

MINUTES OF THE  
TEXAS WATER DEVELOPMENT BOARD  
BOARD MEETING

November 20, 2014 – 9:30 A.M.

Chairman Carlos Rubinstein called to order the meeting of the Texas Water Development Board at 9:30 a.m. in Room 140 of the John H. Reagan Bldg., 105 W. 15th, 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. OVERVIEW OF THE STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) PROGRAM. Jeff Walker, Water Supply and Infrastructure, presented this item.

No action was taken on this item.

3. 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.

4. BRIEFING AND DISCUSSION ON A FIVE-YEAR PLAN TO MAP AND CHARACTERIZE THE BRACKISH AQUIFERS IN TEXAS. Sanjeev Kalaswad, Water Science and Conservation, presented this item.

No action was taken on this item.

5. BRIEFING AND DISCUSSION ON THE TEXAS WATER DEVELOPMENT BOARD FISCAL YEAR 2014 ANNUAL FINANCIAL REPORT. Aaron Dvorak, Director, Accounting, presented this item.

No action was taken on this item.

6. CONSIDER APPROVING BY RESOLUTION: (A) THE PRELIMINARY OFFICIAL STATEMENTS; (B) ADDITIONAL UNDERWRITERS; (C) AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO COMPENSATE BOND COUNSEL UNDER AN ENHANCED FEE CAP PURSUANT TO THE APPLICABLE OUTSIDE COUNSEL CONTRACT; AND (D) AUTHORIZING THE EXECUTIVE ADMINISTRATOR AND DEVELOPMENT FUND MANAGER TO ACT ON BEHALF OF THE TEXAS WATER DEVELOPMENT BOARD IN THE SALE AND DELIVERY OF MULTIPLE SERIES OF WATER FINANCIAL ASSISTANCE REFUNDING BONDS. Amanda Landry, Chief Financial Officer, presented this item.

Director Bruun moved to:

Adopt the proposed Resolutions authorizing the issuance, sale and delivery of State of Texas, Water Financial Assistance Refunding Bonds, Series 2015A, Taxable Series 2015B and Series 2015C in an aggregate principal amount not to exceed \$124,335,000;

Approve the proposed Preliminary Official Statement to be used in the marketing of the bonds;

Approve the selection of Coastal Securities as the co-senior managing underwriter for the negotiation of the bond issue, as recommended by the Executive Administrator;

Authorize the Executive Administrator to compensate bond counsel under a fee cap enhanced by up to \$15,000 pursuant to the applicable outside counsel contract; and

Authorize the Executive Administrator and the Development Fund Manager to act on behalf of the Texas Water Development Board in the sale and delivery of such bonds.

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

7. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE THE STATE FISCAL YEAR 2015 DRINKING WATER STATE REVOLVING FUND SET-ASIDE CONTRACT BETWEEN THE TEXAS WATER DEVELOPMENT BOARD AND THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Jo Dawn Bomar, Program Administration and Reporting, presented this item.

Director Jackson moved to authorize the Executive Administrator to execute the State Fiscal Year 2015 Drinking Water State Revolving Fund Set-Aside Contract between the Texas Water Development Board and the Texas Commission on Environmental Quality.

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

8. CONSIDER APPROVING THE 84<sup>TH</sup> SESSION LEGISLATIVE PRIORITIES REPORT. Jim Harrison, Governmental Relations, presented this item.

Director Bruun moved to approve the 84<sup>th</sup> Session Legislative Priorities Report, as recommended by the Executive Administrator.

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

9. CONSIDER APPROVING THE 2014 BIENNIAL REPORT TO THE LEGISLATURE ON USE OF SWIFT AS REQUIRED BY HB 4. Kathleen Ligon, Governmental Relations, presented this item.

Director Jackson moved to approve the 2014 Biennial Report to the Legislature on the use of SWIFT, as recommended by the Executive Administrator.

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

10. CONSIDER ADOPTION OF AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE §

358.6 OF SUBCHAPTER B RELATING TO WATER LOSS AUDITS. THE PROPOSED AMENDMENTS WERE PUBLISHED IN THE AUGUST 8, 2014 ISSUE OF THE *TEXAS REGISTER* (39 TEXREG 6029). John Sutton, Water Science and Conservation, presented this item.

Director Bruun moved to adopt the amendments to 31 Texas Administrative Code § 358.6, relating to Water Loss Audits, 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 GREATER TEXOMA UTILITY AUTHORITY ON BEHALF OF THE CITY OF SHERMAN (GRAYSON COUNTY) FOR A \$2,525,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, ACQUISITION, AND DESIGN ASSOCIATED WITH THE CITY'S EXPANSION AND UPGRADE OF THE WATER TREATMENT PLANT; AND A WAIVER OF THE REQUIREMENT THAT THE PROJECT BE CONSISTENT WITH THE STATE WATER PLAN AND AN APPROVED REGIONAL WATER PLAN. Luis Farias, Water Supply & Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the Greater Texoma Utility Authority on behalf of the City of Sherman financial assistance from the Drinking Water State Revolving Fund to finance the planning, acquisition, and design associated with the City's expansion and upgrade of the water treatment plant; and a waiver of the requirement that the project be consistent with the State Water Plan and an approved regional water plan, 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 FORT WORTH (TARRANT, DENTON, JOHNSON, PARKER AND WISE COUNTIES) FOR A \$39,000,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF IMPROVEMENTS AT THE BIG FOSSIL CREEK DRAINAGE BASIN AND THE VILLAGE CREEK WATER RECLAMATION FACILITY. Luis Farias, Water Supply & Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the City of Fort Worth financial assistance from the Clean Water State Revolving Fund to finance the construction of improvements at the Big Fossil Creek Drainage Basin and the Village Creek Water Reclamation Facility, 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 WINNSBORO (FRANKLIN COUNTY) FOR A \$1,040,000 LOAN FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN AND CONSTRUCTION OF RENOVATIONS TO THE CITY'S EXISTING WASTEWATER TREATMENT PLANT. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Winnsboro financial assistance from the Clean Water State Revolving Fund to finance the planning, design and construction of renovations to the City's existing wastewater treatment plant, 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 SOL Y MAR WATER SYSTEM (HIDALGO COUNTY) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE PLANNING, DESIGN AND CONSTRUCTION FOR WATER SYSTEM IMPROVEMENTS. Mireya Loewe, Water Supply and Infrastructure, presented this item.

Director Bruun moved to adopt the proposed Resolution providing the Sol Y Mar Water System financial assistance from the Drinking Water State Revolving Fund to finance the planning, design and construction of water system improvements, 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 BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (WILLIAMSON COUNTY) FOR A \$2,425,000 LOAN FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE PLANNING, DESIGN AND CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS. Brenner Brown, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the Brushy Creek Municipal Utility District financial assistance from the Texas Water Development Fund to finance the planning, design and construction of water system improvements, as recommended by the Executive Administrator.

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

16. CONSIDER APPROVING THE WATER USE OF TEXAS WATER UTILITIES REPORT TO BE DELIVERED TO THE TEXAS LEGISLATURE BY JANUARY 1, 2015. Kevin Kluge, Water Supply and Infrastructure, presented this item.

Director Bruun moved to approve the Water Use of Texas Water Utilities report to be delivered to the Texas Legislature by January 1, 2015, as recommended today by the Executive Administrator.

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

17. CONSIDER APPROVING AN AMENDMENT TO THE 2012 STATE WATER PLAN TO INCORPORATE AN AMENDMENT TO THE 2011 REGION N REGIONAL WATER PLAN RELATING TO THE ADDITION OF A RECOMMENDED WATER MANAGEMENT STRATEGY FOR SEAWATER DESALINATION. Matt Nelson, Water Supply and Infrastructure, presented this item.

Director Bruun recognized Dan Leyendecker from Representative Todd Hunter's Office, who is attending the meeting today.

Director Jackson moved to approve an amendment to the 2012 State Water Plan to incorporate an amendment to the 2011 Region N Regional Water Plan relating to the addition of a recommended water management strategy for seawater desalination, as recommended by the Executive Administrator.

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

18. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR'S PLAN FOR DEVELOPING GROUNDWATER AVAILABILITY MODELS AND CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH IN THE TEXAS REGISTER A REQUEST FOR QUALIFICATIONS FOR PROJECTS IN AN AMOUNT NOT TO EXCEED \$1,440,000. Cindy Ridgeway, Water Science and Conservation, presented this item.

Director Bruun moved to approve the Executive Administrator's plan for developing groundwater availability models; and authorize the Executive Administrator to publish in the *Texas Register* a Request for Qualifications for projects in an amount not to exceed \$1,440,000.

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

19. CONSIDER APPROVING THE SUMMARY REPORT REGARDING THE EVALUATION OF COMPLIANCE OF BEST MANAGEMENT PRACTICES IN CERTAIN WATER CONSERVATION PLANS FOR SUBMITTAL TO THE LEGISLATURE. John Sutton, Water Science and Conservation, presented this item.

Director Jackson moved to approve the summary report regarding the evaluation of compliance of best management practices in certain water conservation plans for submittal to the Legislature, as recommended by the Executive Administrator.

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

20. CONSIDER APPROVING THE 2014 BIENNIAL SEAWATER DESALINATION REPORT. Sanjeev Kalaswad, Water Science and Conservation, presented this item.

Director Bruun moved to approve the 2014 Biennial Seawater Desalination Report, as recommended by the Executive Administrator, with the addition of Item #17 from today's agenda approved by this Board that is an amendment to the 2012 State Water Plan adding seawater desalination as a primary strategy in Region N.

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

21. No public comments were received.

22. The Board did not meet in closed session.

The meeting adjourned at 11:29 a.m.

APPROVED and ordered of record this, the 20<sup>th</sup> day of November, 2014.

TEXAS WATER DEVELOPMENT BOARD

\_\_\_\_\_  
Carlos Rubinstein, Chairman

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

ATTEST:

\_\_\_\_\_  
Kevin Patteson  
Executive Administrator