

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
April 11, 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 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.

The Chairman then called on Richard Wade, Deputy Executive Administrator, Texas Natural Resources Information System (TNRIS), to briefly describe the role TNRIS played in assisting state officials during the Sabine River flooding event on March 11, 2016, in East Texas.

TNRIS sent Miguel Pavon, Program Specialist, to assist in gathering, developing and processing data during the flooding event.

Mr. Wade acknowledged the role that Mr. Pavon played during the event and thanked him for a job well done.

The Chairman then read a proclamation from Governor Abbott thanking Miguel Pavon for his service to the State of Texas.

2. CONSIDER APPROVING THE 2016 STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) PRIORITIZATION LIST, THE FUNDS AVAILABLE FOR APPLICATIONS BY CATEGORY, THE FINANCING STRUCTURE AND TERMS OF SUBSIDY, AND AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO PROCEED WITH INVITATION OF APPLICANTS FOR FINANCIAL ASSISTANCE. Jeff Walker, Water Supply and Infrastructure, presented this item.

The following individuals also addressed the Board:

Michele Gangnes, League of Independent Voters of Texas;
Dr. Meredith McGuire, Sierra Club;
Linda Curtis, Independent Texans PAC;
Jennifer Walker, Sierra Club;
Bill Bunch, Save Our Springs Alliance; and
Kelly Davis, Save Our Springs Alliance.

The following individuals did not wish to address the Board but registered their support in favor of this item:

Travis Williams, Sabine River Authority; and
Billy Phenix, Attorney, Schertz-Seguin Local Government Corp.

The following individual did not wish to address the Board but registered his opinion against this item:

Charles Flatten, Hill Country Alliance.

Director Jackson moved to approve the 2016 State Water Implementation Fund for Texas prioritization list, the funds available for applications by category, and revised 2016 funding for prior multi-year commitments and the financing structure and terms of subsidy, as recommended by the Executive Administrator in the Memorandum to the Board dated April 1st, 2016, and authorize the Executive Administrator to proceed with invitation of applicants for financial assistance.

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

3. CONSIDER APPROVING BY RESOLUTION THE ESTABLISHMENT OF A NEW TAX-EXEMPT LENDING RATE SCALE FOR THE TEXAS WATER DEVELOPMENT FUND II ECONOMICALLY DISTRESSED AREAS PROGRAM ACCOUNT. Josh Traner, Debt and Portfolio Management, presented this item.

Director Lake moved to adopt the proposed Resolution establishing a new tax-exempt lending rate scale for the Texas Water Development Fund II Economically Distressed Areas Program Account, as recommended by the Executive Administrator.

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

4. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF WIMBERLEY (HAYS COUNTY) FOR \$5,498,005 IN FINANCIAL ASSISTANCE, CONSISTING OF A \$5,255,000 LOAN AND \$243,005 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION PHASE OF A COLLECTION SYSTEM AND WASTEWATER TREATMENT PLANT EXPANSION PROJECT. Clay Schultz, Water Supply and Infrastructure, presented this item.

The following individuals also addressed the Board:

Steve Thurber, Mayor, City of Wimberley;
Don Ferguson, City Administrator, City of Wimberley;
Sally Trapp, resident, City of Wimberley;

Merry Gibson, resident, City of Wimberley;
Steve Klepfer, business owner, City of Wimberley;
Rob Pitzen, business owner, City of Wimberley; and
Mac McCullough, resident, City of Wimberley.

The following individuals did not wish to address the Board but registered their support in favor of this item:

David Mendez;
Cynthia Anderson, Wimberley City Council member;
Steve Coonan; and
Jennifer Douglas.

Director Jackson moved to adopt the proposed Resolution providing the City of Wimberley financial assistance from the Clean Water State Revolving Fund to finance the construction phase of a collection system and wastewater treatment plant expansion project, as recommended by the Executive Administrator.

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

5. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE SANDY LAND UNDERGROUND WATER CONSERVATION DISTRICT (YOAKUM COUNTY) FOR A \$2,000,000 LOAN FROM THE AGRICULTURE WATER CONSERVATION LOAN PROGRAM TO PROVIDE FINANCING FOR AN AGRICULTURE WATER CONSERVATION PROGRAM.

Chairman Bruun moved to continue this matter to a future Board Meeting.

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

6. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE CITY OF SEYMOUR (BAYLOR COUNTY) FOR \$3,000,476 IN FINANCIAL ASSISTANCE, CONSISTING OF A \$2,115,000 LOAN AND \$885,476 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION PHASES OF WATER SYSTEM IMPROVEMENTS. Caaren Skrobarczyk, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Seymour financial assistance from the Drinking Water State Revolving Fund to finance the planning, design, and construction phases of water system 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 SULPHUR SPRINGS (HOPKINS COUNTY) FOR A \$18,200,000 LOAN FROM THE

CLEAN WATER STATE REVOLVING FUND TO FINANCE THE DESIGN AND CONSTRUCTION FOR THE REHABILITATION OF THE WASTEWATER TREATMENT PLANT. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Lake moved to adopt the proposed Resolution providing the City of Sulphur Springs financial assistance from the Clean Water State Revolving Fund to finance the design and construction for the rehabilitation of the wastewater treatment plant, 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 CITY OF HONEY GROVE (FANNIN COUNTY) TO AMEND TWDB RESOLUTION NO. 15-050 TO (A) AUTHORIZE A \$975,000 INCREASE IN FINANCIAL ASSISTANCE, FOR A TOTAL LOAN OF \$3,000,000 FROM THE DRINKING WATER STATE REVOLVING FUND TO FINANCE THE CONSTRUCTION OF WATER DISTRIBUTION LINES; AND (B) EXTEND THE LOAN COMMITMENT PERIOD TO AUGUST 31, 2016. Luis Farias, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution amending Board Resolution No. 15-050 to:

(A) Authorize a \$975,000 increase in financial assistance, for a total loan of \$3,000,000 from the Drinking Water State Revolving Fund to finance the construction of water distribution lines; and

(B) Extend the loan commitment period to August 31, 2016.

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

The General Counsel recommended taking up affirmation Items 9-11 together for consideration:

9. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO AGUA SPECIAL UTILITY DISTRICT (HIDALGO COUNTY) MADE IN TWDB RESOLUTION NO. 15-024, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.
10. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF LOS FRESNOS (CAMERON COUNTY) MADE IN TWDB RESOLUTION NO. 14-77, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.
11. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING

FUND TO THE SOL Y MAR WATER SYSTEM (HIDALGO COUNTY) MADE IN TWDB RESOLUTION NO. 14-108, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

Director Lake moved to affirm the commitments to provide financial assistance from the Clean Water State Revolving Fund to Agua Special Utility District made in Board Resolution Number 15-024; and from the Drinking Water State Revolving Fund to the City of Los Fresnos made in Board Resolution No. 14-77, and to the Sol y Mar Water System made in Board Resolution Number 14-108; and concurring in the Executive Administrator's environmental findings.

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

12. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE OLMITO WATER SUPPLY CORPORATION FOR A PARTIAL RELEASE OF LIEN AND CONSENT TO CONVEY EASEMENT AND RIGHT-OF-WAY. Joe Reynolds, 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 Olmito Water Supply Corporation, and consenting to the conveyance of easement and right-of-way.

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

13. CONSIDER APPROVING BY RESOLUTION A REQUEST FROM THE LAKE LIVINGSTON WATER SUPPLY AND SEWER SERVICE CORPORATION FOR A PARTIAL RELEASE OF LIEN. Annette Lown Mass, Assistant General Counsel, presented this item.

Director Lake moved to adopt the proposed Resolution approving a partial release of lien on property held by the Lake Livingston Water Supply and Sewer Service Corporation.

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

14. 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.

15. No public comments were received.

Chairman Bruun recognized the following legislative staff members attending the meeting today:

Benjamin Barkley, Senator Kolkhorst's Office;
Jason Modglin, Representative Darby's Office.

16. The Board will meet in closed session in Room 600A of the Stephen F. Austin Building immediately following this meeting, as permitted by the Texas Open Meetings Act, including Government Code, Sections 551.071 and 551.074.

The meeting stands in Recess. The time is 11:15 a.m.

The Board reconvened in open meeting and announced that the Board met in Executive Session pursuant to Government Code Sections 551.071 and 551.074. They met from 11:30 a.m. to 12:45 p.m.

No action was taken.

The meeting was adjourned at 12:55 p.m.

APPROVED and ordered of record this, the 11th day of April, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Kevin Patteson,
Executive Administrator