

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
August 16, 2012

Chairman Billy Bradford, Jr. called to order the regular meeting of the Texas Water Development Board at 9:01 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. In addition to Chairman Bradford, the following Board Members were also present:

Joe M. Crutcher, Vice-Chairman
Lewis H. McMahan
Edward G. Vaughan
Monte Cluck
F. A. "Rick" Rylander

Members of Texas Water Development Board staff attending included: Chris Adams, Jorge Arroyo, Stacy Barna, Jim Bateman, Ben Benzaquen, Joyce Bourenane, Carolyn Brittin, David Buaas, Kelly Burton, Melanie Callahan, David Carter, Marvin Chaney, Scott Foltz, Wendy Foster, Larry French, Monica Galuski, Lisa Glenn, Rene Gonzales, Carla Guthrie, Dan Hardin, Ruben Hernandez, Amanda Jenami, Chris Jurgens, Sandy Kaiser, Merry Klonower, Randy Lara, Dain Larsen, Darryl Lindgens, Mireya Loewe, Ryan Long, Robert Mace, Issa McDaniel, David Meesey, Dave Mitamura, Piper Montemayor, Lauren Mulverhill, John Muras, Brenda O'Neill, Javier Pena, Ken Petersen, Jonathan Pi, Samantha Pollard, Debbie Ramirez, Cindy Ridgeway, Steve Rodriguez, Clay Schultz, Michael Segner, Ruben Solis, Augustine Tambe, Rebecca Trevino, Comer Tuck, Jeff Walker, Gilbert Ward, Mark Wentzel, David Yeager, and Jessica Zuba.

The following individuals were present:

Anthony Bennett, Texas Commission on Environmental Quality
Dan Furguson, City of Wimberley
Keith Kindle, City of Glen Rose
Howdy W. Lisenbee, City of Abilene
Ellen McDonald, Alan Plummer & Associates, Inc.
Alan H. Plummer, Alan Plummer & Associates, Inc.

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

Mr. Rylander 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 THE ACTIVITIES AND PERFORMANCE OF THE TEXAS WATER DEVELOPMENT BOARD UNDERWRITING TEAM DURING FISCAL YEAR 2012. (Monica Galuski, Finance)
5. REPORT ON PREPAYMENTS AND RELATED DEBT ACTIVITIES DURING FISCAL YEAR 2012. (Piper Montemayor, Debt & Portfolio Management)
6. REPORT ON DEBT RELATED SERVICE PROVIDER CONTRACTS DURING FISCAL YEAR 2012. (Piper Montemayor, Debt & Portfolio Management)
7. REPORT ON ACTIVITIES RELATING TO THE ECONOMICALLY DISTRESSED AREAS PROGRAM, INCLUDING THE EDAP STATUS REPORT. (Mireya Loewe, Project Oversight)
8. REPORT ON MODELED AVAILABLE GROUNDWATER VALUES FOR THE LEONA GRAVEL AQUIFER IN GROUNDWATER MANAGEMENT AREA 10 (MEDINA COUNTY) AND GROUNDWATER MANAGEMENT AREA 13 AND FOR THE EDWARDS (BALCONES FAULT ZONE) AQUIFER IN GROUNDWATER MANAGEMENT AREA 13. (Larry French, Water Science & Conservation)

Chairman Bradford announced that Items 2-8 are reports that have been submitted to the Board but are not posted for discussion or action.

CONSENT

9. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF GLEN ROSE (SOMERVELL COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$740,000, CONSISTING OF \$370,000 IN GRANT AND A LOAN OF \$370,000 FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM TO PROVIDE PLANNING, ACQUISITION AND DESIGN COSTS RELATED TO WASTEWATER SYSTEM IMPROVEMENTS. (Jessica Zuba)
10. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF MERCEDES (HIDALGO COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$4,650,000 CONSISTING OF \$3,255,000 IN LOAN AND \$1,395,000 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE COSTS RELATED TO WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Javier Pena)
11. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF ABILENE (TAYLOR AND JONES COUNTIES)** FOR A LOAN IN THE AMOUNT OF \$2,500,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING COMMITMENT OPTION. (Javier Pena)
12. CONSIDER APPROVING A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE CLEAN WATER STATE REVOLVING FUND BOND DEBT SERVICE. (FINANCE COMMITTEE ITEM NO. 3) (Piper Montemayor)

13. CONSIDER APPROVING A RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE GENERAL OBLIGATION BOND DEBT SERVICE. (FINANCE COMMITTEE ITEM NO. 4) (Piper Montemayor)
14. CONSIDER APPROVING A RESOLUTION AUTHORIZING THE USE OF EXCESS INTEREST REPAYMENTS TO ACCELERATE THE REPAYMENT OF STATE REVOLVING FUND MATCH DEBT. (FINANCE COMMITTEE ITEM NO. 5) (Piper Montemayor)
15. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **TYLER COUNTY WATER SUPPLY CORPORATION (TYLER COUNTY)** MADE IN TWDB RESOLUTIONS NOS. 07-60 AND 08-71 FOR SELECT PROJECT ELEMENTS AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION FROM THE \$2,025,000 DRINKING WATER STATE REVOLVING FUND LOANS FOR WATER SYSTEM IMPROVEMENTS. (Kathy Calnan)
16. CONSIDER APPROVING THE FISCAL YEAR 2013 CONTRACT BETWEEN THE TEXAS WATER DEVELOPMENT BOARD AND THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR THE DRINKING WATER STATE REVOLVING FUND PROGRAM - SMALL SYSTEMS TECHNICAL ASSISTANCE AND PUBLIC WATER SYSTEM SUPERVISION SET-ASIDES. (Stacy Barna/Jessica Kohlrenken)
17. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO AMEND A WATER QUALITY LAB SERVICES CONTRACT WITH LOWER COLORADO RIVER AUTHORITY IN FISCAL YEAR 2013 AND TRANSFER UP TO \$100,000 FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND. (Janie Hopkins)
18. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE UP TO THREE CONTRACTS ON OR BEFORE FEBRUARY 21, 2013, NOT TO EXCEED A TOTAL AMOUNT OF \$300,000 FOR SOLICITED RESEARCH ON THE FISCAL YEAR 2012 PRIORITY RESEARCH TOPICS; AND (B) TRANSFER FUNDS FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND. (Robert Mace)
19. CONSIDER APPROVING BY MINUTE ORDER THE HYDROGRAPHIC SURVEY PROGRAM RATE SCHEDULE. (Jason Kemp)
20. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE RESEARCH CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$471,140 ON OR BEFORE FEBRUARY 28, 2013, FROM THE RESEARCH AND PLANNING FUND FOR FISCAL YEAR 2013 ENVIRONMENTAL STUDIES OF TEXAS STREAMS, RIVERS, BAYS, AND ESTUARIES; AND (B) TRANSFER \$471,140 FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND. (Ruben Solis)
21. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE PAYABLE AND RECEIVABLE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$1,088,095 (\$634,985 FROM THE TEXAS WATER DEVELOPMENT BOARD) FOR CONTINUATION OF THE STREAMGAGE PROGRAM WITH THE U.S. GEOLOGICAL

SURVEY IN FISCAL YEAR 2013; AND (B) AMEND THE CONTRACTS IN AN AMOUNT NOT TO EXCEED \$100,000 IF ADDITIONAL FUNDS BECOME AVAILABLE. (Mark Wentzel)

22. CONSIDER APPOINTING A MEMBER TO THE WATER CONSERVATION ADVISORY COUNCIL TO REPRESENT THE RURAL WATER USERS GROUP. (Comer Tuck)

Prior to taking action on the items on the Consent Agenda, Chairman Bradford had a question concerning Item No. 10. Javier Pena, Financial Assessment, addressed the Board.

Board Member Monte Cluck had a question concerning Item No. 18. Robert Mace, Water Science & Conservation, addressed the Board.

Mr. McMahan moved to approve Board Consent Items Nos. 9-22. Mr. Rylander seconded; it passed unanimously.

REGULAR

23. BRIEFING, DISCUSSION, AND CONSIDER APPROVING THE STATE FISCAL YEAR 2013 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN. Stacy Barna, Program Development, presented this item.

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

24. BRIEFING, DISCUSSION, AND CONSIDER APPROVING THE STATE FISCAL YEAR 2013 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN. Stacy Barna, Program Development, presented this item.

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

25. BRIEFING AND DISCUSSION ON DROUGHT CONDITIONS IN THE STATE OF TEXAS. Ruben Solis, Water Science & Conservation, addressed the Board.

No action was taken on this item.

26. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

No comments were received.

27. 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.

The meeting adjourned at 9:24 a.m.

APPROVED and ordered of record this, the 20th day of September, 2012.

TEXAS WATER DEVELOPMENT BOARD

Joe M. Crutcher, Vice-Chairman

ATTEST:

Melanie Callahan,
Executive Administrator