

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING

January 19, 2016 – 9:30 A.M.

Chairman Bech K. Bruun called to order the meeting of the Texas Water Development Board at 9:30 a.m. in Room 1-111 of the William B. Travis Building, 1701 N. Congress Avenue, Austin, Texas. In addition to Chairman Bruun, Directors Kathleen Jackson and Peter Lake were also in attendance, and a quorum was present.

The Chairman began by wishing Director Jackson a Happy Birthday.

The General Counsel then announced the first item for consideration:

1. DISCUSSION REGARDING OUTREACH EFFORTS AND ACTIVITIES BY THE BOARD.

No action was taken on this item.

2. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO DEVELOP, IMPLEMENT AND EXECUTE NECESSARY CONTRACTS IN ACCORDANCE WITH THE MEMORANDUM OF UNDERSTANDING WITH THE OFFICE OF THE GOVERNOR FOR A STREAM-GAGE AND NOTIFICATION NETWORK AND TO PROVIDE ADDITIONAL TECHNICAL ASSISTANCE AND OUTREACH FOR FLOODPLAIN MANAGEMENT AND PLANNING. Robert Mace, Water Science and Conservation and Richard Wade, Texas Natural Resources Information System, presented this item.

Director Jackson moved to authorize the Executive Administrator to develop, implement and execute necessary contracts in accordance with the Memorandum of Understanding with the Office of the Governor for a stream-gage and notification network and to provide additional technical assistance and outreach for floodplain management and planning.

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

3. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM LEE COUNTY FRESH WATER SUPPLY DISTRICT NO. 1 (LEE COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$725,000, CONSISTING OF A \$635,000 LOAN AND \$90,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF NEW STORAGE TANKS AND A PUMP STATION. Caaren Skrobaraczyk, Water Supply and Infrastructure, presented this item.

Director Lake moved to continue this matter for consideration at a future Board Meeting.

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

4. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF STRAWN (PALO PINTO, EASTLAND AND ERATH COUNTIES) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,345,000, CONSISTING OF A \$1,645,000 LOAN AND \$700,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN, ACQUISITION AND CONSTRUCTION OF NEW WELLS AND TRANSMISSION LINES; AND A WAIVER OF THE REQUIREMENT FOR CONSISTENCY WITH THE REGIONAL AND STATE WATER PLANS. Caaren Skrobarczyk, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution, reflecting a 6 month commitment and providing the City of Strawn financial assistance from the Drinking Water State Revolving Fund to finance the planning, design, acquisition and construction of new wells and transmission lines; and a waiver of the requirement that the project be consistent with the State Water Plan and an approved regional water plan, as recommended today by the Executive Administrator.

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

5. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE UPPER TRINITY REGIONAL WATER DISTRICT (FANNIN, COLLIN, COOKE, DALLAS, DENTON, GRAYSON, AND WISE COUNTIES) FOR A \$46,000,000 LOAN FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION OF AN EXPANSION TO THE RIVERBEND WASTEWATER RECLAMATION PLANT. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Lake moved to adopt the proposed Resolution providing the Upper Trinity Regional Water District financial assistance from the Texas Water Development Fund to finance the planning, design, and construction of an expansion to the Riverbend Wastewater Reclamation Plant, as recommended by the Executive Administrator.

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

6. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE SEQUOIA IMPROVEMENT DISTRICT (HARRIS COUNTY) FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF \$2,057,442, CONSISTING OF A \$1,380,000 LOAN AND \$677,442 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND, TO FINANCE THE PLANNING, DESIGN AND CONSTRUCTION OF SANITARY SEWER IMPROVEMENTS IN THE DISTRICT. Nancy Richards, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the Sequoia Improvement District financial assistance from the Clean Water State Revolving Fund, to finance the planning, design and construction of sanitary sewer improvements in the District,

as recommended by the Executive Administrator.

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

7. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENTS TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE ANGELINA AND NECHES RIVER AUTHORITY MADE IN TWDB RESOLUTION NOS. 14-03 AND 15-003, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDINGS. Jean Devlin, Water Supply and Infrastructure, presented this item.

Director Lake moved to affirm the commitments to provide financial assistance from the Clean Water State Revolving Fund to the Angelina and Neches River Authority made in Board Resolution Numbers 14-03 and 15-003, and concurring in the Executive Administrator's environmental findings.

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

8. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR TEXAS WATER DEVELOPMENT BOARD STATE OF TEXAS GENERAL OBLIGATION BONDS, WATER FINANCIAL ASSISTANCE BONDS, SERIES 2015D, \$234,795,000. Cindy Demers, Chief Financial Officer, presented this item. Paul Jack, Estrada Hinojosa, Tilghman Naylor, Jefferies, and Richard Williams, LCRA, also addressed the Board.

No action was taken on this item.

9. CONSIDER 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 BONDS (ECONOMICALLY DISTRESSED AREAS PROGRAM AND DEVELOPMENT FUND II PROGRAM), IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000; AND APPROVING THE SELECTION OF THE CO-MANAGING UNDERWRITER(S) FOR THE NEGOTIATION OF THE BOND ISSUE. Cindy Demers, Chief Financial Officer, presented this item. Keith P. Kindle, P.E., Enprotec/Hibbs & Todd, Inc., registered his opinion in support of this item.

Director Jackson 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 Bonds in one or more series in an aggregate principal amount not to exceed \$150,000,000 for the Economically Distressed Areas and Development Fund II Programs; and to approve the selection of co-managing underwriters for the negotiation of the bond issue, as recommended by the Executive Administrator.

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

10. CONSIDER APPROVING THE TEXAS WATER DEVELOPMENT BOARD'S

INVESTMENT POLICY AND STRATEGIES. Cindy Demers, Chief Financial Officer, presented this item.

Director Lake moved to approve the Texas Water Development Board Investment Policy and Strategies, as recommended by the Executive Administrator

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

11. CONSIDER DETERMINING THE MINIMUM FLOW RATES FOR INCLUSION IN THE STUDY OF THE HYDROLOGY AND GEOLOGY OF THE CONFINED AND UNCONFINED AQUIFERS OF TEXAS AS REQUIRED BY HOUSE BILL 1232 FROM THE 84TH LEGISLATIVE SESSION. Larry French, Water Science and Conservation, presented this item. State Representative Eddie Lucio III submitted a letter in support of this item.

Director Jackson moved to approve the minimum flow rates for inclusion in the study of the hydrology and geology of the confined and unconfined aquifers of Texas as required by House Bill 1232 from the 84th Legislative Session, as recommended by the Executive Administrator.

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

12. CONSIDER AUTHORIZING PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE SECTIONS 356.10, 356.21, 356.22, 356.34, 356.35, 356.41, 356.42, 356.43, 356.44, 356.45, 356.46, AND 356.53, RELATING TO GROUNDWATER MANAGEMENT. Larry French, Water Science and Conservation, presented this item.

Director Lake moved to approve publication of proposed amendments to 31 Texas Administrative Code Sections 356.10, 356.21, 356.22, 356.34, 356.35, 356.41 through 356.46, and 356.53, relating to Groundwater Management, as recommended by the Executive Administrator.

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

13. CONSIDER AUTHORIZING PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE SECTION 358.6, RELATING TO WATER LOSS AUDITS. John Sutton, Water Science and Conservation, presented this item.

Director Jackson moved to approve publication of proposed amendments to 31 Texas Administrative Code Section 358.6, relating to Water Loss Audits, as recommended by the Executive Administrator.

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

14. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A REQUEST FOR QUALIFICATIONS TO FUND A CONTRACT TO DETERMINE THE

MOST EFFECTIVE AND ACCURATE PROCESS TO MEASURE WATER CONSERVATION STATEWIDE. John Sutton, Water Science and Conservation, presented this item. Kip Averitt registered his opinion in support of this item and wished Director Jackson a Happy Birthday.

Director Lake moved to authorize the Executive Administrator to publish a request for qualifications for the determination of the most effective and accurate process to measure water conservation statewide.

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

15. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO AWARD, NEGOTIATE, AND EXECUTE CONTRACTS IN A TOTAL AMOUNT NOT TO EXCEED \$1,000,000 FOR ALTERNATIVE WATER SUPPLY DEMONSTRATION PROJECTS. Matt Webb, Water Science and Conservation, presented this item.

Director Jackson moved to authorize the Executive Administrator to award, negotiate, and execute contracts in a total amount not to exceed \$1,000,000 for alternative water supply demonstration projects, as recommended by the Executive Administrator.

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

16. 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.

17. No public comments were received.

18. Chairman Bruun announced that the Board would meet in closed session in Room 6-101 of the William B. Travis Bldg., immediately following the recess of this meeting, as permitted by the Texas Open Meetings Act, including Government Code, Sections 551.071 and 551.074.

The Board stands in recess at 11:15 a.m.

The Board reconvened in open meeting at 11:35 a.m. and announced that the Board met in Executive Session pursuant to Government Code Sections 551.071 and 551.074. They met from 11:20 a.m. to 11:32 a.m.

Director Lake moved to approve the proposed settlement, as agreed to in principle between the parties to the case, in resolution of litigation styled as Liliana Villa and Maria Villa v. Texas Water Development Board, Cause No. 2014-002850-3, and direct the General Counsel to execute appropriate documentation to effectuate this action.

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

The Chairman adjourned the meeting at 11:36 a.m.

APPROVED and ordered of record this, the 19th day of January, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson,
Executive Administrator