

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
BOARD MEETING  
January 23, 2014

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 2:33 p.m. in Room 170 of the Stephen F. Austin Building, 1700 Congress Avenue, Austin, Texas. In addition to Chairman Rubinstein, Director Bech Bruun was also in attendance, and a quorum was present.

The following individuals were present:

Jorge Arroyo	Heather Cooke, City of Austin
Paul Ballard, Texas Treasury Safekeeping Trust Co.	Seth Crone, BNY Mellon
Allen Beinke, San Antonio River Authority	Robert Cullick
Maurice Bluem	Marianne Dwight, Texas Treasury Safekeeping Trust Co.
Paul Bollinger, Delisi Communications	Anne Burger Entrekin, First Southwest
John Burke, Region K	Perry Fowler, TXWIN
Godfrey Garza, Jr., Hidalgo County Drainage District No. 1	Tilghman Naylor, Jefferies
Rick Galloway, Atkins North America	Jerry Needham, Sen. Carlos Uresti's Office
Jose Gaytan, Bank of Texas	Erin Newberry, San Antoniko River Authority
Heather Harward, H2O4Texas Coalition	Tulsi Oberbeck, Senate Finance Committee
Greg Hasty, Wilmington Trust	Brian O'Reilly
Seff Heckler	Lorraine Palacios, Ramirez & Co., Inc.
Myron Hess, National Wildlife Federation	R.A. Ramirez, City of Edinburg
Kelley Holcomb, Angelina & Neches River Authority	Robin Redford, Ramirez & Co., Inc.
Casey Kelly, Strategic Partnerships, Inc.	Josh Reyna, Senator Chuy Hinojosa's Office
Chloe Lieberfmecht, The Nature Conservancy	Daniel Rios, Hidalgo County Drainage District #1
Elvia Lopez	Roy Rodriguez, McAllen Public Utility
State Representative Eddie Lucio, III	Ben Rosenberg, U.S. Capital Advisors
Mark Lupher, TEDSI Infrastructure Group	Jaime Salazar, Hidalgo County
Jason Madglin, State Representative Drew Darby's Office	Stern Schuster, NWH
Jennifer McEvan, Baker Botts	Patrick Scott, Barclays
John McLeod, LCRA	Tyler Sutliff
Timothy Mills, Frost Bank	Sharlotte Teague, S&B Infrastructure, Ltd.
James Murphy III, Guadalupe-Blanco River Authority	Lalo Torres, Texas Treasury Safekeeping Trust Co.
	Houston Tower, Rep. Eddie Lucio, III's Office
	Dianne Wassenick, San Marcos River Foundation
	Frank Zahn, Texas Treasury Safekeeping Trust Co.
	Terry Zrubek, LCRA

1. **CONSIDER APPROVING, BY RESOLUTION, A REQUEST FROM THE CITY OF DELL CITY (HUDSPETH COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$191,223 CONSISTING OF A \$75,000 LOAN AND \$116,223 IN LOAN FORGIVENESS FROM**

THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN AND INSTALL A LAND APPLICATION DISPOSAL SYSTEM NEAR THE CITY'S WASTEWATER TREATMENT PLANT. Javier Pena, Financial Analyst, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Dell City financial assistance from the Clean Water State Revolving Fund to finance the planning, design and installation of a land application disposal system near the City's wastewater treatment plant, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

2. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF CLYDE (CALLAHAN COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$1,350,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, AND DESIGN COSTS RELATING TO AN INTAKE STRUCTURE AND RAW WATER LINE FROM LAKE FORT PHANTOM HILL. Darrell Nichols, Program Specialist, presented this item.

THE CITY OF CLYDE HAS REQUESTED THAT THE BOARD NOT CONSIDER THE CITY'S FUNDING REQUEST AT THIS TIME.

Director Bruun moved to remand this matter to the Executive Administrator for additional consideration.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

3. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **ANGELINA & NECHES RIVER AUTHORITY (ANGELINA COUNTY)** FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$674,013 CONSISTING OF A \$205,000 LOAN AND \$469,013 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN COSTS RELATED TO WASTEWATER COLLECTION SYSTEM IMPROVEMENTS THAT WILL PROVIDE FIRST TIME SEWER SERVICE TO APPROXIMATELY 105 CONNECTIONS WITHIN THE SERVICE AREA INCLUDING REDLAND ESTATES. Caaren Skrobarczyk, Project Engineering & Review, presented this item. She stated that the General Manager of the Authority was attending the meeting and available to answer any questions.

Director Bruun moved to adopt the proposed Resolution providing the Angelina & Neches River Authority financial assistance from the Clean Water State Revolving Fund to finance planning and design costs related to wastewater collection system improvements that will provide first time sewer service to approximately 105 connections within the service area including Redland Estates, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

4. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE **CITY OF HOUSTON (HARRIS COUNTY)** FOR A LOAN IN THE AMOUNT OF \$55,005,000 FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE REHABILITATION OF SANITARY

SEWER PIPE THROUGHOUT THE CITY. Jessica Zuba, Project Engineering & Review, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Houston a loan from the Clean Water State Revolving Fund to finance the rehabilitation of sanitary sewer lines throughout the City, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

5. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF HOUSTON (HARRIS COUNTY) FOR A LOAN IN THE AMOUNT OF \$70,754,904 CONSISTING OF A \$70,580,000 LOAN AND \$174,904 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION PHASE OF WATER SYSTEM IMPROVEMENTS INCLUDING WATER MAIN REPLACEMENT, METER REPLACEMENT AND UPGRADES AND THE INSTALLATION OF AN AUTOMATIC METER READING PROGRAM.** Jessica Zuba, Project Engineering & Review, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Houston a loan in the amount of \$70,754,904 from the Drinking Water State Revolving Fund to finance the construction phase of water system improvements including water main replacement, meter replacement and upgrades and the installation of an automatic meter reading program, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

6. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE PLEASANT SPRINGS WATER SUPPLY CORPORATION (ANDERSON COUNTY) FOR A LOAN IN THE AMOUNT OF \$1,135,000 FROM THE RURAL WATER ASSISTANCE FUND TO FINANCE PLANNING, DESIGN, AND CONSTRUCTION OF AN ADDITIONAL WATER WELL AND STORAGE CAPACITY FOR THE EXISTING SYSTEM.** Jessica Zuba, Project Engineering & Review, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the Pleasant Springs Water Supply Corporation a loan from the Rural Water Assistance Fund to finance planning, design, and construction of an additional water well and storage capacity for the existing system, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

7. **CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF MCALLEN (HIDALGO COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$30,202,322, CONSISTING OF A LOAN IN THE AMOUNT OF \$30,000,000 AND \$202,322 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION COSTS RELATED TO UPGRADING A WASTEWATER TREATMENT PLANT.** Mireya Loewe, Project Oversight, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of McAllen financial assistance from the Clean Water State Revolving Fund to finance construction costs related to

upgrading a wastewater treatment plant, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

8. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A REQUEST FOR APPLICATIONS IN THE TEXAS REGISTER FOR FUNDS MADE AVAILABLE BY HB 1025 IN AN AMOUNT NOT TO EXCEED \$10,000,000 FROM THE WATER ASSISTANCE FUND. Jeff Walker, Water Supply and Infrastructure, presented this item.

Director Bruun moved to authorize the Executive Administrator to publish a Request for Applications in the *Texas Register* for funds made available by HB 1025 in an amount not to exceed \$10,000,000 from the Water Assistance Fund.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

9. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A REQUEST FOR APPLICATIONS IN THE *TEXAS REGISTER* FOR FISCAL YEAR 2014 WATER CONSERVATION EDUCATION GRANTS FOR A TOTAL AMOUNT NOT TO EXCEED \$1,000,000. Robert Mace, Water Science & Conservation, presented this item.

Director Bruun moved to remand this matter to the Executive Administrator for additional consideration.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

10. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A REQUEST FOR APPLICATIONS IN THE *TEXAS REGISTER* FOR DEMONSTRATION PROJECTS FOR NEAR-TERM ALTERNATIVE WATER SUPPLIES. Sanjeev Kalaswad, Program Specialist, presented this item.

Director Bruun moved to authorize the Executive Administrator to publish a Request for Applications in the *Texas Register* for demonstration projects for near-term alternative water supplies.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

11. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE A RESEARCH CONTRACT IN A TOTAL AMOUNT NOT TO EXCEED \$112,500, FROM THE RESEARCH AND PLANNING FUND FOR FISCAL YEAR 2014 FOR SALINITY STUDIES IN THE RIO GRANDE WATERSHED. Brenner Brown, Research Specialist, presented this item.

Director Bruun moved to authorize the Executive Administrator to negotiate and execute a research contract in a total amount not to exceed \$112,500 from the Research and Planning Fund for fiscal year 2014 for salinity studies in the Rio Grande watershed.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

12. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$750,000 ON OR BEFORE AUGUST 31, 2014, FOR STUDIES OF ENVIRONMENTAL FLOWS AND INSTREAM FLOWS IN THE GUADALUPE, SAN ANTONIO, MISSION, AND ARANSAS RIVERS AND MISSION, COPANO, ARANSAS, AND SAN ANTONIO BAYS BASIN AND BAY AREA. Ruben Solis, Surface Water Resources, presented this item.

Director Bruun moved to authorize the Executive Administrator to negotiate and execute contracts in a total amount not to exceed \$750,000 on or before August 31, 2014, for studies of environmental flows and instream flows in the Guadalupe, San Antonio, Mission, and Aransas Rivers; and Mission, Copano, Aransas, and San Antonio Bays basin and bay area.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

13. CONSIDER AUTHORIZING PUBLICATION OF THE ADOPTION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE SECTION 358.6 RELATING TO THE FREQUENCY OF WATER LOSS AUDITS BY RETAIL PUBLIC UTILITIES PROVIDING POTABLE WATER. Jim Bateman, Staff Attorney, presented this item.

Director Bruun moved to adopt amendments to 31 Texas Administrative Code Section 358.6, relating to the frequency of water loss audits by retail public utilities providing potable water, as recommended by the Executive Administrator.

The motion was seconded by Chairman Rubinstein; it passed unanimously.

14. BRIEFING AND DISCUSSION ON HB 4 RULE DEVELOPMENT. Todd Chenoweth, Special Advisor, presented this item.

No action was taken on this item.

15. CONSIDER APPROVING BY RESOLUTION, THE INVESTMENT AGREEMENT BETWEEN THE TEXAS WATER DEVELOPMENT BOARD AND THE TEXAS TREASURY SAFEKEEPING TRUST COMPANY REGARDING THE MANAGEMENT AND INVESTMENT OF THE STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT); AND THE DELEGATION OF AUTHORITY TO THE BOARD'S EXECUTIVE ADMINISTRATOR TO EFFECTUATE MOVEMENT OF FUNDS IN AND OUT OF THE STATE TREASURY AS DIRECTED BY THE TRUST COMPANY FOR THE PURPOSES OF THE TRUST COMPANY'S INVESTMENT AND MANAGEMENT OF THE SWIFT IN ACCORDANCE WITH THE SWIFT INVESTMENT POLICY STATEMENT AND APPLICABLE LAW. Anne Burger Entekin, First Southwest, presented this item. She stated that Paul Ballard, CEO, and other members of Texas Treasury Safekeeping Trust Company, were attending today's meeting and available to answer any questions.

Director Bruun moved to approve the Investment Agreement between the Texas Water Development Board and the Texas Treasury Safekeeping Trust Company regarding the management and investment of the State Water Implementation Fund for Texas (SWIFT); and the delegation of authority to the Board's Executive Administrator to effectuate movement of funds in and out of the state treasury as directed by the Trust Company for the purposes of the Trust Company's investment and management of the SWIFT in accordance with the SWIFT Investment

Policy Statement and applicable law.

The motion was seconded by Chairman Rubinstein; 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 public comments were received.

Chairman Rubinstein recognized the following individuals attending today's meeting:

State Representative Eddie Lucio III  
Houston Tower, State Representative Eddie Lucio's Office  
Tulsi Oberbeck, Senate Finance Committee  
Jerry Needham, State Senator Carlos Uresti's Office  
Josh Reyna, State Senator Chuy Hinojosa's Office  
Jason Madglin, State Representative Drew Darby's Office

18. THE BOARD WILL CONDUCT A CLOSED MEETING TO RECEIVE LEGAL ADVICE AND WILL 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.

The Board did not meet in closed session.

Chairman Rubinstein adjourned the meeting at 3:20 p.m.

APPROVED and ordered of record this, the \_\_\_\_\_ day of January, 2014.

TEXAS WATER DEVELOPMENT BOARD

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Carlos Rubinstein, Chairman

ATTEST:

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Kevin Patteson  
Executive Administrator