

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
March 21, 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 170 of the Stephen F. Austin Building, 1700 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 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. CONSIDER APPOINTMENT OF MEMBERS TO THE WATER CONSERVATION ADVISORY COUNCIL TO FILL TWO VACANCIES: GROUNDWATER CONSERVATION DISTRICTS AND THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Mindy Conyers, Water Science and Conservation, presented this item.

Director Jackson moved to appoint the following to serve as members of the Water Conservation Advisory Council: Charles Moehlenbrock representing the Texas Commission on Environmental Quality, with a term to expire August 31, 2017; and Sarah Rountree Schlessinger, representing groundwater conservation districts, with a term to expire August 31, 2019.

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

3. CONSIDER APPROVING THE 2015 TEXAS RAIN CATCHER AWARDS. Mindy Conyers, Water Science and Conservation, presented this item. David Lewis, AquaBank, Inc., also addressed the Board.

Director Lake moved to approve the awarding of the 2015 Texas Rain Catcher Awards to the following, by respective category:

Agriculture: Bob Durham & Natural Resources Conservation Service;
Commercial: Seaholm Power Development, LLC;
Community: Hill Country Youth Event Center;
Educational: Luci and Ian Family Garden; and
Residential: Alvarez Residence.

Recognize the following honorable mentions:

Soil science and water resources students at Abilene Christian University;
The People/Plant Connection, in San Angelo; and
The San Antonio River Authority, within the Mission Reach Operation Center;

And, finally, present an Honorary Award, Posthumously to Jack Andrew Hollon.

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

4. CONSIDER APPROVING THE TEXAS WATER DEVELOPMENT BOARD'S INVESTMENT POLICY AND STRATEGIES. Cindy Demers, Chief Financial Officer, presented this item.

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

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

5. CONSIDER (A) A REVISION OF THE NOT-TO-EXCEED AGGREGATE PRINCIPAL AMOUNT OF THE STATE OF TEXAS WATER FINANCIAL ASSISTANCE REFUNDING BONDS AND STATE OF TEXAS WATER FINANCIAL ASSISTANCE BONDS IN ONE OR MORE SERIES TO \$215,000,000 DUE TO CHANGES IN THE PLAN OF FINANCE, AND (B) APPROVAL OF THE SELECTION OF UNDERWRITERS FOR THE NEGOTIATION OF THE BOND ISSUE. Cindy Demers, Chief Financial Officer, presented this item.

Director Lake moved to approve a revision of the not-to-exceed aggregate principal amount of the State of Texas Water Financial Assistance and Refunding Bonds, established at the February 2, 2016 board meeting to \$215,000,000 due to changes in the plan of finance, and 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 Jackson; it passed unanimously.

6. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE GREATER TEXOMA UTILITY AUTHORITY ON BEHALF OF THE CITY OF SADLER (GRAYSON COUNTY) FOR FINANCIAL ASSISTANCE OF \$234,219 CONSISTING OF A \$165,000 LOAN AND \$69,219 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN AND CONSTRUCTION PHASES OF WASTEWATER TREATMENT PLANT IMPROVEMENTS. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the Greater Texoma Utility Authority on behalf of the City of Sadler financial assistance from the Clean Water State Revolving Fund to finance the planning, design and construction phases of wastewater treatment plant improvements, as recommended by the Executive Administrator.

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

7. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF GRANBURY (HOOD COUNTY) FOR FINANCIAL ASSISTANCE FOR A \$2,720,000 LOAN FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS. Caaren Skrobarczyk, Water Science and Conservation, presented this item. Keith P. Kindle, CEO, Enprotec/Hibbs & Todd, Inc., also addressed the Board.

Director Lake moved to adopt the proposed Resolution providing the City of Granbury financial assistance from the Drinking Water State Revolving Fund to finance the construction of water system improvements, as recommended by the Executive Administrator.

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

8. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE NEW ULM WATER SUPPLY CORPORATION (AUSTIN & COLORADO COUNTIES) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE REPLACEMENT OF ASBESTOS WATER LINES AND IMPROVEMENTS AT THE EXISTING WATER PLANT. Nancy Richards, Water Science and Conservation, presented this item. James and Barbara Weishuhn, Weishuhn Engineering, registered their support in favor of this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Ulm Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund to finance the replacement of water lines and improvements at the existing water plant, as recommended by the Executive Administrator.

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

9. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF FAYETTEVILLE (FAYETTE COUNTY) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE DESIGN AND CONSTRUCTION OF A WATER SYSTEM IMPROVEMENT PROJECT TO REPLACE AN AGING GROUND STORAGE TANK. Clay Schultz, Water Supply and Infrastructure, presented this item. Ronald Pflughaupt, Mayor of the City of Fayetteville, also addressed the Board. James and Barbara Weishuhn, Weishuhn Engineering, registered their support in favor of this item.

Director Lake 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 water system improvement project to replace an aging ground storage tank, as recommended by the Executive Administrator.

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

10. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE LA SALLE LANDING WATER SUPPLY CORPORATION (JACKSON COUNTY) FOR \$200,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF A WATER TREATMENT IMPROVEMENT PROJECT TO ADDRESS HIGH LEVELS OF ARSENIC. Clay Schultz, Water Supply and Infrastructure, presented this item. Anthony Bennett, registered his support in favor of this item.

Director Jackson moved to adopt the proposed Resolution providing the La Salle Landing Water Supply Corporation financial assistance from the Drinking Water State Revolving Fund to finance the construction of a water treatment improvement project to address high levels of arsenic, as recommended by the Executive Administrator.

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

11. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM DARIO V. GUERRA, III, DOING BUSINESS AS DERBY, ING. (FRIO COUNTY) FOR \$140,000 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE CONSTRUCTION COSTS ASSOCIATED WITH UPGRADES TO THE EXISTING WATER SYSTEM. Clay Schultz, Water Supply and Infrastructure, presented this item. Dario V. Guerra, III, registered his support in favor of this item.

Director Lake moved to adopt the proposed Resolution providing Dario V. Guerra, III, doing business as Derby, Ing. financial assistance from the Drinking Water State Revolving Fund to finance construction costs associated with upgrades to the existing water system, as recommended by the Executive Administrator.

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

12. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE BEECHWOOD WATER SUPPLY CORPORATION (CORPORATION) FOR PARTIAL RELEASE OF LIEN AND CONSENT TO CONVEY A TRACT OF LAND AND OFFICE BUILDING. Kendal Payne, Assistant General Counsel, presented this item.

Director Jackson moved to adopt the proposed Resolution approving a partial release of lien on property held by the Beechwood Water Supply Corporation, and consenting to the conveyance of the property, as recommended by the Executive Administrator.

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

The General Counsel recommended taking up affirmation Items 13-15 together for consideration:

13. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 50 (HARRIS

COUNTY) MADE IN TWDB RESOLUTION NO. 15-145, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

14. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE CITY OF DELL CITY (HUDSPETH COUNTY), MADE IN TWDB RESOLUTION NO. 14-01, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

15. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE CITY OF EARLY (BROWN COUNTY), MADE IN TWDB RESOLUTION NO. 14-75, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

Director Lake moved to affirm the commitments to provide financial assistance from the Drinking Water State Revolving Fund to the Harris County Municipal Utility District No. 50 made in Board Resolution Number 15-145; and from the Clean Water State Revolving Fund to the City of Dell City made in Board Resolution No. 14-01, and to the City of Early made in Board Resolution Number 14-75; and concurring in the Executive Administrator's environmental findings.

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

16. CONSIDER AUTHORIZING PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE (TAC) CHAPTER 371 RELATING TO THE DRINKING WATER STATE REVOLVING FUND (DWSRF) AND THE PROPOSED REPEAL OF VARIOUS PROVISIONS WITHIN 31 TAC CHAPTER 371 RELATING TO THE DWSRF. Mark Wyatt, Water Supply and Infrastructure, presented this item.

Director Jackson moved to approve publication of proposed amendments to, and the repeal of various provisions within, 31 Texas Administrative Code Chapter 371 relating to the Drinking Water State Revolving Fund, as recommended by the Executive Administrator.

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

17. CONSIDER AUTHORIZING PUBLICATION OF PROPOSED AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE (TAC) CHAPTER 375 RELATING TO THE CLEAN WATER STATE REVOLVING FUND (CWSRF) AND THE PROPOSED REPEAL OF VARIOUS PROVISIONS WITHIN 31 TAC CHAPTER 375 RELATING TO THE CWSRF. Mark Wyatt, Water Supply and Infrastructure, presented this item.

Director Lake moved to approve publication of proposed amendments to, and the repeal of various provisions within, 31 Texas Administrative Code Chapter 375 relating to the Clean Water State Revolving Fund, as recommended by the Executive Administrator.

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

18. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PUBLISH A NOTICE IN THE *TEXAS REGISTER* FOR REQUESTS FOR QUALIFICATIONS FOR THREE GROUNDWATER AVAILABILITY MODEL PROJECTS IN AN AMOUNT NOT TO EXCEED \$1,440,000. Cindy Ridgeway, Water Science and Conservation, presented this item.

Director Jackson moved to authorize the Executive Administrator to publish a request for qualifications for three groundwater availability model projects in an amount not to exceed \$1,440,000.

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

19. CONSIDER APPROVING THE ADOPTED MAJOR AMENDMENT TO THE 2011 REGION M REGIONAL WATER PLAN; AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO DEVELOP THE CORRESPONDING AMENDMENT TO THE 2012 STATE WATER PLAN, WITH ASSOCIATED PUBLIC HEARING, AS APPROPRIATE PER 31 TAC §357.51(G). Connie Townsend, Water Supply and Infrastructure, presented this item.

Director Lake moved to approve the adopted Major Amendment to the 2011 Region M Regional Water Plan, relating to the Hidalgo County Drainage District Number 1's Delta Watershed Project, and authorize the Executive Administrator to develop the corresponding amendment to the 2012 State Water Plan and post notice for a public hearing on the proposed amendment.

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

20. 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.

21. No public comments were received.
22. The Board did not meet in Executive Session.

The Chairman adjourned the meeting at 10:47 a.m.

APPROVED and ordered of record this, the 21st day of March, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson,
Executive Administrator