

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
June 18, 2014

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 9:30 a.m. in Room 170 of the Stephen F. Austin Building, 1700 N. Congress Avenue, Austin, Texas. In addition to Chairman Rubinstein, Directors Kathleen Jackson and Bech Bruun were also in attendance, and a quorum was present.

The General Counsel announced that the Board would take up for consideration the following:

1. OVERVIEW OF THE STATE PARTICIPATION PROGRAM. Jeff Walker, Water Supply and Infrastructure, presented this item.

No action was taken on this item.

2. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT (LIPSCOMB, OCHILTREE, HANSFORD, DALLAM, SHERMAN, AND PORTIONS OF HARTLEY, MOORE, AND HUTCHINSON COUNTIES) FOR A LOAN IN THE AMOUNT OF \$620,000 FROM THE AGRICULTURE WATER CONSERVATION LOAN PROGRAM TO PROVIDE FINANCING FOR AN AGRICULTURE WATER CONSERVATION PROGRAM. Luis Farias, Water Supply and Infrastructure, presented this item. Steve Walthour, General Manager, North Plains Groundwater Conservation District, also addressed the Board.

Director Bruun moved to adopt the proposed Resolution providing the North Plains Groundwater Conservation District financial assistance from the Agriculture Water Conservation Loan Program to provide financing for an agriculture water conservation program, as recommended by the Executive Administrator.

The motion was seconded by Director Jackson; it passed unanimously.

3. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE CITY OF WINTERS (RUNNELS COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$603,500 CONSISTING OF A \$425,000 LOAN AND \$178,500 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION AND DESIGN FOR THE DEVELOPMENT OF AN ADDITIONAL SOURCE OF WATER TO SUPPLEMENT THE CITY'S SURFACE WATER SUPPLY AND THE GRANTING OF A WAIVER OF THE REQUIREMENT THAT THE PROJECT BE CONSISTENT WITH THE STATE WATER PLAN AND WITH AN APPROVED REGIONAL WATER PLAN. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Winters financial assistance from the Drinking Water State Revolving Fund to finance planning, acquisition and design for the development of an additional source of water to supplement the City's surface water supply; and the granting of a waiver of the requirement that the project be consistent with the State

Water Plan and with an approved regional water plan, as recommended by the Executive Administrator.

The motion was seconded by Director Bruun; it passed unanimously.

4. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE GREATER TEXOMA UTILITY AUTHORITY ON BEHALF OF THE CITY OF SHERMAN (GRAYSON COUNTY) FOR A \$1,780,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO REDUCE INFLOW AND INFILTRATION ISSUES AT THE WASTEWATER TREATMENT PLANT. Jessica Zuba, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the Greater Texoma Utility Authority on behalf of the City of Sherman financial assistance from the Clean Water State Revolving Fund to reduce inflow and infiltration issues at the wastewater treatment plant, as recommended by the Executive Administrator.

The motion was seconded by Director Jackson; it passed unanimously.

5. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE BANDERA COUNTY FRESH WATER SUPPLY DISTRICT NO. 1 (BANDERA COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$785,000 CONSISTING OF A LOAN IN THE AMOUNT OF \$585,000 AND \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, ACQUISITION, DESIGN, AND CONSTRUCTION OF AN EMERGENCY WATER WELL AND ASSOCIATED SYSTEM IMPROVEMENTS, UTILIZING THE PRE-DESIGN FUNDING OPTION. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing Bandera County Fresh Water Supply District No. 1 financial assistance from the Drinking Water State Revolving Fund to finance the planning, acquisition, design, and construction of an emergency water well and associated system improvements, as recommended by the Executive Administrator.

The motion was seconded by Director Bruun; it passed unanimously.

6. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE HOLLY HUFF WATER SUPPLY CORPORATION (JASPER & NEWTON COUNTIES) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO CONSTRUCT A NEW WELL. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing Holly Huff Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund to construct a new well, as recommended by the Executive Administrator.

The motion was seconded by Director Jackson; it passed unanimously.

7. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE NEW ULM WATER SUPPLY CORPORATION (COLORADO COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$63,805 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND FOR DESIGN OF UPGRADES TO WATER DISTRIBUTION AND STORAGE. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing New Ulm Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund for design of upgrades to water distribution and storage, as recommended by the Executive Administrator.

The motion was seconded by Director Bruun; it passed unanimously.

8. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE CITY OF PORT ARTHUR (JEFFERSON COUNTY) FOR A LOAN IN THE AMOUNT OF \$5,960,000, FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO THE CONSTRUCTION OF A NEW WASTEWATER TREATMENT PLANT. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Port Arthur financial assistance from the Clean Water State Revolving Fund to finance planning and design costs relating to the construction of a new wastewater treatment plant, as recommended by the Executive Administrator.

The motion was seconded by Director Jackson; it passed unanimously.

9. CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE CITY OF PORT ARTHUR FOR A LOAN IN THE AMOUNT OF \$1,370,000, FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATING TO THE CONSTRUCTION OF NEW DISTRIBUTION LINES TO ADDRESS WATER LOSS AND LOW PRESSURE. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Port Arthur financial assistance from the Drinking Water State Revolving Fund to finance planning and design costs relating to the construction of new distribution lines to address water loss and low pressure, as recommended by the Executive Administrator.

The motion was seconded by Director Bruun; it passed unanimously.

The General Counsel recommended that the Board take up Affirmation Items 10-12 together for consideration:

10. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE IN THE AMOUNT OF \$12,406,688 FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF PHARR (HIDALGO COUNTY) MADE IN TWDB RESOLUTION NO. 13-30 FOR THE INSTALLATION OF WATER TRANSMISSION MAINS AND ELEVATED STORAGE TANK REPLACEMENT AFTER COMPLETION OF

ENVIRONMENTAL REVIEW AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION.

11. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,995,875 FROM THE DRINKING WATER STATE REVOLVING FUND TO **UNION WATER SUPPLY CORPORATION (STARR COUNTY)** MADE IN TWDB RESOLUTION NO. 12-117 FOR THE REPLACEMENT OF WATER LINES AND METERS AFTER COMPLETION OF ENVIRONMENTAL REVIEW AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION.
12. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE IN THE AMOUNT OF \$227,500 FROM THE CLEAN WATER STATE REVOLVING FUND TO THE **CITY OF WEST TAWAKONI (HUNT COUNTY)** MADE IN TWDB RESOLUTION NO. 12-113 FOR THE REHABILITATION THE CITY'S WASTEWATER TREATMENT PLANT AFTER COMPLETION OF ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN.

Director Bruun moved to adopt the Resolutions affirming commitments to provide financial assistance as set forth in Items 10 through 12, as recommended by the Executive Administrator.

The motion was seconded by Director Jackson; it passed unanimously.

The General Counsel recommended that the Board take up Items 13 and 14 together for consideration:

13. BRIEFING AND DISCUSSION ON THE DRAFT STATE FISCAL YEAR 2015 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN.
14. BRIEFING AND DISCUSSION ON THE DRAFT STATE FISCAL YEAR 2015 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN.

Jo Dawn Bomar, Water Supply and Infrastructure, presented these items.

No action was taken on these items.

15. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH FOR PUBLIC COMMENT PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE (TAC) CHAPTER 371 RELATING TO DRINKING WATER STATE REVOLVING FUND AND 31 TAC CHAPTER 375 RELATING TO CLEAN WATER STATE REVOLVING FUND. Jo Dawn Bomar, Water Supply and Infrastructure, presented this item.

Director Jackson moved to approve the publication of proposed amendments to 31 Texas Administrative Code Chapters 371 and 375, as recommended by the Executive Administrator.

The motion was seconded by Director Bruun; it passed unanimously.

16. BRIEFING AND DISCUSSION ON HB 4 RULE DEVELOPMENT. Todd Chenoweth, Senior Advisor, presented this item. Larry Hoffman and Ken Kramer also addressed the Board.

No action was taken on this item.

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

No action was taken on this item.

18. NO PUBLIC COMMENTS WERE RECEIVED.

19. THE BOARD DID NOT MEET IN CLOSED SESSION.

Chairman Rubinstein recognized Rusty Smith from Texas State Senator Kel Seliger's office who was attending the meeting today.

Chairman Rubinstein adjourned the meeting at 10:50 a.m.

APPROVED and ordered of record this, the 18th day of June, 2014.

TEXAS WATER DEVELOPMENT BOARD

Carlos Rubinstein, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson
Executive Administrator