

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
January 31, 2013

Chairman Billy R. Bradford, Jr. called to order the regular meeting of the Texas Water Development Board at 10:00 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. In addition to Chairman Bradford, all other Board Members were also in attendance and a quorum was present:

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

Members of the Texas Water Development Board staff attending included: Chris Adams, Jorge Arroyo, Renita Bankhead, Stacy Barna, Jim Bateman, Jo Dawn Bomar, Joyce Bourenane, Carolyn Brittin, Kelly Burton, Melanie Callahan, Chris Caran, David Carter, Mark Ellison, Scot Foltz, Maxine Gilford, Lisa Glenn, Mark Hall, Ingrid Hansen, Dan Hardin, Ruben Hernandez, Amanda Jenami, Sandy Kaiser, Jennifer Kennedy, Merry Klonower, Randy Lara, Dain Larsen, LeeRoy Lopez Ryan Long, Robert Mace, Jeremy Mazur, Issa McDaniel, David Meesey, Jesse Milonovich, Dave Mitamura, Piper Montemayor, Darrell Nichols, Brenda O'Neill, Javier Pena, Ken Petersen, Lisa Petoskey, Jonathan Pi, Samantha Pollard, Debbie Ramirez, Steve Rodriguez, Leo Ruiz, Sunny Sadler, Robert Sahm, Mike Segner, Caaren Skrobarczyk, Joel Smith, Rebecca Trevino, Comer Tuck, Cameron Turner, Jeff Walker, Carlton Wilkes, David Yager, Larry Zamzow, and Jessica Zuba.

The following individuals were present:

John Baldwin, Coastal Water Authority
Susan Bandy, City of Houston
Kate Bechtold, City of Houston
Ann Beecroft, Zavala County WCID #1
Stuart Cowell, City of Hondo
Orlando Cruz, City of San Juan
Larry Fenstad, Lake Livingston Water Supply
Perry Fowler
Larry Fuson, Lake Livingston Water Supply
John Ganzer, Lake Livingston Water Supply
Lizeth Gonzales, Naismith Engineering
Clayton Holland, City of Alpine
Jim Kimball, Zavala County WCID #1
Keith Kindle, Hibbs & Todd, Inc.
Adam Luke, Naismith Engineering
Judge Joe Luna, Zavala County WCID #1
David Mendez, City of Alpine
Bill Mullican, Panhandle Groundwater Conservation District
John Stover, Lake Livingston Water Supply

Emigdio Salinas, Zavala County WCID #1
Diane White, Zavala County WCID #1

1. CONSIDER APPROVAL OF THE DECEMBER 6, 2012 BOARD MEETING MINUTES.

Mr. Rylander moved to approve the minutes; the motion was seconded by Mr. Vaughan; 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, Contract Administration)
3. FINANCIAL ASSISTANCE PROGRAMS PERFORMANCE REPORT REGARDING LOAN AND GRANT COMMITMENT ACTIVITY. (Jeff Walker, Project Development)
4. STATUS OF APPLICATIONS FOR FINANCIAL ASSISTANCE. (Jeff Walker, Project Development)
5. REPORT ON ACTIVITIES RELATING TO THE ECONOMICALLY DISTRESSED AREAS PROGRAM, INCLUDING THE EDAP STATUS REPORT. (Mireya Loewe, Project Oversight)
6. REPORT ON MODELED AVAILABLE GROUNDWATER VALUES FOR THE LEONA GRAVEL AQUIFER IN GROUNDWATER MANAGEMENT AREA 10 (UVALDE COUNTY). (Larry French, Water Science & Conservation)

Chairman Bradford announced that Items 2-6 are reports that have been submitted to the Board but are not posted for discussion or action.

CONSENT

7. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF CORPUS CHRISTI** FOR A WAIVER OF OPTIONAL REDEMPTION PROVISIONS OF THE \$15,750,000 CITY OF CORPUS CHRISTI, TEXAS UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 1999-A. (Piper Montemayor/Jim Bateman)
8. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **HOLIDAY BEACH WATER SUPPLY CORPORATION** FOR A WAIVER OF PROVISIONS RELATED TO NOTICE OF REDEMPTION IN THE HOLIDAY BEACH WATER SUPPLY CORPORATION \$630,000 WATER REVENUE BONDS (TAXABLE), SERIES 1998 AND THE HOLIDAY BEACH WATER SUPPLY CORPORATION \$470,000 WATER REVENUE BONDS (TAXABLE), SERIES 2001. (Jim Bateman/Piper Montemayor)

9. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **CITY OF MERCEDES (HIDALGO COUNTY)** MADE IN TWDB RESOLUTION NO. 12-70 FOR SELECT PROJECT ELEMENTS AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION FROM THE \$4,650,000 CLEAN WATER STATE REVOLVING FUND LOANS FOR COLLECTION SYSTEM REHABILITATION. (Jennifer Kennedy)
10. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF CARBON (EASTLAND COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Caaren Skrobarczyk)
11. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF DELEON (COMANCHE COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$160,000 CONSISTING OF AN \$80,000 LOAN AND \$80,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Javier Pena)
12. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF GOLDTHWAITE (MILLS COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,100,296 CONSISTING OF A \$1,480,000 LOAN AND \$620,296 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Javier Pena)
13. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF HONDO (MEDINA COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$533,074, CONSISTING OF A \$490,000 LOAN AND \$43,074 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Caaren Skrobarczyk)
14. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF LAWN (TAYLOR, CALLAHAN, & COLEMAN COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Caaren Skrobarczyk)
15. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **LAKE LIVINGSTON WATER SUPPLY AND SEWER SERVICE CORPORATION (POLK, SAN JACINTO, LIBERTY, HARDIN, TRINITY, WALKER, & TYLER COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$3,669,850 CONSISTING OF A \$3,130,000 LOAN AND \$539,850 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM

IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Jessica Zuba)

16. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF NEW DEAL (LUBBOCK COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$142,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Javier Pena)
17. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **NEW ULM WATER SUPPLY CORPORATION (AUSTIN & COLORADO COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$535,216 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Javier Pena)
18. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF REKLAW (CHEROKEE & RUSK COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$176,810 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, AND DESIGN COSTS RELATED TO WATER SYSTEM IMPROVEMENTS. (Dain Larsen)
19. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF SAN JUAN (HIDALGO COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,000,000, CONSISTING OF A \$1,400,000 LOAN AND \$600,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Caaren Skrobarczyk)
20. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF SMYER (HOCKLEY COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$369,767, CONSISTING OF A \$135,000 LOAN AND \$234,767 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Dain Larsen)
21. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **UPPER LEON RIVER MUNICIPAL WATER DISTRICT (COMANCHE, CORYELL, EASTLAND, ERATH, HAMILTON, AND LAMPASAS COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,176,272, CONSISTING OF A \$775,000 LOAN AND \$401,272 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Dain Larsen)
22. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **VALLEY WATER SUPPLY CORPORATION (DICKENS COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$121,825 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Jessica Zuba)

23. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **ZAVALA COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 (ZAVALA COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,498,785 CONSISTING OF A \$760,000 LOAN AND \$738,785 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Jessica Zuba)
24. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF ALPINE (BREWSTER COUNTY)** FOR A LOAN IN THE AMOUNT OF \$3,500,000 FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Jessica Zuba)
25. CONSIDER APPROVING BY RESOLUTION: (A) A REQUEST FROM THE **COASTAL WATER AUTHORITY (HARRIS COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$28,754,000 FROM THE STATE PARTICIPATION PROGRAM TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION (THE LUCE BAYOU INTERBASIN TRANSFER PROJECT); AND (B) AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE A MASTER AGREEMENT BETWEEN TWDB AND COASTAL WATER AUTHORITY REGARDING STATE PARTICIPATION IN THE LUCE BAYOU INTERBASIN TRANSFER PROJECT. FINANCE COMMITTEE ITEM NO. 3. (Dain Larsen)
26. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE INTERLOCAL COOPERATION CONTRACTS WITH THE PANHANDLE GROUNDWATER CONSERVATION DISTRICT, NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT, AND HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1; (B) AMEND TWDB CONTRACT 1248301494 TO DEVELOP A NUMERICAL GROUNDWATER FLOW MODEL FOR THE HIGH PLAINS AQUIFER SYSTEM TO REFLECT THE ADDITIONAL SCOPE OF WORK AND FUNDS; AND (C) TRANSFER UP TO \$300,000 FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND FOR A TOTAL PROJECT COST OF \$900,000. (Larry French)
27. CONSIDER AUTHORIZING A REQUEST FOR APPLICATIONS FOR FY 2013 OF AGRICULTURAL WATER CONSERVATION GRANTS. (Cameron Turner)

Chairman Bradford announced that Board Consent Item #21 has been removed from the agenda and will not be considered at this time.

He stated that there were representatives from the Zavala County Water Control and Improvement District No. 1 in attendance at the meeting who wished to address the Board concerning Board Consent Item No. 23. Judge Joe Luna and Ann Becroft, Zavala County WSID #1 Board President, both addressed the Board and thanked the Board and staff for the assistance with this project.

Chairman Bradford stated that Bill Mullican wished to address the Board concerning Board Consent Item No. 26. Mr. Mullican thanked the Board and staff for the assistance with this project.

Mr. McMahan moved to approve Board Consent Items Nos. 7-20 and 22-27. Mr. Rylander seconded; it passed unanimously.

REGULAR

28. CONSIDER APPOINTMENT OF THE WATER CONSERVATION ADVISORY COUNCIL MEMBER FOR THE GROUNDWATER CONSERVATION DISTRICTS USER GROUPS. Robert Mace, Water Science & Conservation, presented this item.

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

29. BRIEFING AND DISCUSSION ON DROUGHT CONDITIONS IN THE STATE OF TEXAS. Mark Wentzel, Water Science & Conservation, presented this item.

No action was taken on this item.

30. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

No comments were received.

31. 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 10:25 a.m.

APPROVED and ordered of record this, the 28th day of February, 2013.

TEXAS WATER DEVELOPMENT BOARD

Billy R. Bradford, Jr., Chairman

ATTEST:

Melanie Callahan,
Executive Administrator