

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
February 20, 2014

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 9:32 a.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:

Amanda Bediger, Hance Scarborough, LLP	David Mendez, Agua SUD
Allan F. Booe, Agua SUD	Manuel Mendez, Agua SUD
Javier Casas, Airline Improvement District	Timothy Mills, Frost Bank
Orlando Cruz, City of San Juan	Joe Morrow, Airline Improvement District
Ronnie Cruz, City of San Juan	Bill Norris, Norris Leal
Lisa Daniel, Public Financial Management	Tillman Naylor, Jefferies
Richard De Palma, Strategic Partnerships	Tim Peterson, JP Morgan
Kim Edwards, Piper Jaffrey	Mario Reyna, Agua SUD
Anne Burger Entrekin, First Southwest	Juan Rodriguez, City of San Juan
Perry Fowler, Texas Water Infrastructure Network	Ben Rosenberg, U.S. Capital Advisors
James Gilley, Jr., US Capital Advisors	Dean Sharp, City of Moulton
Keith Kindle, Hibbs & Todd, Inc.	Dalton Smith, Bank of America
Teri Koerth, Airline Improvement District	Cris Vela, Agua SUD
Russel Lenz, Associated General Contractors	Tim Williams, JP Morgan
Joshua McCoy, Public Financial Management	

1. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE AGUA SPECIAL UTILITY DISTRICT (HIDALGO COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$3,565,000 IN THE FORM OF A LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, DESIGN, AND CONSTRUCTION OF A PROPOSED PROJECT TO DEVELOP ALTERNATE CONVEYANCE FACILITIES TO ADDRESS ON-GOING RAW WATER DELIVERY ISSUES DUE TO DROUGHT CONDITIONS. Mireya Loewe, Project Oversight, presented this item.

Director Bruun moved to adopt the proposed Resolution providing Agua SUD financial assistance from the Drinking Water State Revolving Fund to finance the planning, acquisition, design, and construction of a proposed project to develop alternate conveyance facilities to address on-going raw water delivery issues due to drought conditions, 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 SAN JUAN (HIDALGO COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$270,000 CONSISTING OF A \$135,000 GRANT AND A \$135,000 LOAN FROM THE ECONOMICALLY DISTRESSED AREAS PROGRAM TO FINANCE PLANNING, ACQUISITION, AND DESIGN OF A PROPOSED PROJECT THAT WILL PROVIDE FIRST TIME WASTEWATER SERVICE TO SEVEN AREAS IN THE CITY. Mireya Loewe, Project Oversight, presented this item.

Director Bruun moved to adopt the proposed Resolution providing City of San Juan financial assistance from the Economically Distressed Areas Program to finance planning, acquisition, and design of a proposed project that will provide first time wastewater service to seven areas in the City, as recommended by the Executive Administrator.

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

3. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE AIRLINE IMPROVEMENT DISTRICT (HARRIS 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. Jessica Zuba, Project Engineering & Review, presented this item. She recognized the following representatives from Airline Improvement District in attendance at the meeting today: Joe Morrow, Javier Casas, and Teri Koerth.

Chairman Rubinstein stated that the Board was presented with letters of support from Congressman Gene Green, State Representative Armando L. Walle, and State Senator Sylvia R. Garcia, which would be included in the record.

Director Bruun moved to adopt the proposed Resolution providing the Airline Improvement District financial assistance from the Economically Distressed Areas Program to provide first time water and wastewater service to approximately 109 water connections and 200 wastewater connections, 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 MOULTON (LAVACA COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$92,800 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING AND DESIGN IN ORDER TO IMPLEMENT A COMPREHENSIVE ASSET MANAGEMENT PROGRAM TO ADDRESS SYSTEM DEFICIENCIES. Clay Schultz, Project Development, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Moulton financial assistance from the Drinking Water State Revolving Fund to finance planning and design in order to implement a comprehensive asset management program to address system deficiencies, 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 SKYLINE RANCH ESTATES WATER SUPPLY CORPORATION (HAYS COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$540,000 CONSISTING OF A \$340,000 LOAN AND \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, DESIGN AND CONSTRUCTION COSTS RELATING TO A

NEW WELL AND UPGRADES TO THE SYSTEM. Dain Larsen, Financial Analyst, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the Skyline Ranch Estates Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund to finance planning, design and construction costs relating to a new well and upgrades to the system, as recommended by the Executive Administrator.

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

6. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,380,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF BRECKENRIDGE (STEPHENS COUNTY) MADE IN TWDB RESOLUTION NO. 13-122 FOR THE INSTALLATION OF A FLOATING PUMP STATION AND MIXER IN LAKE DANIEL AFTER COMPLETION OF ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN AND CONSTRUCTION. Jennifer Kennedy, Project Engineering & Review, presented this item.

Director Bruun moved to adopt the proposed Resolution affirming the commitment to provide financial assistance from the Drinking Water State Revolving Fund to the City of Breckenridge made in TWDB Resolution No. 13-122 for the installation of a floating pump station and mixer in Lake Daniel after completion of environmental review, and approving release of funds for design and construction, as recommended by the Executive Administrator.

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

7. CONSIDER AFFIRMING BY RESOLUTION, THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE IN THE AMOUNT OF \$394,650 FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF LADONIA (FANNIN COUNTY) MADE IN TWDB RESOLUTION NO. 13-155 FOR SELECT DISTRIBUTION SYSTEM IMPROVEMENTS AFTER COMPLETION OF ENVIRONMENTAL REVIEW, AND APPROVING RELEASE OF FUNDS FOR DESIGN OF THE PROPOSED PROJECT COMPONENTS. Kathy Calnan, Project Engineering and Review, presented this item.

Director Bruun moved to adopt the proposed Resolution affirming the commitment to provide financial assistance from the Drinking Water State Revolving Fund to the City of Ladonia after completion of environmental review, and approving release of funds for design of the proposed project components and amending Board Resolution No. 13-155 adopted on December 5, 2013 to delete the inadvertently included provision that concerns consistency with the State Water Plan, as recommended by the Executive Administrator.

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

8. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR THE \$20,000,000 WATER FINANCIAL ASSISTANCE (STATE PARTICIPATION) REFUNDING BONDS, TAXABLE SERIES 2013D, \$15,095,000 WATER FINANCIAL ASSISTANCE (ECONOMICALLY DISTRESSED AREAS PROGRAM) REFUNDING BONDS, TAXABLE SERIES 2013E, \$27,295,000 WATER FINANCIAL ASSISTANCE REFUNDING BONDS, SERIES 2013 F AND \$73,465,000 WATER FINANCIAL ASSISTANCE REFUNDING BONDS,

TAXABLE SERIES 2013 G. Anne Burger Entreken, First Southwest, presented this item. Lisa Daniel, Public Financial Management, Tim Peterson and Tim Williams, JP Morgan, also addressed the Board.

No action was taken on this item.

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

No action was taken on this item.

10. 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.

The Executive Administrator has recommended that this item be continued to the March 17th Board meeting.

The General Counsel recommended that the Board consider Items 11-13 together:

11. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$312,500 ON OR BEFORE AUGUST 31, 2014, FOR STUDIES OF ENVIRONMENTAL FLOWS IN THE NUECES RIVER AND CORPUS CHRISTI AND BAFFIN BAYS BASIN AND BAY AREA.
12. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$312,500 ON OR BEFORE AUGUST 31, 2014, FOR STUDIES OF ENVIRONMENTAL FLOWS IN THE COLORADO AND LAVACA RIVERS AND MATAGORDA AND LAVACA BAYS BASIN AND BAY AREA.
13. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$312,500 ON OR BEFORE AUGUST 31, 2014, FOR STUDIES OF ENVIRONMENTAL FLOWS IN THE TRINITY AND SAN JACINTO RIVERS AND GALVESTON BAY BASIN AND BAY AREA.

Ruben Solis, Surface Water Resources, presented these items.

Director Bruun moved to authorize the Executive Administrator to negotiate and execute contracts for studies of environmental flows on or before August 31, 2014, in a total amount not to exceed \$312,500 in the Nueces River and Corpus Christi and Baffin Bays basin and bay area; in a total amount not to exceed \$312,500 in the Colorado and Lavaca rivers and Matagorda and Lavaca bays basin and bay area; and in a total amount not to exceed \$312,500 in the Trinity and San Jacinto rivers and Galveston Bay basin and bay area, as recommended by the Executive Administrator.

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

14. 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.

15. THE BOARD WILL RECEIVE COMMENTS FROM THE PUBLIC.

No public comments were received.

16. 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.

The Board did not meet in closed session.

Chairman Rubinstein adjourned the meeting at 10:27 a.m.

APPROVED and ordered of record this, the ____ day of _____, 2014.

TEXAS WATER DEVELOPMENT BOARD

Carlos Rubinstein, Chairman

ATTEST:

Kevin Patteson
Executive Administrator