

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
March 26, 2015

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 9:31 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 the first item for consideration:

1. DISCUSSION REGARDING OUTREACH EFFORTS AND ACTIVITIES BY THE BOARD.

No action was taken on this item.

2. CONSIDER AUTHORIZING PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE (TAC) §371.42, §375.52, AND §375.62 RELATING TO TYPES OF ENVIRONMENTAL DETERMINATIONS: CATEGORICAL EXCLUSIONS. Jennifer Kennedy, Water Supply and Infrastructure, presented this item.

Director Bruun moved to approve publication of proposed amendments to 31 Texas Administrative Code (TAC) §371.42, §375.52, and §375.62 relating to Types of Environmental Determinations: Categorical Exclusions, as recommended by the Executive Administrator.

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

3. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE CONTRACT AMENDMENTS AS APPROVED ON FEBRUARY 5, 2015, BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY TO REALLOCATE \$81,047.00 OF FISCAL YEAR 2013 FLOOD MITIGATION ASSISTANCE GRANT FUNDS FROM THE CITY OF BEAUMONT TO THE CITY OF ALVIN. Kathy Hopkins, Contracting and Purchasing, presented this item.

Director Jackson moved to authorize the Executive Administrator to execute contract amendments as approved by the Federal Emergency Management Agency to reallocate \$81,047.00 of Fiscal Year 2013 Flood Mitigation Assistance Grant funds from the City of Beaumont to the City of Alvin.

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

4. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF GRANBURY (HOOD COUNTY) FOR A \$16,430,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF A NEW WATER TREATMENT PLANT, NEW RAW WATER INTAKE AND PUMP STATION.

Brenner Brown, Water Supply and Infrastructure, presented this item. Alva Cox, Public Works Director, City of Granbury, also addressed the Board.

Director Bruun moved to adopt the proposed resolution providing the City of Granbury financial assistance from the Drinking Water State Revolving Fund to finance the construction of a new water treatment plant, new raw water intake and pump station, as recommended by the Executive Administrator.

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

5. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM LEE COUNTY FRESH WATER SUPPLY DISTRICT NO. 1 (LEE COUNTY) FOR \$151,839 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE PLANNING AND DESIGN PHASES OF A NEW WATER PUMP STATION TO INCLUDE GROUND STORAGE AND A PRESSURE TANK. Brenner Brown, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed resolution providing Lee County Fresh Water Supply District No. 1 financial assistance from the Drinking Water State Revolving Fund to finance the planning and design phases of a new water pump station to include ground storage and a pressure tank, 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 WINDTHORST WATER SUPPLY CORPORATION (ARCHER AND CLAY COUNTIES) FOR \$500,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION PHASE OF AN EMERGENCY INTERCONNECT TO ADDRESS AN URGENT NEED RELATED TO DROUGHT. Brenner Brown, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed resolution providing the Windthorst Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund to finance the construction phase of an emergency interconnect to address an urgent need related to drought, 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 AGUA SPECIAL UTILITY DISTRICT (HIDALGO COUNTY) FOR AN \$8,195,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF A PROJECT TO PROVIDE FIRST-TIME WASTEWATER SERVICE TO THE CITY OF PALMVIEW AND SURROUNDING AREAS. Mireya Loewe, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed resolution providing the Agua Special Utility

District financial assistance from the Clean Water State Revolving Fund to finance the construction of a project to provide first-time wastewater service to the City of Palmview and surrounding areas, 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 LAREDO (WEBB COUNTY) FOR A \$4,600,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF A 24-INCH WATERLINE ON THE WEST SIDE OF LOOP 20 (CASA VERDE ROAD). Mireya Loewe, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Laredo financial assistance from the Drinking Water State Revolving Fund to finance the construction of a 24-inch waterline on the west side of Loop 20 (Casa Verde Road), 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 LAREDO (WEBB COUNTY) FOR A \$22,075,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF THE SOUTH LAREDO WASTEWATER TREATMENT PLANT EXPANSION II PROJECT. Mireya Loewe, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Laredo financial assistance from the Clean Water State Revolving Fund to finance the construction of the South Laredo Wastewater Treatment Plant Expansion II project, as recommended by the Executive Administrator.

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

10. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF MISSION (HIDALGO COUNTY) FOR A \$19,640,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION OF THE WASTEWATER TREATMENT PLANT EXPANSION. Mireya Loewe, Water Supply and Infrastructure, presented this item.

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

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

11. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF BRADY (MCCULLOCH COUNTY) FOR A \$902,000 GRANT AND \$902,000 LOAN

FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM FUND TO FINANCE THE DESIGN OF WATER TREATMENT PLANT AND DISTRIBUTION SYSTEM IMPROVEMENTS FOR RADIUM REMOVAL. Lee Huntoon, Water Supply and Infrastructure, presented this item. Kim Lenoir, City Manager, City of Brady, also addressed the Board.

Director Jackson moved to adopt the proposed Resolution providing the City of Brady financial assistance from the Economically Distressed Areas Program to finance the design of water treatment plant and distribution system improvements for radium removal, as recommended by the Executive Administrator.

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

12. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF MELVIN (MCCULLOCH COUNTY) FOR AN \$85,000 GRANT AND \$85,000 LOAN FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM TO FINANCE PLANNING AND DESIGN OF A CORRECTIVE TREATMENT FACILITY FOR RADIUM. Lee Huntoon, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Melvin financial assistance from the Economically Distressed Areas Program to finance planning and design of a corrective treatment facility for radium, as recommended by the Executive Administrator.

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

13. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF BROWNWOOD (BROWN COUNTY) FOR A SIX-MONTH EXTENSION OF THE \$8,560,000 LOAN COMMITMENT IN RESOLUTION NO. 14-71 FROM THE TEXAS WATER DEVELOPMENT FUND, TO FINANCE WATER AND WASTEWATER SYSTEM IMPROVEMENTS. Lee Huntoon, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Brownwood a six-month extension of the loan commitment in Resolution No. 14-71 from the Texas Water Development Fund, to finance water and wastewater system improvements, as recommended by the Executive Administrator.

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

14. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF CASTROVILLE (MEDINA COUNTY) FOR A \$3,500,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF WATERLINE REPLACEMENT TO ADDRESS WATER LOSS AND IMPROVE EFFICIENCY. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Castroville financial assistance from the Drinking Water State Revolving Fund to finance the construction of waterline replacement to address water loss and improve efficiency, as recommended by the Executive Administrator.

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

15. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF CASTROVILLE (MEDINA COUNTY) FOR A \$3,050,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF A NEW LIFT STATION AND FORCE MAIN. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Castroville financial assistance from the Clean Water State Revolving Fund to finance the construction of a new lift station and force main, as recommended by the Executive Administrator.

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

16. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF CASTROVILLE (MEDINA COUNTY) FOR A \$9,050,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE PLANNING AND CONSTRUCTION TO EXPAND THE CAPACITY OF THE CITY'S WASTEWATER TREATMENT PLANT. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Castroville financial assistance from the Clean Water State Revolving Fund to finance planning and construction to expand the capacity of the City's wastewater treatment plant, as recommended by the Executive Administrator.

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

17. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM CORIX UTILITIES (TEXAS), INC. (BURNET COUNTY) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION OF IMPROVEMENTS AT THE BUENA VISTA WATER SYSTEM IN BURNET COUNTY, INCLUDING REPLACEMENT OF EXISTING METERS AND CONSTRUCTION OF AN INTERCONNECT TO THE CORIX-LAKE BUCHANAN WATER SYSTEM. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing Corix Utilities (Texas), Inc. financial assistance from the Drinking Water State Revolving Fund to finance construction of improvements at the Buena Vista Water System, including replacement of existing meters and construction of an interconnect to the Corix-Lake Buchanan Water System, as recommended by the Executive Administrator.

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

18. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM CORIX UTILITIES (TEXAS), INC. (BURNET COUNTY) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF WATER TREATMENT PLANT IMPROVEMENTS AND THE REPLACEMENT OF EXISTING METERS AT THE RIDGE HARBOR WATER SYSTEM. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing Corix Utilities (Texas), Inc. financial assistance from the Drinking Water State Revolving Fund to finance the construction of water treatment plant improvements and the replacement of existing meters at the Ridge Harbor Water System, as recommended by the Executive Administrator.

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

19. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF SAN MARCOS (HAYS, CALDWELL, GUADALUPE, AND COMAL COUNTIES) FOR A \$3,220,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION OF WATERLINE REPLACEMENT IN THREE SUBDIVISIONS TO ADDRESS PROBLEMS RELATED TO AGING INFRASTRUCTURE. Clay Schultz, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of San Marcos financial assistance from the Drinking Water State Revolving Fund to finance construction of waterline replacement in three subdivisions to address problems related to aging infrastructure, as recommended by the Executive Administrator.

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

The General Counsel then recommended taking up Affirmation Items 20 and 21 together for consideration:

20. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF EL CAMPO (WHARTON COUNTY) MADE IN TWDB RESOLUTION NO. 14-54, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.
21. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF NEW DEAL (LUBBOCK COUNTY) MADE IN TWDB RESOLUTION NO. 13-10 AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

Director Bruun moved to affirm the commitment to provide financial assistance from the

Drinking Water State Revolving Fund to the City of El Campo in Board Resolution No. 14-54 and the City of New Deal made in Board Resolution No. 13-10, and concurring in the Executive Administrator's environmental findings.

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

22. BRIEFING, DISCUSSION, AND CONSIDER APPROVING THE AMENDED STATE FISCAL YEAR 2015 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN. Mark Wyatt, Water Supply and Infrastructure, presented this item.

Director Jackson moved to approve the Amended State Fiscal Year 2015 Clean Water State Revolving Fund Intended Use Plan, as recommended by the Executive Administrator.

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

23. BRIEFING AND UPDATE ON THE EXECUTIVE ADMINISTRATOR'S EXAMINATION OF CURRENT RULES AND GUIDANCE PERTAINING TO THE WATER PLANNING PROCESS FOLLOWING THE BOARD'S ORDER CONCERNING INTERREGIONAL CONFLICT RESOLUTION. Jeff Walker, Water Science and Conservation, presented this item.

No action was taken on this item.

The General Counsel then recommended taking up Items 24 and 25 together for consideration:

24. CONSIDER APPROVING THE 2011 REGION C REGIONAL WATER PLAN, AS REVISED, RELATING TO THE RESOLUTION OF AN INTERREGIONAL CONFLICT; AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO POST NOTICE FOR A PUBLIC HEARING FOR AN ASSOCIATED AMENDMENT TO THE 2012 STATE WATER PLAN.
25. CONSIDER APPROVING THE 2011 REGION D REGIONAL WATER PLAN, AS REVISED, RELATING TO THE RESOLUTION OF AN INTERREGIONAL CONFLICT; AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO POST NOTICE FOR A PUBLIC HEARING FOR AN ASSOCIATED AMENDMENT TO THE 2012 STATE WATER PLAN.

Matt Nelson, Water Supply and Infrastructure, presented these items.

Director Bruun moved to approve the 2011 Region C and Region D Regional Water Plans, as revised, relating to the resolution of an interregional conflict; and authorize the Executive Administrator to post notice for a public hearing for an associated amendment to the 2012 State Water Plan.

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

The General Counsel then recommended taking up Items 26 and 27 together for consideration:

26. CONSIDER APPROVING THE ADOPTED MINOR AMENDMENT TO THE 2011 REGION H REGIONAL WATER PLAN, RELATING TO A RECOMMENDED PURCHASE OF TREATED EFFLUENT FROM THE CITY OF HOUSTON WATER MANAGEMENT STRATEGY; AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO POST NOTICE FOR A PUBLIC HEARING FOR AN ASSOCIATED AMENDMENT TO THE 2012 STATE WATER PLAN.
27. CONSIDER APPROVING THE ADOPTED MAJOR AMENDMENT TO THE 2011 REGION H REGIONAL WATER PLAN, RELATING TO THE REVISIONS TO A RECOMMENDED WATER MANAGEMENT STRATEGY FOR EXPANSION OF HARRIS (OFF-CHANNEL) RESERVOIR; AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO POST NOTICE FOR A PUBLIC HEARING FOR AN ASSOCIATED AMENDMENT TO THE 2012 STATE WATER PLAN.

Temple McKinnon, Water Supply and Infrastructure, presented these items.

Director Jackson moved to approve the adopted Minor Amendment to the 2011 Region H Regional Water Plan, relating to a recommended purchase of treated effluent from the City of Houston Water Management Strategy; and the adopted Major Amendment to the 2011 Region H Regional Water Plan, relating to the revisions to a Recommended Water Management Strategy for expansion of Harris (Off-Channel) Reservoir; and authorize the Executive Administrator to post notice for a public hearing for an associated amendment to the 2012 State Water Plan.

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

28. 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.

29. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

The Board received public comments from Peyton Martin, Real Estate Developer (He had handouts for the Board members.)

30. THE BOARD MAY CONDUCT A CLOSED MEETING TO RECEIVE LEGAL ADVICE AND DISCUSS PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS, AND/OR THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF SPECIFIC BOARD EMPLOYEES, INCLUDING THE EXECUTIVE ADMINISTRATOR AND GENERAL COUNSEL, AS PERMITTED BY SECTIONS 551.071 AND 551.074, THE TEXAS OPEN

MEETINGS ACT, CODIFIED AS CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. THE BOARD MAY ALSO MEET IN OPEN MEETING TO TAKE ACTION ON LEGAL OR PERSONNEL MATTERS CONSIDERED IN THE CLOSED MEETING AS REQUIRED BY SECTION 551.103 OF THE OPEN MEETINGS ACT, CHAPTER 551 OF THE GOVERNMENT CODE.

Chairman Rubinstein recessed the meeting at 10:45 a.m. and announced that the Board would convene in the afternoon for Executive Session as permitted under Government Code Sections 551.071 and 551.074.

Chairman Rubinstein reconvened in open meeting at 7:05 p.m.

Chairman Rubinstein stated that the Board had interviewed applicants for the position of Director of Internal Audit and discussed their diverse skills and qualifications.

He made a motion to appoint Nicole M. Campbell to serve as the Director of the Texas Water Development Board's Office of Internal Audit at the monthly salary of \$8,500.00, to be effective on April 13, 2015.

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

Chairman Rubinstein adjourned the meeting at 7:07 p.m.

APPROVED and ordered of record this, the 26th day of March, 2015.

TEXAS WATER DEVELOPMENT BOARD

Carlos Rubinstein, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson,
Executive Administrator