

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
BOARD MEETING  
September 18, 2014 – 9:30 A.M.

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 9:33 a.m. in Room 170 of the Stephen F. Austin Building, 1700 North 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. OVERVIEW OF THE INNOVATIVE WATER TECHNOLOGIES PROGRAM. Sanjeev Kalaswad, Water Science and Conservation, presented this item.

No action was taken on this item.

2. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE SAN JACINTO RIVER AUTHORITY (MONTGOMERY COUNTY) FOR A REDUCTION IN THE LOAN AMOUNT FROM \$25,680,000 TO \$12,500,000 AND A NINE MONTH EXTENSION TO CLOSE THE REMAINING LOAN COMMITMENT UNDER RESOLUTION NO. 12-56 FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE WATER SYSTEM IMPROVEMENTS. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the San Jacinto River Authority a reduction in the loan amount from \$25,680,000 to \$12,500,000 and a nine month extension to close the remaining loan commitment under Resolution No. 12-56 from the Texas Water Development Fund to finance water system improvements, as recommended by the Executive Administrator.

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

3. CONSIDER APPROVING BY RESOLUTION A PAYMENT FROM THE TEXAS WATER RESOURCES FINANCE AUTHORITY OF UP TO \$5,991,238 FOR FISCAL YEAR 2015. Amanda Landry, Chief Financial Officer, presented this item.

Director Jackson moved to adopt the proposed Resolution requesting a payment from the Texas Water Resources Finance Authority of up to \$5,991,238 for Fiscal Year 2015, as recommended by the Executive Administrator.

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

4. CONSIDER APPROVING BY RESOLUTION THE ESTABLISHMENT OF A NEW TAXABLE LENDING RATE SCALE FOR THE TEXAS WATER DEVELOPMENT FUND II PROGRAM. Byron Johnson, Office of Finance, presented this item.

Director Bruun moved to approve the proposed Resolution establishing a new taxable lending rate scale for the Texas Water Development Fund II program, as recommended by the Executive

Administrator.

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

5. 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 \$187,215,000; AND (B) APPROVING THE SELECTION OF FINANCIAL ADVISORS, BOND COUNSEL AND SR. MANAGER UNDERWRITER FOR THE NEGOTIATION OF THE BOND ISSUE. Amanda Landry, Chief Financial Officer, presented this item.

Director Bruun moved to authorize 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 \$185,295,000; and approve the selection of financial advisors, bond counsel and the senior managing underwriter for the negotiation of the bond issue, as recommended by the Executive Administrator.

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

6. BRIEFING, DISCUSSION AND CONSIDERATION OF THE SELECTION AND APPROVAL OF FINANCIAL ADVISORS, BOND COUNSEL AND SR. MANAGER UNDERWRITER TO SERVE THE TEXAS WATER DEVELOPMENT BOARD FOR THE INITIAL STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS REVENUE FUND BOND ISSUANCE. Amanda Landry, Chief Financial Officer, presented this item.

Chairman Rubinstein moved to approve the selection of financial advisors, bond counsel and the senior managing underwriter to serve the Texas Water Development Board for the initial State Water Implementation Revenue Fund for Texas Revenue Fund Bond issuance, as recommended by the Executive Administrator.

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

7. CONSIDER APPROVING BY RESOLUTION THE OFFICIAL INTENT TO REIMBURSE THE COSTS OF LOANS THROUGH THE ISSUANCE, SALE AND DELIVERY OF UP TO \$105,175,000 OF CLEAN WATER STATE REVOLVING FUND REVENUE BONDS. Byron Johnson, Office of Finance, presented this item.

Director Jackson moved to adopt the proposed Resolution expressing the Board's official intent to reimburse the costs of loans through the issuance, sale and delivery of up to \$105,175,000 of Clean Water State Revolving Fund Revenue Bonds.

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

8. CONSIDER APPROVING BY RESOLUTION: (A) THE TRANSFER OF FUNDS FROM THE TEXAS WATER DEVELOPMENT FUND II WATER FINANCIAL ASSISTANCE ACCOUNT TO THE CLEAN WATER STATE REVOLVING FUND TO MEET STATE MATCH REQUIREMENTS OF THE 2014 FEDERAL GRANT; AND (B) THE REPAYMENT OF THE MATCH PROVIDED. Benjamin Benzaquen, Office of Finance, presented this item.

Director Bruun moved to adopt the proposed Resolution approving the transfer of funds from the Texas Water Development Fund II Water Financial Assistance Account to the Clean Water State Revolving Fund to meet state match requirements of the 2014 federal grant; and approving the repayment of the match provided, as recommended by the Executive Administrator.

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

9. CONSIDER APPROVING BY RESOLUTION: (A) THE TRANSFER OF FUNDS FROM THE TEXAS WATER DEVELOPMENT FUND II WATER FINANCIAL ASSISTANCE ACCOUNT TO THE DRINKING WATER STATE REVOLVING FUND TO MEET STATE MATCH REQUIREMENTS OF THE 2014 FEDERAL GRANT; AND (B) THE REPAYMENT OF THE MATCH PROVIDED. Ankita Raizada, Office of Finance, presented this item.

Director Jackson moved to adopt the proposed Resolution approving the transfer of funds from the Texas Water Development Fund II Water Financial Assistance Account to the Drinking Water State Revolving Fund to meet state match requirements of the 2014 federal grant; and approving the repayment of the match provided, as recommended by the Executive Administrator.

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

10. BRIEFING AND DISCUSSION OF PREPAYMENTS RECEIVED DURING FISCAL YEAR 2014. Ankita Raizada, Office of Finance, presented this item.

No action was taken on this item.

11. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PAYABLE CONTRACT IN A TOTAL AMOUNT NOT TO EXCEED \$40,000 TO BE MATCHED BY IN-KIND STAFF CONTRIBUTIONS OF AN EQUAL AMOUNT FOR A STUDY TO EVALUATE SENATE BILL 3 ENVIRONMENTAL FLOWS IN GALVESTON BAY. Ruben Solis, Water Science and Conservation, presented this item. Ken Kramer, Sierra Club, also addressed the Board.

Director Bruun moved to authorize the Executive Administrator to negotiate and execute a payable contract in a total amount not to exceed \$40,000 to be matched by in-kind staff contributions of an equal amount for a study to evaluate Senate Bill 3 Environmental Flows in Galveston Bay.

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

12. CONSIDER APPROVING THE HYDROGRAPHIC SURVEY PROGRAM RATE SCHEDULE. Jason Kemp, Water Science and Conservation, presented this item.

Director Jackson moved to approve the Hydrographic Survey Program rate schedule, as recommended by the Executive Administrator.

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

13. CONSIDER APPROVING THE ADOPTED MINOR AMENDMENT TO THE 2011 REGION N REGIONAL WATER PLAN, FOR A RECOMMENDED SEAWATER DESALINATION WATER MANAGEMENT STRATEGY; AND AUTHORIZING TWDB STAFF TO DEVELOP NOTICE FOR A PUBLIC HEARING FOR AN ASSOCIATED AMENDMENT TO THE 2012 STATE WATER PLAN. Temple McKinnon, Water Supply and Infrastructure, presented this item.

Director Bruun moved to approve the adopted Minor Amendment to the 2011 Region N Regional Water Plan, for a Recommended Seawater Desalination Water Management Strategy; and authorize TWDB staff to develop 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.

14. BRIEFING AND DISCUSSION RELATING TO THE IMPLEMENTATION OF A WATER CONSERVATION PLAN AND DROUGHT CONTINGENCY PLAN, AS APPLICABLE, BY CERTAIN ENTITIES. Sam Marie Hermitte, Water Science and Conservation, presented this item.

No action was taken on this item.

15. 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.

16. No public comments were received.

Chairman Rubinstein recognized Rudi Rosengarten, City Council Member, Sunset Valley, Texas, and Houston Tower, Legislative Director for State Representative Eddie Lucio III, who were attending the meeting today.

17. The Board did not meet in closed session.

The meeting adjourned at 11:06 a.m.

APPROVED and ordered of record this, the 18<sup>th</sup> day of September, 2014.

TEXAS WATER DEVELOPMENT BOARD

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Carlos Rubinstein, Chairman

DATE SIGNED: \_\_\_\_\_

ATTEST:

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Kevin Patteson  
Executive Administrator