Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

TO: Board Members

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

FROM: Jessica Zuba, Director, Regional Water Planning & Development
Lee Huntoon, Team Manager, Panhandle/West Region
Barbara Watson, Staff Attorney

DATE: May 11, 2015

SUBJECT: Request by the City of Brady for Amending the Commitment to 100 Percent Grant (Project No. 10447)

ACTION REQUESTED

Consider approving by resolution, a request from the City of Brady (McCulloch County) to amend the $1,804,000 commitment in Resolution No. 15-028 from the Economically Distressed Areas Program Account of the Texas Water Development Fund II, to include 100 percent grant funds.

BACKGROUND

On March 26, 2015, the City of Brady (City) received a $1,804,000 commitment consisting of a $902,000 loan and a $902,000 grant from the Economically Distressed Areas Program Account, to finance the planning and design of a water treatment plant and distribution system improvements. The City has not yet closed on this commitment. Section 17.933(b) requires the Texas Department of State Health Services (DSHS) to determine that "a nuisance dangerous to the public health and safety exists resulting from water supply and sanitation problems in the area to be served by the projects," if the applicant wants enhanced funding beyond the 50 percent authorized by statute.

KEY ISSUES

In August 2014, the City applied for funding from the Economically Distressed Areas Program to improve current water supplies which have shown gross alpha particle levels that exceed the maximum contaminant levels (MCL) for drinking water according to Texas Commission of Environmental Quality (TCEQ) and federal rules. Texas Water Code requires a nuisance determination exists in the project area for applicants to receive greater than 50 percent grant funding from the Economically Distressed Areas Program. In October 2014, DSHS received a request from the TWDB to conduct a survey to determine if a public health nuisance exists within the City.

Our Mission

To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

Board Members

Carlos Rubinstein, Chairman | Bech Bruun, Member | Kathleen Jackson, Member

Kevin Patteson, Executive Administrator

Laboratory analysis were collected and reviewed by DSHS Division for Regulatory Services Policy, Standards, and Quality Assurance Unit on January 15, 2015, to ascertain if the observations and evidence supported the determination of a public health nuisance.

Due to the consistently high levels of gross alpha particles found in the laboratory analysis, DSHS finds the project meets the criteria for public health nuisance. DSHS has determined that a nuisance dangerous to the public health and safety exists resulting from water supply problems in the area to be served by the project; therefore, the City is eligible to receive enhanced funding beyond the 50 percent authorized by statute.

At this time, the City is requesting to amend its March 2015 commitment to reflect 100 percent grant funding from the Economically Distressed Areas Program Account, to finance the design of a water treatment plant and distribution system improvements.

RECOMMENDATION

The Executive Administrator recommends amending TWDB Resolution 15-028 to 100 percent grant funding.

This recommendation has been reviewed by legal counsel and is in compliance with applicable statutes and Board rules.

Attachment(s):
1. Resolution (15-)
2. Resolution (15-028)
3. Letter from City of Brady requesting 100 percent grant in EDAP Funding

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD AMENDING TWDB RESOLUTION NO. 15-028 TO INCREASE THE GRANT FUNDING COMMITMENT AND ELIMINATE THE LOAN FUNDING COMMITMENT RELATING TO THE $902,000 CITY OF BRADY, TEXAS COMBINATION TAX AND SURPLUS WATERWORKS SYSTEM REVENUE CERTIFICATES OF OBLIGATION, PROPOSED SERIES 2015, AND THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF $902,000

(15 -)

WHEREAS, at its March 26, 2015 meeting, the Texas Water Development Board (TWDB), by TWDB Resolution No. 15-028, made a commitment to provide financial assistance to the City of Brady (City) for the purpose of financing the planning and design of improvements to the City's water system in the amount of $1,804,000, consisting of the TWDB's purchase of $902,000 City of Brady, Texas Combination Tax and Surplus Waterworks System Revenue Certificates of Obligation, Proposed Series 2015 and a grant of $902,000 from the Economically Distressed Areas Program Account of the Texas Water Development Fund II, all as is more specifically set forth in the TWDB's Resolution and accompanying documentation, to which documents express reference is made; and

WHEREAS, by letter dated May 11, 2015, the City has requested that the TWDB amend the previous resolution, TWDB Resolution No. 15-028, to provide for 100% grant funding in light of the Texas Department of State Health Services' determination of a nuisance dangerous to the public health and safety in the project area, in accordance with Section 17.933(b) of the Texas Water Code; and

WHEREAS, the TWDB hereby finds that the amendment to the term of this loan is reasonable and that the request is in the public interest and will serve a public purpose; and

WHEREAS, in accordance with the Texas Water Code, the TWDB has carefully considered all matters required by law;

NOW, THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

1. the commitment made through TWDB Resolution No. 15-028 to the City of Brady for financial assistance in the amount of $1,804,000 from the Economically Distressed Areas Account of the Texas Water Development Fund II through the TWDB's proposed purchase of $902,000 City of Brady, Texas Combination Tax and Surplus Waterworks System Revenue Certificates of Obligation, Proposed Series 2015, and a grant of $902,000, is hereby amended such that a commitment is made by the TWDB to the City of Brady for financial assistance in the amount of $1,804,000 from the Economically Distressed Areas Account of the Texas Water Development Fund II through a grant of $1,804,000. This commitment will expire on September 30, 2015;

2. the requirements established in TWDB Resolution No. 15-028 that pertain solely to loan proceeds or to the TWDB's proposed purchase of City of Brady, Texas Combination Tax and Surplus Waterworks System Revenue Certificates of Obligation, Proposed Series 2015, no longer apply; and

3. that all other terms and conditions of TWDB Resolution No. 15-028 shall remain in full force and effect.

APPROVED and ordered of record this the 16th day of June, 2015.

TEXAS WATER DEVELOPMENT BOARD

_____
Carlos Rubinstein, Chairman

DATE SIGNED: _____

ATTEST:

_____
Kevin Patteson
Executive Administrator

A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF $1,804,000 TO CITY OF BRADY FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM ACCOUNT OF THE TEXAS WATER DEVELOPMENT FUND II THROUGH THE PROPOSED PURCHASE OF $902,000 CITY OF BRADY, TEXAS COMBINATION TAX AND SURPLUS WATERWORKS SYSTEM REVENUE CERTIFICATES OF OBLIGATION, PROPOSED SERIES 2015 AND THE EXECUTION OF A GRANT AGREEMENT IN THE AMOUNT OF $902,000

(15-028)

WHEREAS, City of Brady (City), has filed an application seeking financial assistance in the amount of $1,804,000 from the Economically Distressed Areas Program Account of the Texas Water Development Fund II, to finance the planning and design of certain water system improvements, identified as Project No. 10447; and

WHEREAS, the City seeks financial assistance from the Texas Water Development Board (the TWDB) through the TWDB's proposed purchase of $902,000 City of Brady, Texas Combination Tax and Surplus Waterworks System Revenue Certificates of Obligation, Proposed Series 2015 (together with all authorizing documents (Obligations)) and a grant of $902,000 from the Economically Distressed Areas Program Account of the Texas Water Development Fund II, all as is more specifically set forth in the application and in recommendations of TWDB's staff; and

WHEREAS, the City has offered a pledge of ad valorem tax and surplus net revenues from the City's waterworks system as sufficient security for the repayment of the Obligations; and

WHEREAS, the TWDB has carefully considered all matters required by law and in particular the following:

1. the feasibility of creating a conservation and reclamation district to provide and finance the water supply or sewer services, in accordance with Texas Water Code § 16.346;

2. the need of the economically distressed area to be served by the water supply and sewer services in relation to the need of other political subdivisions requiring economically distressed areas financing, and the relative costs and benefits of all applications, in accordance with Texas Water Code § 17.929(a)(1);

3. the availability to the political subdivision of revenue from alternative sources for the payment of the cost of the proposed project, in accordance with Texas Water Code § 17.929 (a)(2);

4. financing of the proposed water supply or sewer project, in accordance with Texas Water Code § 17.929(a)(3);

5. the feasibility of achieving cost savings by providing a regional facility for water supply and wastewater service and the feasibility of financing the facilities by using funds from the economically distressed areas account or any other financial assistance, in accordance with Texas Water Code § 17.929(a)(5);

6. the rates, fees and charges that the average customer to be served by the project will be able to pay, sources of funding available to the City, and any local funds of the City, in accordance with Texas Water Code § 17.933(d)(1);

7. sources of funding available to the City from federal and private funds and from other state funds, in accordance with Texas Water Code § 17.933(d)(2);

8. any local funds of the City to be served by the project if the economically distressed area to be served is within the boundary of the City, in accordance with Texas Water Code § 17.933(d)(3);

9. the just, fair, and reasonable charges for water and wastewater service as provided in the Texas Water Code, in accordance with Texas Water Code § 17.933(d)(4);

WHEREAS, the TWDB hereby finds:

1. that the City has submitted a proposed program of water conservation for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;

2. that the area to be served by the proposed project has a median household income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available, in accordance with Texas Water Code § 17.929(b);

3. that the County and City have adopted model subdivision rules as promulgated by the TWDB pursuant to Texas Water Code § 16.343 and the manner of enforcement, in accordance with Texas Water Code § 17.929(a) (4);

4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and that the needs to be addressed by the project will be addressed in a manner that is consistent with the approved regional and state water plans, in accordance with Texas Water Code § 16.053(j); and

5. that a current water audit required by Texas Water Code § 16.0121 and 31 TAC § 358.6 has been completed by the City and filed with the TWDB in accordance with

Texas Water Code § 16.053(j).

NOW, THEREFORE, based on these considerations and findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the City of Brady for financial assistance in the amount of $1,804,000 from the Economically Distressed Areas Account of the Texas Water Development Funds through the TWDB's proposed purchase of $902,000 City of Brady, Texas Combination Tax and Surplus Waterworks System Revenue Certificates of Obligation, Proposed Series 2015 and a grant of $902,000. This commitment will expire on September 30, 2015.

This commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;

2. this commitment is contingent upon the City's compliance with all applicable requirements contained in 31 TAC Chapter 363;

3. the Obligations and Grant Agreement must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations or Grant Agreement that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;

4. loan proceeds and grant funds are public funds and, as such, the Grant Agreement and Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;

5. loan proceeds and grant funds shall not be used by the City when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations and Grant Agreement shall include an environmental indemnification provision wherein the City agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;

6. prior to closing, and if not previously provided with the application, the City shall submit executed contracts for engineering, and, if applicable, financial advisor, and

bond counsel contracts for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, under the contract, and acceptable to the Executive Administrator;

7. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;

8. the Executive Administrator may require that the City execute a separate financing agreement in form and substance acceptable to the Executive Administrator;

9. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the City;

10. the Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;

11. the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to such bonds under SEC Rule 15c2-12;

12. the Obligations must contain a provision requiring the City to levy a tax and/or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;

13. the Obligations must include a provision requiring the City to use any loan proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the project for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Obligations

owned by the TWDB; (2) deposit into the Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Obligations owned by the TWDB; or (3) eligible project costs as authorized by the Executive Administrator;

14. prior to closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;

Conditions Related To Tax-Exempt Status

15. the City's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the City when rendering this opinion;

16. the City's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion;

17. the Obligations must include a provision prohibiting the City from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of § 141 of the Internal Revenue Code of 1986, as amended (Code), and the Treasury Regulations promulgated thereunder (Regulations);

18. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:

    a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;

    b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and

    c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the

Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;

19. the Obligations must include a provision requiring the City take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the City will:

    a. account for all Gross Proceeds as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of its loan with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;

    b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date;

    c. as additional consideration for the making of the loan, and in order to induce the making of the loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date;

    d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;

20. the Obligations must include a provision prohibiting the City from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;

21. the Obligations must provide that the City will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code;

22. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the City's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;

23. the transcript must include evidence that the information reporting requirements of § 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of § 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;

24. the Obligations must provide that neither the City nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the City by the TWDB;

EDAP Conditions

24. The Grant Agreement and Obligations must include a provision that requires compliance with Texas Water Code § 16.356 that no revenues received from rates or fees collected from the water/wastewater system to be constructed through this commitment shall be used for any purposes other than utility purposes and that the annual financial statement prepared by the City under Texas Local Government Code § 103.001 shall include a specific report on compliance with this condition;

26. Prior to the release of funds provided for construction, the City must provide the TWDB with evidence satisfactory to the Executive Administrator that the City has received and will maintain a designation as an authorized agent of the Texas Commission on Environmental Quality, in compliance with Texas Health and Safety Code § 366.035;

Pledge Conditions for the Loan

27. the Obligations must contain a provision that provides as follows:

    a. if system revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied and collected may be reduced to the extent and by the amount of revenues then on deposit in the Interest and Sinking Fund; or

    b. if surplus revenues are based upon budgeted amounts:

        i. the Obligations must include a requirement that the City transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Obligations

until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Obligations; further, that the ordinance authorizing the issuance of the Obligations must include a requirement that the City shall not transfer any funds from the City's pledged system revenues to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Obligations for the then-current fiscal year has been deposited in the Interest and Sinking Fund;

ii. the Obligations must include a requirement that for each year the Obligations are outstanding, and prior to the time taxes are to be levied for such year, the City shall establish, adopt, and maintain an annual budget that provides for either the monthly deposit of sufficient surplus pledged revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Obligations; and

iii. the Obligations must include a requirement that the City shall at all times maintain and collect sufficient rates and charges in conjunction with any other legally available funds so that after payment of the costs of operating and maintaining the system, it produces revenues in an amount not less than 1.10 times debt service requirements of all outstanding Obligations of the City and other obligations of the City which are secured in whole or in part by the pledged revenues, for which the City is budgeting the repayment of such Obligations, or the City shall provide documentation which evidences the levy and collection of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds, sufficient for the repayment of debt service requirements;

PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

28. prior to closing, the City shall adopt and implement the water conservation program approved by the TWDB;

29. prior to closing, the City and the Executive Administrator shall execute an Agreement that sets forth the terms and uses of the grant funds;

30. the Grant Agreement must include a provision stating that the City shall return any grant funds that are determined to be Surplus Funds in a manner determined by the

Executive Administrator; and

31. the Obligations must contain a covenant that the City will abide by all applicable construction contract requirements related to the use of iron and steel products and manufactured goods produced in the United States, as required by Texas Water Code § 17.183.

APPROVED and ordered of record this 26th day of March, 2015.

TEXAS WATER DEVELOPMENT BOARD

Carlos Rubinstein, Chairman

DATE SIGNED: 3/26/15

ATTEST:

Kevin Patteson
Executive Administrator

Attachment 3

BRADY
THE CITY OF
TEXAS

201 East Main • P.O. Box 351 • Brady, Texas 76825

325.597.2152 • fax 325.597.2068 • http://bradytx.us

May 11, 2015

Ms. Lee A. Huntoon
Team Leader, PH/West
PO Box 13231
Texas Water Development Board
1700 N. Congress Avenue
Austin, Texas 78711-3231

Re: TWDB Project #10447
City of Brady Radionuclide Reduction Project
Request for 100% Grant – Issuance of Nuisance Finding

Dear Ms. Huntoon:

The Texas Department of State Health Services has determined that a nuisance does exist for the above-referenced project and have issued the Nuisance Finding (see attachment). In proper response this letter requests a funding allocation *to* a 100% Grant.

This is a change to your March 26, 2015 agenda write up for authorizing the City of Brady to receive a commitment for a $902,000 grant and a $902,000 loan. The City of Brady respectfully request the Honorable TWDB Board Members consideration of a 100% Grant funding allocation or a $1,804,000 Grant for the design of the water treatment plant and distribution improvements to comply with state and federal Maximum Contaminants Levels for radionuclides in drinking water.

The City of Brady appreciates your attention in this matter and TWDB's staff dedication and hard work to assist rural communities in making this very important project a success.

Respectfully,

Kim Lenoir

Kim Lenoir, CPM
City Manager

cc: Gary Jacobson Brady
Steven Miller Brady
Joshua Berryhill eHT
Keith Kindle, eHT

/KK/sm

TEXAS DEPARTMENT OF STATE HEALTH SERVICES

P.O. Box 149347
Austin, Texas 78714-9347
1-888-963-7111
TTY: 1-800-735-2989
www.dshs.state.tx.us

KIRK COLE
INTERIM COMMISSIONER

March 27, 2015

Mrs. Jessica Zuba, Director
Regional Water Planning and Development
Texas Water Development Board
1700 North Congress Avenue
Post Office Box 13231
Austin, Texas 78711-3231

Subject: City of Brady
Radium Reduction Groundwater Treatment
TWDB Project No. 10447

Dear Mrs. Zuba:

The Texas Department of State Health Services (DSHS) received a request dated October 31, 2014 from the Texas Water Development Board (TWDB) to conduct an Economically Distressed Areas Program (EDAP) survey to determine if a public health nuisance exists for areas defined by TWDB Project No.10447.

The project proposes to finance planning and acquisition of a water treatment system at the existing water treatment plant to remove gross alpha particles from their water and comply with the U.S. Environmental Protection Agency (USEPA) and the Texas Commission on Environmental Quality (TCEQ). USEPA provided an Administrative Order regarding the radionuclide levels and The City of Brady was able to present a plan and construction schedule for compliance.

Pursuant to TWDB request, DSHS sampled and conducted a laboratory analysis of water from the 7 wells in the City of Brady. Based on this review, DSHS has determined a public health nuisance exists as defined by agreed upon criteria.

If you have any questions, please contact Christopher Sparks, M.P.A., R.S., Manager, Public Sanitation and Retail Food Safety Group at (512)834-6788 or Christopher.Sparks@dshs.state.tx.us.

Sincerely,

Kathryn C. Perkins

Kathryn C. Perkins, R.N., M.B.A.
Assistant Commissioner
Division for Regulatory Services