

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
May 15, 2012

Chairman Billy R. Bradford, Jr. called to order the regular meeting of the Texas Water Development Board at 9:02 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. The following Board Members were present:

Joe M. Crutcher, Vice-Chairman
Thomas Weir Labatt III
Lewis H. McMahan
Edward G. Vaughan
Monte Cluck

Members of Texas Water Development Board staff attending included: Chris Adams, Stacy Barna, Jim Bateman, Joyce Bourenane, Kelly Burton, Melanie Callahan, Katherine Calnan, David Carter, Scott Foltz, Wendy Foster, Larry French, Bob Fulton, Monica Galuski, Maxine Gilford, Lisa Glenn, Rene Gonzales, Mark Hall, Dan Hardin, Ruben Hernandez, Amanda Jenami, Chris Jurgens, Sandy Kaiser, Merry Klonower, Jessica Kohlrenken, Dain Larsen, Mireya Loewe, Ryan Long, Robert Mace, David Meesey, Dave Mitamura, Piper Montemayor, Matt Nelson, Ken Petersen, Lisa Petoskey, Jonathan Pi, Debbie Ramirez, Michael Segner, Joel Smith, John Steib, Rebecca Trevino, Comer Tuck, Jeff Walker, Gilbert Ward, Mark Wentzel, and David Yaeger.

Chairman Bradford recognized the following staff members of state offices who were in attendance today:

Liz Fazio, House Natural Resources Committee Director
Terry Zrubek, Governmental Advisor, Office of the Governor
Carmen Cernosek, Lt. Governor's Office
Jason Modglin, Office of State Representative Drew Darby (HD 72)

The following individuals were also present:

Danielle Bradford, Piper Jaffray
Anne Burger Entrekin, First Southwest
Curtis Flowers
Perry Fowler, Associated General Contractors of Texas
Jose Gaitan, Bank of Texas
Robert Melinger, CitiGroup
Rich Manchaca, BOSCO, Inc.
Robin Redford, Ramirez & Co.
Deborah Reyes

1. CONSIDER APPROVAL OF THE APRIL 19, 2012 BOARD MEETING MINUTES.

Mr. Labatt moved to approve the minutes; the motion was seconded by Mr. McMahan; it passed unanimously.

REPORTS

2. CONTRACT STATUS REPORT REGARDING THE STATUS OF PENDING CONTRACTS THAT ARE UNDER DEVELOPMENT AND EXECUTED CONTRACTS THAT HAVE BEEN PREVIOUSLY APPROVED BY THE BOARD. David Carter, Director, Human Resources
3. FINANCIAL ASSISTANCE PROGRAMS PERFORMANCE REPORT REGARDING LOAN AND GRANT COMMITMENT ACTIVITY. Jeff Walker, Project Development
4. REPORT ON ACTIVITIES RELATING TO THE ECONOMICALLY DISTRESSED AREAS PROGRAM, INCLUDING THE EDAP STATUS REPORT. Mireya Loewe, Project Oversight

Chairman Bradford announced that Items 2-4 are reports that have been submitted to the Board but are not posted for discussion or action.

CONSENT

5. CONSIDER APPROVING AMENDED UNDERWRITING POLICIES AND PROCEDURES FOR NEGOTIATED BOND TRANSACTIONS. Finance Committee Item No. 6. Monica Galuski
6. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF BRONTE (COKE COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$850,000 CONSISTING OF: (A) A LOAN IN THE AMOUNT OF \$595,000; AND (B) \$255,000 IN LOAN FORGIVENESS, FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COST RELATING TO WATER SYSTEM IMPROVEMENTS. Dain Larsen
7. CONSIDER APPOINTMENT OF MEMBERS FOR THE WATER CONSERVATION ADVISORY COUNCIL FOR THE WATER CONTROL AND IMPROVEMENT DISTRICTS INTEREST GROUP AND THE HIGHER EDUCATION INTEREST GROUP. Comer Tuck

Mr. Crutcher moved to approve Board Consent Items Nos. 5-7. Mr. Vaughan seconded; it passed unanimously.

REGULAR

8. BRIEFING, DISCUSSION AND CONSIDER APPROVING A \$200,000 INCREASE TO THE STATE CONTRACT FOR THE PHASE 3, TEXAS WATER INFORMATION SYSTEM EXPANSION (TXWISE) PROJECT. Lisa Petoskey, Director, Information Technology, presented this item. Renita Bankhead, Director, Budget, also addressed the Board.

Mr. Labatt moved to approve staff's recommendation; Mr. Vaughan seconded; it passed unanimously.

9. BRIEFING, DISCUSSION, AND CONSIDER AUTHORIZING: (A) PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE CHAPTER 371 (CONCERNING DRINKING WATER STATE REVOLVING FUND); AND (B) THE SUBSEQUENT PUBLICATION OF NOTICE OF ADOPTION OF THE RULEMAKING IF NO SUBSTANTIVE COMMENTS REQUIRE BOARD CONSIDERATION. Rene Gonzalez, Policy

Specialist, presented this item.

Mr. Cluck moved to approve staff's recommendation; Mr. McMahan seconded; it passed unanimously.

10. BRIEFING, DISCUSSION, AND CONSIDER AUTHORIZING: (A) PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE CHAPTER 375 (CONCERNING CLEAN WATER STATE REVOLVING FUND); AND (B) THE SUBSEQUENT PUBLICATION OF NOTICE OF ADOPTION OF THE RULEMAKING IF NO SUBSTANTIVE COMMENTS REQUIRE BOARD CONSIDERATION. Rene Gonzalez, Policy Specialist, presented this item.

Mr. Labatt moved to approve staff's recommendation; Mr. Vaughan seconded; it passed unanimously.

11. BRIEFING, DISCUSSION, AND CONSIDER AUTHORIZING: (A) PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE SECTIONS 363.2 REGARDING DEFINITIONS OF TERMS; 363.33 REGARDING INTEREST RATES FOR LOANS AND PURCHASE OF BOARD'S INTEREST IN STATE PARTICIPATION PROJECTS; 363.42 REGARDING LOAN CLOSING; 363.43 REGARDING RELEASE OF FUNDS; 363.931 REGARDING REQUIREMENTS FOR LOAN CLOSING; 363.932 REGARDING RELEASE OF FUNDS; 363.935 REGARDING INTEREST RATE; 384.41 REGARDING LOAN CLOSING; AND 384.43 REGARDING RELEASE OF FUNDS; AND (B) THE SUBSEQUENT PUBLICATION OF NOTICE OF ADOPTION OF THE RULEMAKINGS IF NO SUBSTANTIVE COMMENTS REQUIRE BOARD CONSIDERATION. Jim Bateman, Staff Attorney, presented this item.

Mr. Vaughan moved to approve staff's recommendation; Mr. Crutcher seconded; it passed unanimously.

12. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A REQUEST FOR STATEMENTS OF QUALIFICATIONS IN THE TEXAS REGISTER TO CONDUCT RESEARCH ON FISCAL YEAR 2012 PRIORITY WATER RESEARCH TOPICS FOR A TOTAL AMOUNT NOT TO EXCEED \$300,000 FROM THE RESEARCH AND PLANNING FUND. Robert Mace, Deputy Executive Administrator, Water Science & Conservation, presented this item.

Mr. Cluck moved to approve staff's recommendation; Mr. Labatt seconded; it passed unanimously.

13. BRIEFING AND DISCUSSION ON DROUGHT CONDITIONS IN THE STATE OF TEXAS. Mark Wentzel, Surface Water Resources, Water Science & Conservation, presented this item. Robert Mace, Deputy Executive Administrator, Water Science & Conservation, also addressed the Board.

No action was taken on this item.

14. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

No public comments were received.

15. THE BOARD MAY RECESS INTO EXECUTIVE SESSION TO CONSULT WITH ITS ATTORNEYS REGARDING ANY POSTED MATTER IN WHICH THE BOARD MAY SEEK THE ADVICE OF ITS ATTORNEYS UNDER GOVERNMENT CODE §551.071 AND WILL RECONVENE IN OPEN SESSION FOR ANY APPROPRIATE ACTION ON ANY MATTER CONSIDERED IN EXECUTIVE SESSION.

The Board did not recess into Executive Session to consider any other items.

Before adjourning the meeting, Chairman Bradford announced that today was the last day of service on the Board for Mr. Labatt. He recognized Mr. Labatt for his years of service to the State of Texas and the Texas Water Development Board. Mr. Labatt made a statement of appreciation.

The meeting adjourned at 9:49 a.m.

APPROVED and ordered of record this, the 21st day of June, 2012.

TEXAS WATER DEVELOPMENT BOARD

Billy R. Bradford, Jr., Chairman

ATTEST:

Melanie Callahan,
Executive Administrator