

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING

August 26, 2015 – 10:30 A.M.

Chairman Bech K. Bruun called to order the meeting of the Texas Water Development Board at 10:31 a.m. in Room 170 of the Stephen F. Austin Building, 1700 N. Congress Avenue, Austin, Texas. In addition to Chairman Bruun, Directors Kathleen Jackson and Carlos Rubinstein were also in attendance, and a quorum was present.

The Chairman introduced State Representative Eddie Lucio III. Representative Lucio presented Director Rubinstein with a Resolution from the Texas Legislature on the occasion of his retirement.

The Chairman also welcomed Adam Haynes, Chief of Staff for State Representative Jim Keffer, and Buffy Barrett, Clerk of the House Natural Resources Committee.

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. BRIEFING, DISCUSSION AND CONSIDER APPROVING THE FY 2016 BUDGET.
Chris Hayden, Finance Division Director, presented this item.

Director Rubinstein moved to approve the Fiscal Year 2016 Texas Water Development Board Budget, as recommended by the Executive Administrator.

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

3. CONSIDER APPROVING BY RESOLUTION THE REIMBURSEMENT OF THE COSTS OF LOANS THROUGH THE ISSUANCE, SALE AND DELIVERY OF UP TO \$51,942,600 OF WATER FINANCIAL ASSISTANCE GENERAL OBLIGATION BONDS.
David Duran, Debt and Portfolio Management, presented this item.

Director Jackson moved to adopt the proposed Resolution approving the costs of loans through the issuance, sale and delivery of up to \$51,942,600 of Water Financial Assistance General Obligation Bonds, as recommended by the Executive Administrator.

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

4. CONSIDER APPROVING BY RESOLUTION THE REIMBURSEMENT OF THE COSTS OF LOANS THROUGH THE ISSUANCE, SALE AND DELIVERY OF UP TO \$147,479,205 OF CLEAN WATER STATE REVOLVING FUND REVENUE BONDS.
David Duran, Debt and Portfolio Management, presented this item.

Director Rubinstein moved to adopt the proposed Resolution approving the reimbursement of the costs of loans through the issuance, sale and delivery of up to \$147,479,205 of Clean Water State Revolving Fund Revenue Bonds, as recommended by the Executive Administrator.

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

5. CONSIDER APPROVING BY RESOLUTION THE REIMBURSEMENT OF THE COSTS OF LOANS THROUGH THE ISSUANCE, SALE AND DELIVERY OF UP TO \$58,079,012 OF DRINKING WATER STATE REVOLVING FUND REVENUE BONDS. David Duran, Debt and Portfolio Management, presented this item.

Director Jackson moved to adopt the proposed Resolution approving the reimbursement of the costs of loans through the issuance, sale and delivery of up to \$58,079,012 of Drinking Water State Revolving Fund Revenue Bonds, as recommended by the Executive Administrator.

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

6. CONSIDER APPROVING BY RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR THE AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE CLEAN WATER STATE REVOLVING FUND BONDS. David Duran, Debt and Portfolio Management, presented this item.

Director Rubinstein moved to adopt the proposed Resolution authorizing the Executive Administrator to utilize prepayments to pay and defease Clean Water State Revolving Fund Bonds.

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

7. CONSIDER APPROVING BY RESOLUTION DELEGATING TO THE EXECUTIVE ADMINISTRATOR THE AUTHORITY TO UTILIZE PREPAYMENTS TO PAY AND DEFEASE GENERAL OBLIGATION BONDS. David Duran, Debt and Portfolio Management, presented this item.

Director Jackson moved to adopt the proposed Resolution authorizing the Executive Administrator to utilize prepayments to pay and defease General Obligation Bonds.

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

8. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE MILLERSVIEW-DOOLE WATER SUPPLY CORPORATION TO AMEND COVENANTS FOR TAXABLE WATER SYSTEM REVENUE BONDS, SERIES 2013, HELD BY THE TEXAS WATER DEVELOPMENT BOARD, TO MODIFY THE DEBT SERVICE SCHEDULE AND RESERVE FUND, AND CREATE AN OPERATING CONTINGENCY FUND; AND AUTHORIZE THE EXECUTIVE ADMINISTRATOR TO

TAKE ALL NECESSARY ACTIONS TO EFFECT THE TERMS OF THE AMENDED RESOLUTION. Chris Hayden, Finance Division Director, presented this item. Michael Templeton, General Manager, Derek Turner, Engineer, and David Mendez, attorney for Millersview-Doole WSC, registered their support in favor of this item.

Director Rubinstein moved to adopt the proposed Resolution amending covenants for Taxable Water System Revenue Bonds, Series 2013, held by the Texas Water Development Board, to modify the debt service schedule and reserve fund, and creating an operating contingency fund for the Millersview-Doole Water Supply Corporation; and authorizing the Executive Administrator to take all necessary actions to effect the terms of the amended bond resolution.

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

9. CONSIDERATION OF MATERIAL CHANGES TO CONTRACTS FOR GOODS AND SERVICES AWARDED UNDER CHAPTER 2155 OF THE TEXAS GOVERNMENT CODE EXECUTED DURING THE THIRD QUARTER OF FISCAL YEAR 2015. David Carter, Operations and Administration, presented this item.

Director Jackson moved to approve issuance of the Resolution acknowledging material changes to contracts for goods and services awarded under Chapter 2155 of the Texas Government Code executed during the third quarter of fiscal year 2015.

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

10. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE GREATER TEXOMA UTILITY AUTHORITY ON BEHALF OF THE CITY OF SHERMAN (GRAYSON COUNTY) FOR A (A) \$27,310,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION FOR A WATER TREATMENT PLANT EXPANSION AND NEW ELEVATED STORAGE TANK; AND (B) A WAIVER TO THE REQUIREMENT TO MITIGATE WATER LOSS. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Rubinstein 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, design, and construction of a water treatment plant expansion and new elevated storage tank, and approving a waiver of the mitigation requirements under Section 16.0121(g) of the Texas Water Code, 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 CITY OF ALBA (WOOD COUNTY) FOR AN \$840,000 LOAN FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE THE PLANNING, DESIGN, AND

CONSTRUCTION RELATED TO THE REHABILITATION OF THE WASTEWATER TREATMENT PLANT. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Alba financial assistance from the Texas Water Development Fund to finance the planning, design, and construction related to the rehabilitation of the wastewater treatment plant, as recommended by the Executive Administrator.

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

12. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE PORT O'CONNOR IMPROVEMENT DISTRICT (CALHOUN COUNTY) FOR A \$2,815,000 LOAN FROM THE TEXAS WATER DEVELOPMENT FUND FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS. Maxine Gilford, Water Supply and Infrastructure, presented this item. Jody Weaver, District Engineer, Port O'Connor Improvement District, registered her support in favor of this item

Director Rubinstein moved to adopt the proposed Resolution providing the Port O'Connor Improvement 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 Jackson; it passed unanimously.

13. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF FAYETTEVILLE (FAYETTE COUNTY) FOR \$400,000 IN FINANCIAL ASSISTANCE CONSISTING OF A \$200,000 LOAN AND \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND FOR THE DESIGN AND CONSTRUCTION OF A NEW WATER WELL. Maxine Gilford, Water Supply and Infrastructure, presented this item. Barbara Weishuhn, City of Fayetteville, and David Mendez, registered their support in favor of this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Fayetteville financial assistance from the Drinking Water State Revolving Fund to finance the design and construction of a new water well, as recommended by the Executive Administrator.

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

14. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF ELDORADO (SCHLEICHER COUNTY) MADE IN TWDB RESOLUTION NO. 12-42, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING. Chris Caran, Water Supply and Infrastructure, presented this item.

Director Rubinstein moved to affirm the commitment to provide financial assistance from the

Drinking Water State Revolving Fund to the City of Eldorado in Board Resolution No. 12-42, and concurring in the Executive Administrator's environmental finding. Tom Brown, City of Eldorado, registered his support in favor of this item.

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

15. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE THE STATE FISCAL YEAR 2016 DRINKING WATER STATE REVOLVING FUND SET-ASIDE CONTRACT BETWEEN THE TEXAS WATER DEVELOPMENT BOARD AND THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Jo Dawn Bomar, Water Supply & Infrastructure, presented this item.

Director Jackson moved to authorize the Executive Administrator to execute the State Fiscal Year 2016 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 Rubinstein; it passed unanimously.

16. CONSIDER APPROVING THE STATE FISCAL YEAR 2016 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN. Mark Evans, Water Supply & Infrastructure, presented this item. Keith P. Kindle, Hibbs & Todd, Inc., registered his support in favor of this item.

Director Rubinstein moved to approve the State Fiscal Year 2016 Clean Water State Revolving Fund Intended Use Plan, as recommended by the Executive Administrator.

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

17. CONSIDER APPROVING THE STATE FISCAL YEAR 2016 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN. Matthew Schmidt, Water Supply & Infrastructure, presented this item. Keith P. Kindle, Hibbs & Todd, Inc., registered his support in favor of this item.

Director Jackson moved to approve the State Fiscal Year 2016 Drinking Water State Revolving Fund Intended Use Plan, as recommended by the Executive Administrator.

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

18. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE TEXAS DEPARTMENT OF AGRICULTURE, OFFICE OF RURAL AFFAIRS, AND THE PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE § 354.4, RELATING TO THE EXECUTED MEMORANDUM OF UNDERSTANDING. Kendal Payne, Assistant General Counsel, presented this item.

Director Rubinstein moved to authorize the Executive Administrator to execute a

Memorandum of Understanding with the Texas Department of Agriculture, Office of Rural Affairs, and the publication of proposed amendments to 31 Texas Administrative Code § 354.4, relating to the executed Memorandum of Understanding.

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

19. CONSIDER AMENDING THE BOUNDARY BETWEEN GROUNDWATER MANAGEMENT AREA 2 AND GROUNDWATER MANAGEMENT AREA 6 THAT CURRENTLY RUNS THROUGH A PORTION OF THE MESQUITE GROUNDWATER CONSERVATION DISTRICT. Larry French, Water Science and Conservation, presented this item.

Director Jackson moved to authorize the Executive Administrator to amend the boundary between Groundwater Management Area 2 and Groundwater Management Area 6, as recommended by the Executive Administrator.

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

20. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONTRACT IN A TOTAL AMOUNT NOT TO EXCEED \$991,605 (\$627,870 FROM THE TEXAS WATER DEVELOPMENT BOARD) FOR CONTINUATION OF THE WATER RESOURCES INVESTIGATIONS DATA COLLECTION PROGRAM WITH THE U.S. GEOLOGICAL SURVEY IN FISCAL YEAR 2016; AND AMEND THE CONTRACT IN AN AMOUNT NOT TO EXCEED \$100,000 IF ADDITIONAL FUNDS BECOME AVAILABLE. Mark Wentzel, Water Science and Conservation, presented this item.

Director Rubinstein moved to authorize the Executive Administrator to negotiate and execute a contract in a total amount not to exceed \$991,605 for continuation of the Water Resources Investigations data collection program with the U.S. Geological Survey in Fiscal Year 2016; and amend the contract in an amount not to exceed \$100,000 if additional funds become available.

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

21. 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.

Chairman Bruun recognized Jon Schnautz, Office of Speaker Straus.

22. No public comments were received.

23. The Board did not meet in Executive Session.

Director Rubinstein recognized his wife, Judy, and daughter, Jackie as well as other friends attending the meeting. He adjourned the meeting at 11:57 a.m.

APPROVED and ordered of record this, the 26th day of August, 2015.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson,
Executive Administrator