

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
BOARD MEETING  
September 19, 2013

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 8:32 a.m. in Room 170 of the Stephen F. Austin Building, Austin, Texas. In addition to Chairman Rubinstein, Directors Bech Bruun and Mary Ann Williamson were also in attendance, and a quorum was present.

Members of the Texas Water Development Board staff attending included: Chris Adams, Renita Bankhead, Stacy Barna, Jim Bateman, Joyce Bourenane, James Bronikowski, Kelly Burton, David Carter, JoAnne Duncan, Mark Ellison, Luis Farias, Scot Foltz, Larry French, Monica Galuski, Rene Gonzalez, Mark Hall, Ingrid Hansen, Dan Hardin, Francia Harutunian, Ruben Hernandez, Nicki Hise, Kathy Hopkins, Amanda Jenami, Chris Jurgens, Sandy Kaiser, Jason Kemp, Jennifer Kennedy, Merry Klowner, Randy Lara, Darryl Lingens, Mireya Loewe, Ryan Long, LeeRoy Lopez, Robert Mace, Jeremy Mazur, David Meeseey, Dave Mitamura, Piper Montemayor, Lauren Mulverhill, Matt Nelson, Darrell Nichols, Brenda O'Neill, Mike Parcher, Javier Pena, Ken Petersen, Debbie Ramirez, Joe Reynolds, Steve Rodriguez, Leo Ruiz, Michael Segner, Caaren Skrobarczyk, Ruben Solis, John Sutton, Augustine Tambe, Connie Townsend, Rebecca Trevino, Cameron Turner, Jeff Walker, Mark Wentzel, David Yager, Larry Zamzow, and Jessica Zuba.

The following individuals were present:

Joe R. Aillet, Rio Grande Regional Water Authority	Jeremiah Kuntz
Steven Albright, Senator Robert Nichols' Office	Jerry Kyle Jr., Andrews Kurth
Joe Barrera, Rio Grande Regional Water Authority	Bryan Law, Representative Susan King's Office
Tom Brown, Naismith Engineering	Russel Lenz, Associated General Contractors of Texas
Juan Pablo Cantu, City of Rio Hondo	Representative Eddie Lucio III
Nora Chavez, Stifel Nicolaus	Arturo Martinez, City of Edinburg
Kim Edwards, Piper Jaffray	Kyle Mauro, HillCo Partners
Mark Ellis, Jefferies	Ben Medina, City of Rio Hondo
Adrienne Emr, Senator Robert Nichols' Office	Rudy Mejia, Estrada Hinojosa
Mindy Ellmer, Tarrant Regional Water District	Jose Munoz, City of Raymondville
Anne Burger-Entrekin, First Southwest	Tillman Naylor, Jefferies
Frank Farley, Wells Fargo Securities	Gustavo Olivarez, Mayor, City of Rio Hondo
Wendy Foster, Foster Solutions	Rubin O'Bell, Representative Eddie Lucio III's Office
Perry Fowler, Fowler Group	Tim Peterson, J.P. Morgan
Eleazar Garcia, Jr., City of Raymondville	Josh Reyna, Senator Juan "Chuy" Honojosa's Office
Jose Gaytan, Bank of Texas	Keith Richard, Morgan Stanley
Stafford Gunning, Freese Nichols	Anthony Risko
Richard Hinojosa, City of Edinburg	Jeff Rivers, City of Raymondville
Jaron Hudgins	Daniel Rodriguez, Coastal Securities
Grant A. Jackson, Naismith Engineering	Jorge Rodriguez, Coastal Securities
Tony Jaso, City of Rio Hondo	Ben Rosenberg, U.S. Capital Advisors
Louis Jones, Dannenbaum Engineering	
Keith Kindle, Hibbs & Todd Inc.	
Reid Koenig, Representative Ryan Guillen's Office	

Susan Roth, Susan Roth Consulting  
Stefan Schuster, MWH  
Patrick Scott, Barclays  
Dalton Smith, Bank of America Merrill Lynch  
Jonathan Stinson, Governor Rick Perry's Office

Houston Tower, Representative Eddie Lucio III's  
Office  
Les Trobman, TCEQ  
Terry Zrubek, Lower Colorado River Authority

Chairman Rubinstein recognized the following guests who were attending the meeting today: State Representative Eddie Lucio III, Mayor Gustavo Olivarez, City of Rio Hondo, Josh Reyna, Policy Analyst for Senator Juan "Chuy" Hinojosa, Reid Koenig, Administrative Director for Representative Ryan Guillen, Robert O'Bell, Chief of Staff for Representative Eddie Lucio III, and Jonathan Stinson from the office of Governor Rick Perry.

Chairman Rubinstein stated that the Board would consider Agenda Item No. 7 at this time:

7. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF RIO HONDO (CAMERON COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$3,793,916 CONSISTING OF A \$1,278,000 LOAN AND \$2,515,916 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO CONSTRUCT A NEW INTER-CONNECT TRANSMISSION LINE WITH THE CITY OF HARLINGEN TO MEET EMERGENCY WATER SUPPLY NEEDS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION.** Javier Pena, Financial Analyst, presented this item. Mayor Gustavo Olivarez and State Representative Eddie Lucio III also addressed the Board.

Director Williamson moved to approve the City's request; Director Bruun seconded; it passed unanimously.

1. **CONSIDER APPROVAL OF THE SEPTEMBER 3, 2013 BOARD MEETING MINUTES.**

Director Williamson moved to approve the minutes; the motion was seconded by Director Bruun; it passed unanimously.

2. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF ROSCOE (NOLAN COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,040,000 FROM THE CLEAN WATER STATE REVOLVING FUND TO REHABILITATE ANTIQUATED SEWER COLLECTION LINES, UTILIZING THE PRE-DESIGN FUNDING OPTION.**

Chairman Rubinstein recognized Bryan Law, Chief of Staff for Representative Susan King, who was in attendance at the meeting today. Javier Pena, Financial Analyst, presented this item.

Director Bruun moved to approve the City's request; Director Williamson seconded; it passed unanimously.

3. **CONSIDER APPROVING A REQUEST FROM THE EAST RIO HONDO WATER SUPPLY CORPORATION (CAMERON COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,970,000 CONSISTING OF A \$1,379,000 LOAN AND \$591,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO CONSTRUCT A NEW WATER TRANSMISSION LINE TO MEET EMERGENCY WATER**

SUPPLY NEEDS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. Jessica Zuba, Financial Analyst, presented this item.

Director Williamson moved to approve the Corporation's request; Director Bruun seconded; it passed unanimously.

4. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF EDINBURG (HIDALGO COUNTY)** FOR A LOAN IN THE AMOUNT OF \$10,425,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO CONSTRUCT AN EXPANSION TO AN EXISTING WATER TREATMENT PLANT, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. Caaren Skrobarczyk, Financial Analyst, presented this item.

Director Bruun moved to approve the City's request; Director Williamson seconded; it passed unanimously.

5. CONSIDER APPROVING A REQUEST FROM THE **CITY OF RAYMONDVILLE (WILLACY COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$3,800,000, CONSISTING OF A \$2,145,000 LOAN AND \$1,655,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO CONSTRUCT A NEW WELL AND REVERSE OSMOSIS TREATMENT FACILITY TO MEET EMERGENCY WATER SUPPLY NEEDS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. Jessica Zuba, Financial Analyst, recognized the following individuals who were in attendance representing the City of Raymondville: Eleazar Garcia, Jr., City Manager, Jeff Rivers and Jose Munoz. She presented this item to the Board.

Director Williamson moved to approve the City's request; Director Bruun seconded; it passed unanimously.

6. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **MOUNT ENTERPRISE WATER SUPPLY CORPORATION (RUSK COUNTY)** FOR A LOAN IN THE AMOUNT OF \$775,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO REPLACE AND REHABILITATE ANTIQUATED WATER TRANSMISSION LINES TO ADDRESS WATER LOSS, UTILIZING THE PRE-DESIGN COMMITMENT OPTION. Javier Pena, Financial Analyst, presented this item.

Director Bruun moved to approve the Corporation's request; Director Williamson seconded; it passed unanimously.

8. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 8 (FORT BEND COUNTY)** FOR A LOAN IN THE AMOUNT OF \$490,000 FROM THE TEXAS WATER DEVELOPMENT FUND TO CONSTRUCT A NEW WELL AND PURCHASE SURFACE WATER CREDITS TO MEET SUBSIDENCE OBLIGATIONS, UTILIZING THE PRE-DESIGN FUNDING OPTION. Jessica Zuba, Financial Analyst, presented this item.

Director Bruun moved to approve the District's request; Director Williamson seconded; it passed unanimously.

9. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF GROVETON (TRINITY COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,610,000 CONSISTING OF A \$620,000 LOAN FROM THE TEXAS WATER DEVELOPMENT FUND AND A \$1,990,000 GRANT FROM ECONOMICALLY DISTRESSED AREAS PROGRAM TO REPLACE WATER DISTRIBUTION LINES AND CONSTRUCT A NEW WATER SUPPLY WELL.**

Chairman Rubinstein recognized Steven Albright and Adrienne Emr representing Senator Robert Nichols.

Jessica Zuba, Financial Analyst, presented this item.

Director Williamson moved to approve the City's request; Director Bruun seconded; it passed unanimously.

10. **CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO THE UPPER LEON MUNICIPAL WATER DISTRICT (ERATH AND COMANCHE COUNTIES) MADE IN TWDB RESOLUTION NO. 13-31 FOR RAW WATER INTAKE UPGRADES, PUMP STATION CONSOLIDATION, AND SURFACE WATER TREATMENT PLANT UPGRADES AFTER ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN FROM THE \$1,176,272 DRINKING WATER STATE REVOLVING FUND LOAN FOR WATER SYSTEM IMPROVEMENTS.** Christopher Jurgens, Environmental Review, presented this item.

Director Bruun moved to approve the District's request; Director Williamson seconded; it passed unanimously.

11. **CONSIDER, BY RESOLUTION: (A) APPROVING A REQUEST FROM THE CITY OF ORANGE GROVE (JIM WELLS COUNTY) FOR A WAIVER OF PROVISIONS RELATED TO NOTICE OF REDEMPTION IN THE CITY OF ORANGE GROVE COMBINATION TAX AND JUNIOR LIEN REVENUE CERTIFICATES OF OBLIGATION, SERIES 1995; AND (B) AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO TAKE ANY ACTIONS NECESSARY TO EFFECT THE PROVISIONS OF THE BOARD'S RESOLUTION.** Jim Bateman, Staff Attorney, presented this item.

Director Williamson moved to approve the City's request; Director Bruun seconded; it passed unanimously.

12. **CONSIDER ADOPTION OF 31 TAC SECTION 354.4 RELATING TO A MEMORANDUM OF UNDERSTANDING WITH THE TEXAS DEPARTMENT OF AGRICULTURE AS REQUIRED BY SB 1, 83RD LEG. R.S.** Stacy Barna, Director, Program Development, presented this item.

Director Bruun moved to adopt the rules as proposed relating to a Memorandum of Understanding with the Texas Department of Agriculture; Director Williamson seconded; it passed unanimously.

13. **CONSIDER AUTHORIZING STAFF TO PUBLISH A REQUEST FOR APPLICATIONS IN THE TEXAS REGISTER FOR A TOTAL AMOUNT NOT TO EXCEED \$900,000 FROM THE**

RESEARCH AND PLANNING FUND FOR FLOOD PROTECTION PLANNING GRANTS.  
Kathy Hopkins, Flood Mitigation Planning, presented this item.

Director Williamson moved to approve the item; Director Bruun seconded; it passed unanimously.

14. CONSIDER AUTHORIZING STAFF TO PUBLISH A REQUEST FOR APPLICATIONS IN THE *TEXAS REGISTER* FOR A TOTAL AMOUNT NOT TO EXCEED \$500,000 FROM THE RESEARCH AND PLANNING FUND FOR REGIONAL WATER AND WASTEWATER FACILITY PLANNING GRANTS. David Meeseey, Program Specialist, presented this item.

Director Bruun moved to approve the item; Director Williamson seconded; it passed unanimously.

15. CONSIDER: (A) AUTHORIZING THE EXECUTIVE ADMINISTRATOR AND THE DEVELOPMENT FUND MANAGER TO TAKE ALL NECESSARY ACTIONS FOR THE ISSUANCE, SALE AND DELIVERY OF STATE OF TEXAS WATER FINANCIAL ASSISTANCE REFUNDING BONDS IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$214,525,000; AND (B) SELECTION OF UNDERWRITERS FOR THE NEGOTIATION OF THE BOND ISSUE. Piper Montemayor, Debt and Portfolio Management, presented this item.

Director Williamson moved to approve the item; Director Bruun seconded; it passed unanimously.

16. 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.

17. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

No comments were received.

18. THE BOARD WILL MEET IN EXECUTIVE SESSION PURSUANT TO GOVERNMENT CODE SECTION 551.074, TO INTERVIEW APPLICANTS AND TO DISCUSS THE APPOINTMENT OF AN EXECUTIVE ADMINISTRATOR FOR THE TEXAS WATER DEVELOPMENT BOARD. FOLLOWING EXECUTIVE SESSION, THE BOARD WILL RECONVENE IN OPEN MEETING FOR ANY ADDITIONAL DISCUSSION AND TO TAKE ANY APPROPRIATE ACTION.

Chairman Rubinstein recessed the meeting into Executive Session at 9:20 a.m.

Chairman Rubinstein reconvened in open meeting at 9:46 a.m.

Chairman Rubinstein stated that the Board had previously interviewed applicants for the position of Executive Administrator and discussed their diverse skills and qualifications. He made a motion to appoint Jason Kevin Patteson as the Executive Administrator of the Texas Water Development Board effective October 1, 2013. The motion was seconded by Director Bruun; it passed unanimously.

19. 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.

Chairman Rubinstein adjourned the meeting at 9:50 a.m.

APPROVED and ordered of record this, the 17<sup>th</sup> day of October, 2013.

TEXAS WATER DEVELOPMENT BOARD

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Carlos Rubinstein, Chairman

ATTEST:

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Kevin Patteson  
Executive Administrator