

7.3 Consistency with Protection of Agricultural Resources..... 7-3

Add text shown in red below in the Table of Contents for the title of Chapter 7:

**CHAPTER 7.0 DESCRIPTION OF HOW THE REGIONAL WATER PLAN IS CONSISTENT WITH LONG-TERM PROTECTION OF THE STATE’S WATER RESOURCES, AGRICULTURAL RESOURCES, AND NATURAL RESOURCES, AND THE IMPACTS OF MARVIN NICHOLS I RESERVOIR PROPOSED BY REGION C IN PROTECTING THESE RESOURCES..... 7-2**

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7.2.1 Resources .....7-Error! Bookmark not defined.

7.3 Consistency with Protection of Agricultural Resources..... 7-3

**Chapter 4**

**(2) Revision for Volume 1, Chapter 7, Page 7-1, Title:**

Delete italicized text in Chapter 7 title.

**CHAPTER 7.0 DESCRIPTION OF HOW THE REGIONAL WATER PLAN IS CONSISTENT WITH LONG-TERM PROTECTION OF THE STATE'S WATER RESOURCES, AGRICULTURAL RESOURCES, AND NATURAL RESOURCES, AND THE *INCONSISTENCY OF ANY* MARVIN NICHOLS I RESERVOIR PROPOSED BY REGION C IN PROTECTING THESE RESOURCES**

Add text shown in red below in title of Chapter 7:

**CHAPTER 7.0 DESCRIPTION OF HOW THE REGIONAL WATER PLAN IS CONSISTENT WITH LONG-TERM PROTECTION OF THE STATE'S WATER RESOURCES, AGRICULTURAL RESOURCES, AND NATURAL RESOURCES, AND THE IMPACTS OF MARVIN NICHOLS I RESERVOIR PROPOSED BY REGION C IN PROTECTING THESE RESOURCES**

**(3) Revision for Volume 1, Chapter 7, Page 7-1, Section 7.1:**

Delete italicized text "is" in the final sentence of the final paragraph of the introduction.

The primary purpose of Chapter 7 is to describe how the 2011 North East Texas Regional Water Plan is consistent with the long-term protection of the State's water resources, agricultural resources, and natural resources. Additionally, the chapter will specifically address consistency of the 2011 North East Texas Regional Water Plan (NETRWPG) with the State's water planning requirements. This chapter will also address the impact of the Marvin Nichols I Reservoir on the long-term protection of the State's water resources, agricultural resources, and natural resources. The Marvin Nichols I Reservoir is a proposed water management strategy of Region C in the 2006 State Water Plan. The Marvin Nichols I Reservoir, if constructed, would be located in the North East Texas Regional Water Planning Group area. *It is* the position of the NETRWPG that inclusion of the Marvin Nichols I Reservoir is not consistent with the long-term protection of the State's water resources, agricultural resources, and natural resources.

Add text shown in bold below in the final sentence of the final paragraph of the introduction, and add a new paragraph shown in bold text below:

The primary purpose of Chapter 7 is to describe how the 2011 North East Texas Regional Water Plan is consistent with the long-term protection of the State's water resources, agricultural resources, and natural resources. Additionally, the chapter will specifically address consistency of the 2011 North East Texas Regional Water Plan (NETRWPG) with the State's water planning requirements. This chapter will also address the impact of the Marvin Nichols I Reservoir on the long-term protection of the State's water resources, agricultural resources, and natural resources. The Marvin Nichols I Reservoir is a proposed water management strategy of Region C in the 2006 State Water Plan. The Marvin Nichols I Reservoir, if constructed, would be located in the North East Texas Regional Water Planning Group area. It **has been** the position of the NETRWPG that inclusion of the Marvin Nichols I Reservoir is not consistent with the long-term protection of the State's water resources, agricultural resources, and natural resources.

**While Region D continues to expect that further analysis will concur with its analysis that Marvin Nichols Reservoir is not consistent with protecting the state's agricultural and natural resources, Region D acknowledges that TWDB has implemented its conflict resolution process and made a determination that the conflict between Region C and Region D is resolved for purposes of the 2011 water planning process.**

**(4) Revision for Volume 1, Page 7-3, Sections 7.3 and 7.4:**

Delete italicized text from sections 7.3 and 7.4.

**7.3 CONSISTENCY WITH PROTECTION OF AGRICULTURAL RESOURCES**

The WAMs indicate adequate availability of surface water to meet the projected irrigation demands for the planning period. *The Marvin Nichols I Reservoir as proposed by Region C, is not consistent with the plan for Region D, as it does not protect the agricultural resources of Region D.*

**7.4 CONSISTENCY WITH PROTECTION OF NATURAL RESOURCES**

The North East Texas Regional Water Planning Group area contains many natural resources that must be considered in water planning. Some of the natural resources include threatened or endangered species; local, state, and federal parks and public lands; and energy/mineral reserves. The North East Texas Regional Water Plan is consistent with the long-term protection of these resources, *although the Marvin Nichols I Reservoir, proposed by Region C, is not consistent with the Region D plan.* Following is a brief discussion of consistency of the plan with protection of natural resources.

**(5) Revision for Volume 1, Page 7-11, Sections 7.7 CONCLUSION:**  
Delete italicized text from Section 7.7 CONCLUSION.

**7.7 CONCLUSION**

*Due to the significant negative impacts upon environmental factors, agricultural resources/rural areas, other natural resources, and third parties, Marvin Nichols I Reservoir should not be included as a water management strategy in any 2011 regional water plan or the 2012 State Water Plan. Accordingly, inclusion of the Marvin Nichols I Reservoir in any regional water plan would be inconsistent with the Region's efforts to ensure the long-term protection of the State's water resources, agricultural resources and natural resources, also violating Sections 16.051 and 16.053 of the Texas Water Code.*

**NOTE:** In referencing Marvin Nichols I, the region D plan incorporates Marvin Nichols I, Marvin Nichols IA, and any dam sites on the main stem of the Sulphur River.

Add text shown in bold below:

**7.8 CONCLUSION**

**It has been the position of Region D that due to the significant negative impacts upon environmental factors, agricultural resources/rural areas, other natural resources, and third parties, Marvin Nichols I Reservoir should not be included as a water management strategy in any 2011 regional water plan or the 2012 State Water Plan. However, Region D acknowledges that TWDB has implemented its conflict resolution process and made a determination that the conflict between Region C and Region D on this issue is resolved for purposes of the 2011 water planning process.**

**NOTE:** In referencing Marvin Nichols I, the region D plan incorporates Marvin Nichols I, Marvin Nichols IA, and any dam sites on the main stem of the Sulphur River.

## Chapter 8

### **(6) Revision for Volume 1, Page 8-16, Section 8.8 Cypress Creek Basin:**

Delete italicized text.

It is the position of the North East Texas Regional Water Planning Group that *unless* such proposed reservoirs or transfers include explicit recognition that the needs for environmental flows in the North East Texas Region must be satisfied *first consistent with Senate Bill 3, that these strategies create direct conflicts between the plans of such other group(s) and the plan of the North East Texas Regional Water Planning Group.*

Add text shown in bold below:

It is the position of the North East Texas Regional Water Planning Group that **any** such proposed reservoirs or transfers **should** include explicit recognition that the needs for environmental flows in the North East Texas Region must be satisfied.

### **(7) Revision for Volume 1, Page 8-33, Section 8.12.1 Comments on the Texas Administrative Code With Regard to Reservoir Development**

Delete italicized text.

development of additional reservoirs in the Sulphur River Basin as a recommended water management strategy or as an alternative strategy. *Further, it is the position of the North East Texas Regional Planning Group that the development of such reservoirs is in direct conflict with the stated TAC Rule and thereby impacts negatively the agricultural and environmental resources within the North East Texas Region. Furthermore, due to these foreseeable detrimental impacts, the North East Texas Regional Planning Group asserts strongly that the option of pursuing any new reservoir in the Sulphur River Basin as a water management strategy or an alternative strategy should be viewed as directly inconsistent with the protection of natural resources within the region under that rule.*

Add text shown in bold below:

development of additional reservoirs in the Sulphur River Basin as a recommended water management strategy or as an alternative strategy. **It has been the position of the NETRWPG that inclusion of further reservoir development on the Sulphur River is not consistent with the long-term protection of the State's water resources, agricultural resources, and natural resources. While Region D continues to expect that further analysis will concur with its**

**position that further reservoir development is not consistent with protecting the state's agricultural and natural resources, Region D acknowledges that TWDB has implemented their conflict resolution process and made a determination that the conflict between Region C and Region D regarding the proposed Marvin Nichols Reservoir is resolved for the purposes of the 2011 planning process. Irrespective of TWDB's finding of no conflict, Region D continues to oppose new reservoir construction in the Sulphur River Basin. Region D is willing to work with other regions to obtain water from the Sulphur River Basin by methods that do not involve new reservoir construction.**

**(8) Revision for Volume 1, Page 8-35, Section 8.12.4 Environmental Flows, 3<sup>rd</sup> paragraph:**

Delete italicized text.

The North East Texas Regional Water Planning Group recognizes that other regional water planning groups may include recommendations for new reservoirs in the Sulphur River Basin or for the transfer of water out of the Sulphur River Basin to basins in other regions, as part of their recommended water management strategies or as alternate strategies. It is the position of the North East Texas Regional Water Planning Group that *unless* such proposed reservoirs or transfers include explicit recognition that the needs for environmental flows in the North East Texas Water Planning Region must be satisfied *first consistent with Senate Bill 3, that these strategies create direct conflicts between the plans of such other group(s) and the plan of the North East Texas Regional Water Planning Group.*

Add text shown in bold below:

The North East Texas Regional Water Planning Group recognizes that other regional water planning groups may include recommendations for new reservoirs in the Sulphur River Basin or for the transfer of water out of the Sulphur River Basin to basins in other regions, as part of their recommended water management strategies or as alternate strategies. It is the position of the North East Texas Regional Water Planning Group that **any** such proposed reservoirs or transfers **should** include explicit recognition that the needs for environmental flows in the North East Texas Water Planning Region must be satisfied.

**(9) Revision for Volume 1, Page 8-36 and 8-37, Section 8.13.1 Recommendation: Marvin Nichols Reservoir Sites, 3<sup>rd</sup> paragraph:**

Delete italicized text.

Based on the reasons set forth in Section 7.6 of this regional plan, it is the position of the North East Texas Regional Water Planning Group *that the inclusion in the regional plans of any other regional water planning group of the Marvin Nichols I reservoir or any similarly located reservoir would create an interregional conflict as described in Section 16.053 of the Texas Water Code. Further, the North East Texas Regional Water Planning Group takes the position that any such Marvin Nichols reservoir should not be included in the 2011 State Water Plan as a water management strategy. The North East Texas Regional Water Planning Group is prepared to work with the Texas Water Development Board to resolve any conflict pursuant to Section 16.053(h)(6) of the Texas Water Code.*

Add text shown in bold below:

Based on the reasons set forth in Section 7.6 of this regional plan, it **has been** the position of the North East Texas Regional Water Planning Group Marvin Nichols reservoir should not be included in the 2011 State Water Plan as a water management strategy. **However, Region D acknowledges that TWDB has implemented its conflict resolution process and made a determination that the conflict between Region C and Region D on this issue is resolved for purposes of the 2011 water planning process. Irrespective of the TWDB's finding, Region D continues to oppose Marvin Nichols Reservoir but is willing to work with other regions to obtain water supplies from the Sulphur River Basin that do not involve new reservoir construction.**

**Chapter 10**

**(10) Revision for Volume 1, Page 10-7, Section 10.4 TEXAS WATER DEVELOPMENT BOARD:**

Add new Section 10.4.1, to reflect the TWDB conflict resolution process, the adoption of these revisions and comments received at the March 19, 2015 public hearing of the NETRWPG, under present text in Section 10.4:

**10.4 TEXAS WATER DEVELOPMENT BOARD**

The Texas Water Development Board reviewed the Initially Prepared Plan and submitted comments on their findings by letter to Mr. Richard LeTourneau, Chairman, North East Texas Regional Water Planning Group, dated June 28, 2010.

This letter also included Attachment B: Level 1 Comments – Initially Prepared Regional Water Plan vs. Online Planning Database Review and Attachment C: Level 1 Exception Report – Online Planning Database. This letter is shown in Appendix C with the responses.

#### **10.4.1 Resolution of the Regions C and D Interregional Conflict**

Senate Bill 1 (SB 1) in 1997 created the current state water planning process.<sup>1</sup> Under SB 1, the first Region D Regional Water Plan in 2001 recommended that Marvin Nichols be developed to provide a source of future water supply for water users both within Region D and in Region C. The 2001 Plan, however, was later amended to remove Region D's support for the development of Marvin Nichols due to concerns over the impacts that the water management strategy would have on the state's agricultural and natural resources. The 2006 Region D Regional Water Planning Group took the position that Marvin Nichols should not be included in any regional plan or in the State Water Plan as a water management strategy because it did not protect the agricultural and natural resources of the State, as required by law. Further, the Region D Regional Water Planning Group expressed the opinion that the inclusion of Marvin Nichols in the Region C Regional Water Plan constituted an interregional conflict. The TWDB approved both the Region C and Region D 2006 Regional Water Plans, despite Region D's assertion of conflict, because at that point in the TWDB defined a conflict as an over-allocation of a source of supply.

In 2007, the 80th Legislature established a study commission on Region C Water Supply that consisted of members appointed by the regional water planning groups of Regions C and D.<sup>2</sup> The Study Commission was charged with reviewing the water supply alternatives available to the Region C Regional Water Planning Area, but the Study Commission was unable to reach a consensus on its findings and recommendations, so a final report was not delivered to the 82<sup>nd</sup> Legislature.<sup>3</sup>

In 2011, Region C again adopted Marvin Nichols as a recommended strategy and Region D reiterated concerns it had raised, namely that the proposed Marvin Nichols Reservoir did not protect the agricultural and natural resources of the State, as required by law. Region D again expressed the opinion that including Marvin Nichols in the Region C Regional Water Plan constituted an interregional conflict. The TWDB approved the Region D Regional Water Plan in October 2010, and the Region C Regional Water Plan in December 2010, again using the definition of conflict as an over-allocation of supply sources.

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<sup>1</sup> Tex. S.B. 1, 75<sup>th</sup> Leg., R.S., 1997 Tex. Gen. Laws 1010.

<sup>2</sup> Tex. S.B. 3, § 4.04, 80<sup>th</sup> Leg., R.S., 2007 Tex. Gen. Laws 1430.

<sup>3</sup> *Final Draft Report to the 82<sup>nd</sup> Legislature*, Study Commission on Region C Water Supply, December 2010 (<http://www.twdb.texas.gov/waterplanning/rwp/regions/C/studycommission.asp>).

Private parties in Region D filed suit in District Court in Travis County in January 2012, seeking judicial review of the TWDB's decision approving the Region C Regional Water Plan.<sup>4</sup> In its order issued on December 5, 2011, the District Court declared that an interregional conflict existed, reversed the TWDB's decision approving the Region C Plan, and remanded the case to the TWDB for resolution. The TWDB appealed. The 11th Court of Appeals heard the case and affirmed the district court's ruling on May 23, 2013.<sup>5</sup> No further motions were filed.

The TWDB contracted for a mediator and arranged for a mediation between Region C and Region D members appointed by their respective regional planning groups. The mediator reported on December 17, 2013 that the parties did not reach agreement in the mediation. Thus, under the statute and the Court's Order, the TWDB was to resolve the conflict.

On August 7, 2014, the TWDB considered the interregional conflict between the 2011 Region C Regional Water Plan and the 2011 Region D Regional Water Plan. After considering the oral argument of the parties and the filings in this matter, the Board determined that there was inadequate analysis and quantification of the impact of the Marvin Nichols Reservoir Water Management Strategy on the agricultural and natural resources of Region D and the State. The TWDB ordered (via Interim Order dated August 8, 2014) that Region C be directed to conduct an analysis and quantification of the impacts of the Marvin Nichols Reservoir Water Management Strategy on the agriculture and natural resources of Region D and the State, pursuant to Sections 16.051 and 16.053 of the Texas Water Code and Chapters 357 and 358 of Board rules.

The Board further ruled that the TWDB Executive Administrator be directed to undertake an examination of current rules and guidance pertaining to the development of regional water plans, and identify any opportunities for: ensuring that future regional and state water planning efforts include all statutorily-required analyses; and defining "interregional conflict" in a manner that is consistent with the ruling of the 11<sup>th</sup> Court of Appeals in *Texas Water Development Board vs. Ward Timber, Ltd.*<sup>6</sup> The Board lastly ruled that the Region C and Region D regional water planning groups were encouraged to continue to participate in the Sulphur River Basin Study, although Region D is not now nor have they ever been allowed to formally participate in this study.

A "Preliminary Evaluation of Analysis and Quantification of the Impacts of the Marvin Nichols Reservoir Water Management Strategy on the Agricultural and Natural Resources of Region D and the State," was submitted by Region C as directed through an action item at the October 27, 2014 Region C Water Planning meeting, and submitted to TWDB on October 29, 2014.

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<sup>4</sup> *Ward Timber, Ltd.; Ward Timber Holdings; Shirley Shumake; Gary Cheatwood; Richard LeTourneau; and Pat Donelson v. Texas Water Development Board*, No. D-1-GN-11-000121 (126th Dist. Ct., Travis County, Tex., Dec. 5, 2011).

<sup>5</sup> *Texas Water Dev. Bd. v. Ward Timber, Ltd.*, 411 S.W.3d 554 (Tex. App.—Eastland 2013, no pet.).

<sup>6</sup> *Texas Water Dev. Bd. v. Ward Timber, Ltd.*, 411 S.W.3d 554 (Tex. App.—Eastland 2013, no pet.).

Upon receipt of the analysis and quantification, the TWDB Executive Administrator and Region D were then given the opportunity to submit a written response to the submission. On December 17, 2014, Jim F. Thompson, as designated by the Region D Planning Group, submitted a response for Region D to the Region C submittal.

The adequacy of the Region C Planning Group's quantification and analysis of impacts to the agricultural and natural resources of Region D and the State was disputed in both the Region D submittal and in verbal testimony at a January 8, 2015 TWDB Board meeting. After hearing verbal arguments from representatives of both Region C and Region D planning groups, the Board issued an order to resolve the interregional conflict between the 2011 Region C and Region D Regional Water Plans.

The Board voted in favor of the Marvin Nichols Reservoir Project remaining in the Region C Regional Water Plan. The order determined that Region C's 2011 Regional Water Plan, together with the analysis and quantification submitted on October 29, 2014, was compliant and consistent with the statutory and regulatory requirements and considerations, as set forth in Sections 16.051 and 16.053 of the Texas Water Code and Chapters 357 and 358 of Agency Rules; and that the interregional conflict as asserted by Region D was hereby resolved with the inclusion of the Marvin Nichols Reservoir Project as a recommended water management strategy in the 2011 Region C Regional Water Plan.

Pursuant to Texas Water Code Section 16.053(h)(6), the Board directed Region C to retain Marvin Nichols reservoir as a recommended Water Management Strategy in its 2011 Regional Water Plan, and revise Chapter 10 of its 2011 Regional Water Plan, relating to the Plan Approval Process to reflect the mediation, the Board's action, and other actions taken to effectuate this decision. Region C is directed to adopt the revisions and submit its revised 2011 Regional Water Plan and supporting documents to the Board on or before March 20, 2015, for Board consideration.

Pursuant to Texas Water Code Section 16.053(h)(6), the Board directed the Region D Regional Water Planning Group to revise its 2011 Regional Water Plan by revising all references to a conflict to reflect that the conflict has been resolved, and to revise Chapter 10 of its 2011 Region Water Plan, relating to the Plan Approval Process, to reflect the mediation, this Board action, and other actions taken to effectuate this decision. Region D is directed by the Board to adopt the revisions, and submit its revised 2011 Regional Water Plan and supporting documents, to the Board on or before March 20, 2015, for Board consideration.

The Board directed the Executive Administrator to undertake an examination of current rules and guidance pertaining to the development of regional water plans, as well as an evaluation of Board Staff's review process, and identify any opportunities for: completing a more substantive review of the plans; ensuring that future regional and state water planning efforts include all statutorily-required analyses; involving the Regional Water Planning Groups Stakeholder

Committee in considering ways to identify potential conflicts and facilitate resolution early in the planning process; and defining “interregional conflict” in a manner that is consistent with the ruling of the 11th Court of Appeals in *Texas Water Development Board vs. Ward Timber, Ltd.* Once the Executive Administrator has completed his review, the Executive Administrator will report back to the Board for further guidance.

The Board again encouraged the Region C and Region D regional water planning groups to continue to participate in the Sulphur River Basin Study, although Region D, despite its previous requests to be included in the Study, has never been allowed to formally participate or be included in the Study. It further delegated to its General Counsel to make non-substantive changes to this Order, as necessary.

The core dispute between Region C and Region D is whether Marvin Nichols should be developed in the north-central part of Region D to serve the water needs in Region C. Region D does not want Marvin Nichols constructed because of its concerns about the socioeconomic, environmental, and private property impacts of the reservoir. It further has consistently held the position that the inclusion of Marvin Nichols Reservoir does not protect the State’s agricultural and natural resources, as required by law. Estimated at 66 to 70 thousand acres in size, Marvin Nichols is projected to impound thousands of acres of forest and wetlands. In addition, significantly more acres would be required for environmental mitigation—all for a project that does not serve and is not needed by the residents of the region. Other concerns, set forth in Region D’s response, include damages incurred downstream resulting from a lack of downstream flows from the construction of Marvin Nichols Reservoir.

Thus, as directed and in accordance with the January 8, 2015 Order of the TWDB, Region D has included the aforementioned language herein to reflect the mediation, the Board action, and other actions taken to effectuate the Board’s decision. It has been Region D’s position that the proposed Marvin Nichols Reservoir does not protect the agricultural and natural resources of the State and it is Region D’s belief that further study and additional analysis of those impacts will reveal clearly that Marvin Nichols Reservoir does not protect the agricultural and natural resources of the State or Region D. However, in compliance with the Order of TWDB dated January 8, 2015, Region D has removed the language in the 2011 Region D Plan to reflect that the conflict has been resolved by the TWDB for purposes of the 2011 Plan and has revised Chapter 10 in accordance with the Order.

These revisions were adopted by the NETRWPG at a public hearing held on March 18, 2015. Comments were received from 18 citizens of the North East Texas Region, including NETRWPG members, in opposition to Marvin Nichols Reservoir. Two written comments were received from the Texas Forestry Association and from Bill Stoudt, County Judge for Gregg County, also in opposition to Marvin Nichols Reservoir. These written comments are included within Appendix C of the 2011 RWP.

**Appendix C**

**(11) Revision for Volume 3, Appendix C for Chapter 10, Page TOC - iv:**

Delete the italicized text in the Table of Contents on page TOC-iv for the Appendices to the RWP:

Mount Pleasant Resolution.....	C-698
Table C10.1 – Oral Comments from March 31, 2010 Meeting.....	C-699
Table C10.2 – Comments from the Public .....	C-700
WAM Runs for Region D e-mails.....	C-701
NETRWPG- Steam Electric e-mails .....	C-705
TWDB Newsletters .....	C-709
News Releases.....	C-739

Add the bold text to the Table of Contents on page TOC-iv for the Appendices to the RWP:

Mount Pleasant Resolution.....	C-698
Table C10.1 – Oral Comments from March 31, 2010 Meeting.....	C-699
Table C10.2 – Comments from the Public .....	C-700
WAM Runs for Region D e-mails.....	C-701
NETRWPG- Steam Electric e-mails .....	C-705
<b>Texas Forestry Association Letter.....</b>	<b>C-709</b>
<b>Bill Stoudt, Gregg County Judge, Letter.....</b>	<b>C-711</b>
TWDB Newsletters .....	C-712
News Releases.....	C-742

**Appendix C**

**(12) Revision for Volume 3, Appendix C for Chapter 10, Page C-709:**

Include the following letters at Page C-709, and adjust all following page numbers accordingly:



**TEXAS FORESTRY  
ASSOCIATION**

**Bill Oates, College Station, Texas  
PRESIDENT**

**Mike Hamilton, Huntsville, Texas  
PRESIDENT-ELECT**

**Dr. Jerry Marcontell, Rye, Texas  
VICE PRESIDENT**

**Ronald H. Hufford, Lufkin, Texas  
EXECUTIVE DIRECTOR**

**March 16, 2015**

**To: Texas Water Development Board - Region D**

**Re: Opposition to Marvin-Nichols Reservoir – March 18, 2015 Region D Public Hearing, Mt. Pleasant, TX**

**Dear Board Members:**

The Texas Forestry Association (TFA) is a non-profit trade association located in Lufkin, Texas. TFA members represent 3,000 private forest landowners, consulting foresters, professional logging contractors, and the processing mills that provide jobs and manage the future forest resource in East Texas. The forest products sector is the leading employer in over 30 of the 43 timber counties in East Texas. Based on 2012 economic data supplied by the Texas Forest Service (TFS), the forestry sector had a direct impact of \$17.8 billion in industry output and employed approximately 60,000 people with a payroll of \$3.8 billion. Including direct, indirect, and induced impacts, the forest sector had a total economic impact of \$30.3 billion in industry output and supported more than 130,000 jobs with a payroll of \$7.9 billion. According to TFS economic reports, every job created in the sector resulted in another 1.20 jobs within the state.

TFA members respectfully disagree with the Texas Water Development Board's recent findings which state that a conflict between Region C and Region D water plans does not exist and thereby directs Region C to readopt the region's water plan to include the Marvin Nichols Reservoir.

The current TFA policy on future water reservoirs is attached to this letter for your consideration. TFA members have supported the requirements to impose more stringent water conservation measures in Region C in order for that Region to meet their future water needs. Our members also support the option of increasing the lake level at Wright Patman Lake which is a solution in providing much of the future water needs of Region C. This solution provides an alternative that is not as land intensive as the Marvin Nichols Reservoir.

In addition, TFA would like to call attention to the remaining available water from the proposed Lake Columbia project. Lake Columbia is located just south east of the Dallas-Ft Worth area and should be a consideration for Region C's future water needs. With over 50-percent of Lake Columbia still available for future use this provides an additional source of water from a project that is being supported by the local landowners and communities. Lake Columbia is much further along in the permitting process and the land mitigation requirements are not as great of a burden on the private landowners.

The mitigation requirements in the proposed Marvin Nichols reservoir, along with the proposed 70,000 acre lake, will threaten the future of the wood manufacturing facilities in East Texas. The lake will take out of production thousands of acres of highly valued hardwood forests and the resulting mitigation

P.O. Box 1488 • Lufkin, Texas 75902-1488  
(936) 632-TREE • FAX (936) 632-9461  
tfa@texasforestry.org • www.texasforestry.org



**TEXAS FORESTRY  
ASSOCIATION**

***LOSS OF LAND BASE DUE TO WATER IMPOUNDMENTS***

Texas Forestry Association (TFA) recognizes the seriousness of the future demands on our state's water resources and do applaud the efforts of the regional water planning groups and the State Water Development Board in developing a long range water plan that encompasses water conservation and other appropriate measures to ensure that the citizens, agricultural/forestry operations and industries of this state have adequate water supplies available.

TFA is concerned that the identified water reservoirs in addition to the mitigated land required for these projects in East Texas will unnecessarily remove large acres of a land base that will destroy future economies and local communities. TFA opposes the construction and the funding of water impoundments in East Texas, unless such projects have been adequately justified and are supported by the agricultural communities in the affected rural communities. TFA's concerns are as follows:

- 1) The loss of valuable timberlands and the land base that supports a key renewable natural resource.
- 2) The loss of future timber production from these lands.
- 3) The continued loss of valuable bottomland hardwood as wildlife habitat and other environmental benefits.
- 4) The usurpation of private timberland ownership in favor of ownership by governmental or quasi-governmental entities.
- 5) The loss of property taxes.
- 6) The loss of land to mitigation.

TFA supports and encourages the state to study other sources of water supplies and conservation measures in lieu of future water reservoirs. TFA suggests that the following steps be taken before any water impoundments are considered:

- 1) Utilize existing reservoirs, encourage water conservation and reuse prior to considering new reservoirs.
- 2) The state should support research and tax incentive programs that focus on desalination.
- 3) The state should impose water conservation and rate structure measures in areas of the state where water shortages are expected.
- 4) The future economic and socioeconomic impacts on the local communities, industries, taxing entities, landowners, agricultural and forestry operations must be considered.
- 5) Landowners should be compensated with annual rental payments until the reservoir is constructed and should have the right to royalties from the sale of water from the reservoir.
- 6) Landowners should have the opportunity to sign conservation easements instead of having the land condemned for mitigation purposes.
- 7) Water regions supporting the construction of the reservoir should share in the mitigation required for the project based on the percentage of water controlled by that region.
- 8) Utilize depleted aquifers for water storage.



Office 903/236-8420

Fax 903/237-2699

**BILL STOUDT**  
Gregg County Judge

101 E. Methvin, Suite 300

Longview, Texas 75601

February 19, 2015

Mr. Walt Sears, Jr.  
Administrator of NETRWPG – Region D  
c/o Northeast Texas Municipal Water District  
Post Office Box 955  
Hughes Springs, Texas 75656

Dear Walt,

I am in favor of Region D being in control of our water. I do not wish for Region C to have a voice or influence in any way regarding this matter.

Thank you for all you do.

Sincerely,

  
Bill Stoudt  
County Judge