

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
BOARD MEETING  
February 28, 2013

Chairman Billy R. Bradford, Jr. called to order the regular meeting of the Texas Water Development Board at 9:15 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: Jorge Arroyo, Stacy Barna, Jim Bateman, Joyce Bourenane, Carolyn Brittin, Brenner Brown, Kelly Burton, Melanie Callahan, Kathy Calnan, David Carter, JoAnne Duncan, Mark Ellison, Scot Foltz, Larry French, Monica Galuski, Lisa Glenn, Mark Hall, Dan Hardin, Francia Harutunian, Ruben Hernandez, Amanda Jenami, Chris Jurgens, Sandy Kaiser, Jennifer Kennedy, Sanjeev Kalaswad, Randy Lara, Dain Larsen, Mireya Loewe, LeeRoy Lopez, Ryan Long, Jeremy Mazur, Linda McCall, Issa McDaniel, Michelle McFaddin, David Meesey, Dave Mitamura, Lauren Mulverhill, Ben Munguia, Piper Montemayor, Matt Nelson, Darrell Nichols, Brenda O'Neill, Javier Pena, Ken Petersen, Lisa Petoskey, Jonathan Pi, Debbie Ramirez, Joe Reynolds, Steve Rodriguez, Leo Ruiz, Clay Schultz, Mike Segner, Caaren Skrobarczyk, Joel Smith, Comer Tuck, Jeff Walker, Mark Wentzel, David Yager, and Larry Zamzow.

The following individuals were present:

Lamberto Balli, HMTB	Eddy Gonzalez, City of Edcouch
Jorge Barrera, Eagle Pass Waterworks System	Robert Gonzalez, Eagle Pass Waterworks System
James Boenig, Sherfey Engineering	Reagan George, Willow City Fire & Rescue
Danielle Bradford, Piper Jaffray	Eddy Gonzalez, City of Edcouch
Edward Brown, City of Sweetwater	Todd Henderson, Bitter Creek WSC
Tom Brown, Naismith Engineering	Jason Hill, Lone Star Groundwater Conservation District
Sallie Burchelt	John Holmgreen, Sparkeltap, Inc.
Andy Bynam, Mesirow Financial	Blake Howard, Bitter Creek WSC
Juan Cedillo, City of EdCouch	Shannon Hugetz
Peter Clarke, J.P. Morgan	Grant A. Jackson, Naismith Engineering
James Dodson, Naismith Engineering	Jerry James, City of Victoria
Eric Ebeith, Drexel Hamilton, LLC	Anthony Jaso, City of Del Rio
Phil Elledge, White River MWD	Kathy Turner Jones, Lone Star GCD
Anne Burger-Entrekin, First Southwest	Keith Kindle, City of Sweetwater
Linda Fernandez	Billy & Mary Kniffen
Jorge Flores, Eagle Pass Waterworks System	Jaime Kypuros, Eagle Pass Waterworks System
Karen Ford, Hill Country Alliance	Bryan Law, Chief of Staff, Rep. Susan King
Perry Fowler	George Lazaro, City of Edcouch
Donald Gonzales, Falfurrias Utility Board	Gloria Leal
David Gonzalez, Eagle Pass Waterworks System	

Dale Lehman, Piper Jaffray  
Adam Luke, Naismith Engineering  
Kadisja Makhoulf, Burgess Well  
Ken Martin, Bitter Creek WSC  
Larry Martin, Bitter Creek WSC  
Ron McCuller, City of Grand Prairie  
James McMeans, Hill Country Alliance  
Thomas Mead, Drexel Hamilton  
Garry Merritt, Real County Judge  
Con Mims, Nueces River Authority  
M. Watson Moore, Bitter Creek WSC  
Sean Moran  
Christy Muse, Hill Country Alliance  
David Nabors, Region D  
Sharron Nabors, Region D  
Rick Nelson, Bitter Creek WSC  
Gary Oradat, City of Pflugerville  
Lorraine Palacios, Ramirez & Co.  
Timothy Peterson, J. P. Morgan

Jeff Posey, Bitter Creek WSC  
Janet Rabke, Willow City Fire & Rescue  
Stanley Rabke, Willow City Fire & Rescue  
Robin Redford, Ramirez & Company  
Ben Rosenberg, Coastal Securities, Inc.  
Ruth Ruiz, City of Edcouch  
Claudio Ruiz  
Shelly Scherwitz, Bitter Creek WSC  
Terry Scherwitz, Bitter Creek WSC  
Dalton Smith, Merrill Lynch  
Andrew Sowder  
Van Taylor, State Representative District 66  
Kathi Thomas, Hill Country Alliance  
Richard J. Tramm, Lone Star GCD  
Robert Weatherford, Willow City Fire & Rescue  
Wayne Weeks, Edom WSC  
W.B. "Billy" Wood, Lone Star GCD  
Gregory Wortham, City of Sweetwater  
Ira Yates, Hill Country Alliance

1. CONSIDER APPROVAL OF THE JANUARY 31, 2013 BOARD MEETING MINUTES.

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

2. PRESENTATION OF THE 2012 TEXAS RAIN CATCHER AWARDS AND RECOGNITION OF BILLY KNIFFEN FOR RAINWATER HARVESTING EFFORTS IN TEXAS. Sanjeev Kalaswad, Geologist, Water Science and Conservation, presented the awards as follows:

**Lone Star Groundwater Conservation District:** Kathy Turner Jones, General Manager; Richard J. Tramm, Board President; and W.B. "Billy" Wood, Chair, Water Awareness and Conservation.

**Hugetz Residence:** Shannon Hugetz, Applicant and Mark Holmgren, Installer, Sparkeltap, Inc.

**Hill Country Alliance:** Karen Ford, Board Member; Christy Muse, Executive Director; Kathi Thomas, Planning Coordinator; Ira Yates, Board Member; and James McMeans, Rainwater Team.

**Willow City Fire and Rescue:** Janet Rabke, President; Stanley Rabke; Reagan George; and Robert Weatherford.

**Recognition:** Billy Kniffen and Mary Kniffen.

## REPORTS

3. 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)
4. FINANCIAL ASSISTANCE PROGRAMS PERFORMANCE REPORT REGARDING LOAN AND GRANT COMMITMENT ACTIVITY. (Jeff Walker, Project Development)
5. REPORT ON ACTIVITIES RELATING TO THE ECONOMICALLY DISTRESSED AREAS PROGRAM, INCLUDING THE EDAP STATUS REPORT. (Mireya Loewe, Project Oversight)

Chairman Bradford announced that Items 3-5 are reports that have been submitted to the Board but are not posted for discussion or action.

## CONSENT

6. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **BUENA VISTA-BETHEL SPECIAL UTILITY DISTRICT (ELLIS COUNTY)** TO: (A) REVISE THE SCOPE OF THE PROJECT APPROVED IN TWDB RESOLUTION NO. 09-30 TO INCLUDE CONSTRUCTION OF A WELL; AND (B) FOR CONSENT TO AN AMENDMENT OF THE DISTRICT'S BOND RESOLUTION TO ALLOW BOND PROCEEDS TO BE USED FOR THE REVISED SCOPE OF THE PROJECT. (Darrell Nichols/Jim Bateman)
7. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF EDCOUCH (HIDALGO COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$3,468,600, CONSISTING OF A \$2,413,600 LOAN AND \$1,055,000 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Javier Pena)
8. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF FALFURRIAS (BROOKS COUNTY)** FOR A LOAN IN THE AMOUNT OF \$385,000 FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WASTEWATER SYSTEM IMPROVEMENTS. (Dain Larsen)
9. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF GRAND PRAIRIE (DALLAS, TARRANT AND ELLIS COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,079,431, CONSISTING OF A \$1,805,000 LOAN AND \$274,431 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION COSTS RELATING TO WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Jessica Zuba)

10. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF HOUSTON (HARRIS COUNTY)** FOR A LOAN IN THE AMOUNT OF \$65,000,000 FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION COSTS RELATING TO WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Jessica Zuba)
11. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF INGRAM (KERR COUNTY)** FOR A LOAN IN THE AMOUNT OF A \$175,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WASTEWATER SYSTEM IMPROVEMENTS. (Dain Larsen)
12. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF AMARILLO (POTTER AND RANDALL COUNTIES)** FOR A LOAN IN THE AMOUNT OF \$1,310,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Javier Pena)
13. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF DEL RIO (VAL VERDE COUNTY)** FOR A LOAN IN THE AMOUNT OF \$1,000,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Jessica Zuba)
14. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF EAGLE PASS (MAVERICK COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$8,223,296, CONSISTING OF A \$5,795,000 LOAN AND \$2,428,296 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Jessica Zuba)
15. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **NORTH SAN SABA WATER SUPPLY CORPORATION (SAN SABA COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,503,816, CONSISTING OF A \$335,000 LOAN AND \$2,168,816 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Caaren Skrobarczyk)
16. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF PHARR (HIDALGO COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$12,406,688, CONSISTING OF A \$8,725,000 LOAN AND \$3,681,688 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. (Javier Pena)
17. 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)

18. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **WHITE RIVER MUNICIPAL WATER DISTRICT (CROSBY, DICKENS, AND GARZA COUNTIES)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,110,000, CONSISTING OF A \$1,055,000 LOAN AND \$1,055,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, AND DESIGN COSTS RELATING TO WATER SYSTEM IMPROVEMENTS. (Dain Larsen)
19. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **EDOM WATER SUPPLY CORPORATION (VAN ZANDT COUNTY)** FOR A GRANT IN THE AMOUNT OF \$61,200 FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM RESEARCH AND PLANNING FUND FOR THE PREPARATION OF A WATER FACILITY PLAN. (Caaren Skrobarczyk)
20. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM **BITTER CREEK WATER SUPPLY CORPORATION (NOLAN AND FISHER COUNTIES)** FOR A LOAN IN THE AMOUNT OF \$7,500,000 FROM THE RURAL WATER ASSISTANCE FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. FINANCE COMMITTEE ITEM NO. 4. (Caaren Skrobarczyk)
21. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **U & F WATER SUPPLY CORPORATION (SCURRY AND BORDEN COUNTIES)** FOR A LOAN IN THE AMOUNT OF \$1,200,000 FROM THE RURAL WATER ASSISTANCE FUND TO FINANCE WATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Jessica Zuba)
22. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **MARKHAM MUNICIPAL UTILITY DISTRICT (MATAGORDA COUNTY)** FOR A LOAN IN THE AMOUNT OF \$495,000 FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE WASTEWATER SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. (Dain Larsen)
23. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **CITY OF MENARD (MENARD COUNTY)** MADE IN RESOLUTION NO. 12-80 AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION FROM THE \$1,087,000 DRINKING WATER STATE REVOLVING FUND LOAN FOR A WATER SYSTEM IMPROVEMENTS PROJECT. (Kathy Calnan)
24. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **CITY OF SPRINGTOWN (PARKER COUNTY)** MADE IN RESOLUTION NO. 12-34 AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION FROM THE \$3,930,000 CLEAN WATER STATE REVOLVING FUND LOAN FOR A WASTEWATER TREATMENT PLANT IMPROVEMENTS PROJECT. (Kathy Calnan)

25. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **CITY OF HOUSTON (HARRIS COUNTY)** MADE IN RESOLUTION NO. 12-32 FOR SELECT PROJECT ELEMENTS AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR CONSTRUCTION FROM THE \$48,750,000 CLEAN WATER STATE REVOLVING FUND LOANS FOR COLLECTION SYSTEM REHABILITATION. (Christopher J. Jurgens)
26. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE **CITY OF ARLINGTON (TARRANT COUNTY)** MADE IN RESOLUTION NO. 09-02, AS AMENDED BY TWDB RESOLUTION NO. 10-100, FOR SELECT PROJECT ELEMENTS AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION FROM THE \$24,000,000 CLEAN WATER STATE REVOLVING FUND LOANS FOR COLLECTION SYSTEM REHABILITATION. (Chris Caran)
- 26-A. CONSIDER APPROVING BY RESOLUTION, THE ESTABLISHMENT OF A NEW TAX-EXEMPT LENDING RATE SCALE FOR THE WATER INFRASTRUCTURE FUND (WIF) TO BE EFFECTIVE FEBRUARY 28, 2013. FINANCE COMMITTEE ITEM NO. 3. (Monica Galuski)
27. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE A RESEARCH CONTRACT IN A TOTAL AMOUNT NOT TO EXCEED \$187,500, FROM THE RESEARCH AND PLANNING FUND FOR FISCAL YEAR 2013 FOR SALINITY STUDIES IN THE PECOS RIVER AND RIO GRANDE RIVER WATERSHEDS; AND (B) TRANSFER \$37,500 FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND. (Brenner Brown)
28. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO: (A) NEGOTIATE AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$263,700 FOR SOLICITED GRANT PROPOSALS FOR THE DEVELOPMENT OF REGIONAL FACILITY PLANS; AND (B) TRANSFER FUNDS FROM THE WATER ASSISTANCE FUND TO THE RESEARCH AND PLANNING FUND (David Meesey)
29. CONSIDER APPROVING THE DRAFT AMENDED STATE FISCAL YEAR 2013 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN. (Stacy Barna)
30. CONSIDER APPROVING THE DRAFT AMENDED STATE FISCAL YEAR 2013 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN. (Stacy Barna)

Chairman Bradford announced that the following individuals had requested to comment on items listed on the Board's Consent Agenda:

Eddie Gonzalez, Mayor, City of Edcouch, addressed the Board on Consent Item #7.  
 Ron McCollough, City of Grand Prairie, addressed the Board on Consent Item #9.  
 Jerry James, addressed the Board on Consent Item #28.

Mr. Cluck moved to approve Board Consent Items Nos. 6-30. Mr. Rylander seconded; it passed unanimously.

REGULAR

31. BRIEFING AND DISCUSSION CONCERNING THE 83RD LEGISLATURE, INCLUDING BILLS FILED, AND CURRENT AND ANTICIPATED ISSUES. Jeremy Mazur, Governmental Relations, presented this item.

No action was taken on this item.

32. BRIEFING AND DISCUSSION ON THE **NUECES RIVER AUTHORITY'S (REAL COUNTY)** REQUEST TO EXTEND THE PROJECT SCHEDULE FOR THE LEAKEY WASTEWATER SYSTEM PROJECT NO. 72045; EDAP COMMITMENTS G080009 MADE IN RESOLUTION NO. 08-62, G100029 MADE IN RESOLUTION NO. 09-175, AND G110034 AND CWSRF COMMITMENT G110033 MADE IN RESOLUTION NO. 11-95. Mireya Loewe, Project Oversight, presented this item. Scott Foltz, Director, Project Oversight, also addressed the Board. Con Mims, Nueces River Authority and Tom Brown, Naismith Engineering, also addressed the Board.

No action was taken on this item.

33. BRIEFING, DISCUSSION AND POSSIBLE ACTION CONCERNING BOARD POLICIES, AGENCY POLICIES, AND AGENCY PROCEDURES. Ken Petersen, General Counsel, presented this item.

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

34. 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.

35. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

David Nabors, Region D, addressed the Board  
Andrew Sowder addressed the Board.

36. 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 11:00 a.m.

APPROVED and ordered of record this, the 18<sup>th</sup> day of April, 2013.

TEXAS WATER DEVELOPMENT BOARD

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Billy R. Bradford, Jr., Chairman

ATTEST:

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Melanie Callahan,  
Executive Administrator