

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
WORK SESSION
January 19, 2011

Chairman Vaughan called the Work Session of the Texas Water Development Board to order at 3:03 p.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. The Chairman announced that Board Member Charles E. Herring, was not in attendance at the meeting today. The following Board Members were present:

Jack Hunt, Vice Chairman
Thomas Weir Labatt III, Member
Lewis H. McMahan, Member
Joe M. Crutcher, Member

Members of Texas Water Development Board staff attending included: Stacy Barna, Joyce Bourenane, Carolyn Brittin, Melanie Callahan, Cindy DePrato, Wendy Foster, Lisa Glenn, Rene Gonzalez, Mark Hall, Bill Hutchison, Diane Hyatt, Sandy Kaiser, Merry Klonower, Amanda Lavin, Cori Leva, Darryl Lindgens, Robert Mace, Michelle McFaddin, Piper Montemayor, Matt Nelson, Brenda O'Neill, Ken Petersen, Lisa Petoskey, Debbie Ramirez, Steve Rodriguez, Jim Scott, Comer Tuck, Jeff Walker, Kevin Ward, Carlton Wilkes, and David Yager.

The following individuals were present:

Susan Butler, CH2M Hill
Sarah Kirkle, Sunset Commission
Ken Kramer, Sierra Club
William Moriarty, King Engineering
Leonard Olson, Texas Rural Water Association
Les Romo, MBC Water Systems, Inc.
Steve Stevens, Mesa Water
Lara Zent, Texas Rural Water Association

1. CONSIDER APPROVAL OF THE OCTOBER 2010 WORK SESSION MINUTES.

Mr. Labatt moved to approve the minutes as submitted; Mr. McMahan seconded the motion; the motion passed unanimously.

2. BRIEFING AND DISCUSSION ON CURRENT FINANCIAL MARKET CONDITIONS, PROGRAM AND PORTFOLIO MANAGEMENT. Piper Montemayor, Director of Debt and Portfolio Management, presented this item.

No action was taken on this item.

3. BRIEFING AND DISCUSSION ON A POLICY SPECIFYING DISADVANTAGED COMMUNITY ELIGIBILITY FOR PORTIONS OF A SERVICE AREA UNDER THE DRINKING WATER AND CLEAN WATER STATE REVOLVING FUND LOAN PROGRAMS. Stacy Barna, Director, Program Development, Project Finance, presented this item.

No action was taken on this item.

4. BRIEFING AND DISCUSSION CONCERNING AMENDMENTS TO THE STATE FISCAL YEAR 2011 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN. Stacy Barna, Director, Program Development, Project Finance, presented this item.

No action was taken on this item.

5. BRIEFING AND DISCUSSION CONCERNING AMENDMENTS TO THE STATE FISCAL YEAR 2011 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN. Stacy Barna, Director, Program Development, Project Finance, presented this item.

No action was taken on this item.

6. BRIEFING AND DISCUSSION CONCERNING FINANCIAL AND LEGAL SECURITIES NECESSARY TO CONSIDER ENTITIES OTHER THAN POLITICAL SUBDIVISIONS FOR FINANCIAL ASSISTANCE THROUGH THE DRINKING WATER AND CLEAN WATER STATE REVOLVING FUND PROGRAMS. Jeff Walker, Director of Project Development in Project Finance, presented this item.

Les Romo, General Counsel for MBC Water Systems, Inc., also addressed the Board.

No action was taken on this item.

7. BRIEFING AND DISCUSSION REGARDING A PROPOSED GUIDANCE DOCUMENT AND STAKEHOLDER PROCESS CONCERNING THE USE OF ALTERNATIVE DELIVERY TECHNIQUES FOR PROJECTS THAT ARE FUNDED BY THE TEXAS WATER DEVELOPMENT BOARD (TWDB). David Yager, Team Lead, Project Engineering and Review, Construction Assistance, presented this item.

No action was taken on this item.

8. BRIEFING AND DISCUSSION CONCERNING A POLICY TO DENY FUNDING OF AN APPLICATION FOR FINANCIAL ASSISTANCE IF THE APPLICANT HAS RECEIVED AN OBLIGATION FOR FUNDING FROM A FEDERAL AGENCY. Amanda Lavin, Deputy Executive Administrator of Project Finance, presented this item. Ken Petersen, General Counsel, also addressed the Board.

No action was taken on this item.

The Board then considered Item No. 10 on the agenda:

10. THE BOARD MAY DISCUSS AND CONSIDER ITEMS FROM THE AUDIT COMMITTEE, FINANCE COMMITTEE, AND BOARD MEETINGS OF JANUARY 20, 2011.

The Board discussed Item No. 6 from the Board's Consent agenda scheduled January 20, 2011, concerning a request from the Stephens Regional Special Utility District.

No other items were discussed.

9. BRIEFING AND DISCUSSION CONCERNING THE 82ND LEGISLATURE, INCLUDING BILLS FILED, CURRENT AND ANTICIPATED ISSUES, AND THE TEXAS WATER DEVELOPMENT BOARD'S LEGISLATIVE PRIORITIES REPORT. Wendy Foster, Director of Governmental Relations, presented this item. Melanie Callahan, Chief Financial Officer and Interim Executive Administrator, also addressed the Board.

No action was taken on this item.

11. THE BOARD MAY RECESS INTO EXECUTIVE SESSION TO CONSULT WITH ITS ATTORNEYS REGARDING PENDING OR CONTEMPLATED LITIGATION, OR SETTLEMENT OFFERS, ON ANY POSTED MATTER ON WHICH THE BOARD SEEKS ADVICE OF ITS ATTORNEYS PURSUANT TO GOVERNMENT CODE §551.071, AND WILL RECONVENE IN OPEN SESSION FOR ANY NECESSARY ACTION ON ANY SUCH MATTER CONSIDERED IN EXECUTIVE SESSION.

The Board did not recess into executive session under this posting.

The meeting adjourned at 4:57 p.m.

APPROVED and ordered of record this, the 3rd day of May, 2011.

TEXAS WATER DEVELOPMENT BOARD

Edward G. Vaughan, Chairman

ATTEST:

Melanie Callahan
Interim Executive Administrator