

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD
BOARD MEETING
May 5, 2016 – 9:30 A.M.

Chairman Bech K. Bruun called to order the meeting of the Texas Water Development Board at 9:32 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.

Before beginning the meeting, the Chairman announced that the Board of Directors of the Guadalupe Blanco River Authority named Kevin Patteson, as the Authority's next General Manager/CEO.

The Chairman presented a Proclamation to Mr. Patteson from Governor Greg Abbott and a Certificate from the Texas Water Development Board thanking him for his service to the State and the Board and wishing him well in his future endeavors.

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. CONSIDERATION OF THE APPOINTMENT OF AN INTERIM EXECUTIVE ADMINISTRATOR.

No action was taken on this item.

3. BRIEFING AND DISCUSSION ON THE BOND SALE RESULTS FOR \$45,735,000 STATE OF TEXAS, GENERAL OBLIGATION WATER FINANCIAL ASSISTANCE BONDS SERIES 2016A (ECONOMICALLY DISTRESSED AREAS PROGRAM). Cindy Demers, Chief Financial Officer, presented this item. Anne Burger-Entrekin, First Southwest, a division of Hilltop Securities, and Kim Edwards, Piper Jaffray, also addressed the Board.

No action was taken on this item.

4. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE CITY OF CAMERON (MILAM COUNTY) FOR \$12,691,538 IN FINANCIAL ASSISTANCE, CONSISTING OF A \$12,000,000 LOAN AND \$691,538 IN LOAN FORGIVENESS FROM THE CLEAN WATER STATE REVOLVING FUND TO FINANCE THE PLANNING, DESIGN, AND CONSTRUCTION OF A NEW WASTEWATER TREATMENT PLANT AND COLLECTION SYSTEM IMPROVEMENTS. Caaren Skrobarczyk, Water Supply and Infrastructure, presented this item.

Director Jackson moved to adopt the proposed Resolution providing the City of Cameron financial assistance from the Clean Water State Revolving Fund to finance the planning, design, and construction of a new wastewater treatment plant and collection system improvements, 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 CITY OF CAMERON (MILAM COUNTY) FOR \$11,985,175 IN FINANCIAL ASSISTANCE, CONSISTING OF A \$9,305,000 LOAN AND \$2,680,175 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. Chairman Bruun recognized J. Rhett Parker, City Manager, Jerald Brunson, Utility Director, and Connie Anderle, Mayor of the City of Cameron who were attending the meeting today, and were registering their opinion in favor of this item and also Item No.4.

Director Lake moved to adopt the proposed Resolution providing the City of Cameron 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 Jackson; it passed unanimously.

6. CONSIDER APPROVING BY RESOLUTION, A REQUEST FROM THE BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2, (BASTROP COUNTY) FOR A LOAN OF \$6,345,000 FROM THE TEXAS WATER DEVELOPMENT FUND TO FINANCE IMPROVEMENTS TO ITS WATER DISTRIBUTION AND TREATMENT SYSTEM AND THE PURCHASE OF THE TAHITIAN VILLAGE WASTEWATER SYSTEM. Clay Schultz, Water Supply and Infrastructure, presented this item.

The Chairman announced that the following individuals had registered their opinion in favor of this item:

John Creamer, Jr.
Sam Kier
Tyler Walsh
Alma Rodriguez
Gene Kruppa
Lisa Patterson
Jerry Kyle
Allen Westerman
Hope Ruiz, Office of State Representative Phil Stephenson

Director Jackson moved to adopt the proposed Resolution providing Bastrop County Water Control and Improvement District No. 2 financial assistance from the Texas Water Development Fund to finance improvements to its water distribution and treatment system and the purchase of the Tahitian Village wastewater system, 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 WELLMAN (TERRY COUNTY) FOR \$1,122,654 IN FINANCIAL ASSISTANCE CONSISTING OF A \$140,000 LOAN AND \$982,654 IN LOAN FORGIVENESS FROM THE DRINKING WATER STATE REVOLVING FUND, TO FINANCE THE PLANNING, ACQUISITION, DESIGN, AND CONSTRUCTION OF A REVERSE OSMOSIS TREATMENT SYSTEM AND CERTAIN WATER SYSTEM IMPROVEMENTS INCLUDING WATER METER REPLACEMENT. Lee Huntoon, Water Supply and Infrastructure, presented this item.

Director Lake moved to adopt the proposed Resolution providing the City of Wellman financial assistance from the Drinking Water State Revolving Fund to finance the planning, acquisition, design, and construction of a reverse osmosis treatment system and certain water system improvements including water meter replacement, as recommended by the Executive Administrator.

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

The General Counsel recommended taking up affirmation Items 8-11 together for consideration:

8. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE DRINKING WATER STATE REVOLVING FUND TO THE CITY OF DELL CITY (HUDSPETH COUNTY), MADE IN TWDB RESOLUTION NO. 13-60, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.
9. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE CITY OF RALLS (CROSBY COUNTY), MADE IN TWDB RESOLUTION NO. 13-120, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.
10. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE CITY OF RANGER (EASTLAND COUNTY), MADE IN TWDB RESOLUTION NO. 12-38, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

11. CONSIDER AFFIRMING BY RESOLUTION THE COMMITMENT TO PROVIDE FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND TO THE CITY OF LOS FRESNOS (CAMERON COUNTY) MADE IN TWDB RESOLUTION NO. 14-76, AND CONCURRING IN THE EXECUTIVE ADMINISTRATOR'S ENVIRONMENTAL FINDING.

Director Jackson moved to affirm the commitments to provide financial assistance from the Drinking Water State Revolving Fund to the City of Dell City made in Board Resolution Number 13-60; and from the Clean Water State Revolving Fund to the City of Ralls made in Board Resolution Number 13-120, the City of Ranger made in Board Resolution Number 12-38, and the City of Los Fresnos made in Board Resolution Number 14-76; and concurring in the Executive Administrator's environmental findings.

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

12. CONSIDER ADOPTING, AND AUTHORIZING THE PUBLICATION OF, AMENDMENTS TO 31 TEXAS ADMINISTRATIVE CODE SECTION 358.6 RELATING TO WATER LOSS AUDITS. John Sutton, Water Science & Conservation, presented this item.

Director Lake moved to adopt the 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 Jackson; it passed unanimously.

13. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE PUBLIC UTILITY COMMISSION OF TEXAS AND THE TEXAS WATER DEVELOPMENT BOARD TO MAINTAIN A PUBLIC ONLINE MAP VIEWER. Kaye Schultz, Assistant General Counsel, presented this item.

Director Jackson moved to authorize the Executive Administrator to execute a Memorandum of Understanding between the Texas Water Development Board and the Public Utility Commission of Texas to maintain a public online map viewer.

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

14. CONSIDER AUTHORIZING THE EXECUTIVE ADMINISTRATOR TO NEGOTIATE AND EXECUTE A CONTRACT ON OR BEFORE JULY 12, 2016, IN AN AMOUNT NOT TO EXCEED \$980,267.25 IN FUNDING TO THE TEXAS WATER DEVELOPMENT BOARD THROUGH THE TEXAS GENERAL LAND OFFICE AND FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE LOWER RIO GRANDE VALLEY COLONIA DRAINAGE PLANNING STUDY. Gilbert Ward, Water Science & Conservation, presented this item.

Director Lake moved to authorize the Executive Administrator to negotiate and execute a

contract on or before July 12, 2016, in an amount not to exceed \$980,267.25 in funding to the Texas Water Development Board through the Texas General Land Office, and from the U.S. Department of Housing and Urban Development, for the Lower Rio Grande Valley Colonia Drainage Planning Study.

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

15. CONSIDER AMENDING THE 2012 STATE WATER PLAN TO INCORPORATE AN AMENDMENT TO THE 2011 REGION M REGIONAL WATER PLAN RELATING TO THE HIDALGO COUNTY DRAINAGE DISTRICT NO. 1. Matt Nelson, Water Supply & Infrastructure, presented this item. Godfrey Garza, Jr. and Elvia Lopez registered their opinions in favor of this item.

Director Jackson moved to amend the 2012 State Water Plan to incorporate an amendment to the 2011 Region M Regional Water Plan relating to the Hidalgo County Drainage District No. 1.

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

16. No public comments were received.

17. 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 10:35 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 10:56 a.m. to 1:24 p.m.

No action was taken.

The meeting was adjourned at 1:31 p.m.

APPROVED and ordered of record this, the 5th day of May, 2016.

TEXAS WATER DEVELOPMENT BOARD

Bech K. Bruun, Chairman

DATE SIGNED: _____

ATTEST:

Darrell Nichols,
Assistant Executive Administrator