

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator
Les Trobman, General Counsel
Jeff Walker, Deputy Executive Administrator, Water Supply & Infrastructure

FROM: Temple McKinnon, Manager, Regional Water Planning

DATE: November 21, 2014

SUBJECT: Consider approving the adopted Minor Amendment to the 2011 Region L Regional Water Plan, relating to a Recommended Seawater Desalination Water Management Strategy; and authorizing the Executive Administrator to post notice for a public hearing for an associated amendment to the 2012 State Water Plan

ACTION REQUESTED

Approve the adopted minor amendment to the 2011 Region L Regional Water Plan; and, authorize TWDB staff to develop the corresponding amendment to the 2012 State Water Plan, with associated public hearing, as appropriate per 31 TAC §357.51(f).

BACKGROUND

At the August 7, 2014 meeting of the South-Central Texas (Region L) Regional Water Planning Group, the group approved requesting a minor amendment determination from the Executive Administrator for a seawater desalination water management strategy (WMS) known as the Integrated Water Power Project (IWPP). This action was documented in a letter dated August 20, 2014, with further complete amendment material received September 5, 2014.

The IWPP WMS is a project to be sponsored by the Guadalupe-Blanco River Authority (GBRA). It has an online date of 2020 and will provide up to 100,000 acre-feet of water per year through 2070 to the Authority’s steam-electric power generation and municipal customers. The capital cost associated with the strategy is \$1.28 billion.

The IWPP includes the addition of a seawater desalination facility co-located with a future power generation facility in Calhoun County. This facility will have an off-shore intake for seawater from the Gulf of Mexico to a 98.2 MGD reverse osmosis water treatment plant near Port O’Conner. The treated water will be delivered to the proposed GBRA Mid-Basin Project area

(approximately 141 transmission miles) for potential future municipal and industrial uses. The waste concentrate will be discharged 10 miles off-shore into the Gulf.

The Executive Administrator made a determination that adding the IWPP as a recommended WMS constitutes a minor amendment under 31 TAC §357.51(c), based on the amendment having met the following criteria:

1. Does not result in over-allocation of an existing or planned source of water;
2. Does not relate to a new reservoir;
3. Does not have a significant effect on instream flows, environmental flows or freshwater flows to bays and estuaries;
4. Does not have a significant substantive impact on water planning or previously adopted management strategies; and,
5. Does not delete or change any legal requirements of the plan.

The Executive Administrator provided a written response to the Region L Regional Water Planning Group for this minor amendment determination on October 21, 2014 (Attachment A). Region L adopted the minor amendment at their November 6, 2014 meeting. Following this adoption, a two-week public comment period was held and no public comments were received. No revision to the proposed minor amendment was found to be necessary by the regional water planning group.

KEY ISSUES

1. The Region L Regional Water Planning Group submitted to the TWDB following the November 6, 2014 planning group meeting the required written documentation of their adopted minor amendment, including comments received, and an addendum to the current 2011 Region L Water Plan (Attachment B).
2. The Executive Administrator has reviewed the adopted amendment and determined that statutory and rule requirements have been met.
3. If approved, an associated amendment to the 2012 State Water Plan will be presented for the Board's consideration following a 30-day notice period and public hearing in accordance with 31TAC §358.4 (a).

RECOMMENDATION

The Executive Administrator recommends approval of this item.

This recommendation has been reviewed by legal counsel and complies with applicable statutes and Board rules.

Les Trobman, General Counsel

Attachments:

- A. October 21, 2014 Executive Administrator Minor Amendment Determination Response Letter
- B. Minor amendment documentation, including the addendum to the 2011 Region L Regional Water Plan

Texas Water Development Board

P.O. Box 13231, 1700 N. Congress Ave.
Austin, TX 78711-3231, www.twdb.texas.gov
Phone (512) 463-7847, Fax (512) 475-2053

October 21, 2014

Mr. Con Mims
Region L Chair
Nueces River Authority
200 E. Nopal, Suite 206
Uvalde, Texas 78802

Re: Region L's written request, received August 20, 2014, for approval of a minor amendment to the 2011 Region L Regional Water Plan for the Guadalupe-Blanco River Authority (GBRA) Integrated Water Power Project (IWPP) as a new recommended water management strategy under 31 TAC §357.51(c).

Dear Chairman Mims:

The Texas Water Development Board (TWDB) has reviewed Region L's request for a minor amendment determination for the GBRA's Integrated Water-Power Project. According to the information submitted to TWDB, staff understands that the proposed amendment to the 2011 Region L Regional Water Plan:

- would assume delivery of 50,000 acre-feet/year of the total 100,000 acre-feet/year supply to Gonzales County;
- does not include in the \$2,290 per acre-foot unit cost the additional costs of infrastructure that would be required to deliver the Gonzales County supply volume to water user groups; and,
- would not involve assignment of any portion of the additional Gonzalez County or Calhoun County water supply volumes to specific municipal or other water user groups in the regional plan (or, accordingly, the state water planning database (DB12)).

Based on Region L's request and supporting materials, TWDB has determined that adding GBRA's Integrated Water-Power Project as a recommended water management strategy constitutes a minor amendment under 31 TAC §357.51(c). If Region L adopts the proposed minor amendment, Region L will need to:

1. Provide the (TWDB) with documentation of the planning group action adopting this water management strategy as a minor amendment;
2. Issue and distribute an addendum to the 2011 Region L Regional Water Plan updating the plan accordingly;
3. Provide TWDB with corrected DB12 data to reflect all the associated changes to the 2011 Region L Regional Water Plan and the 2012 State Water Plan; and,

<p>Our Mission : To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas</p>	<p>Board Members Carlos Rubinstein, Chairman Bech Bruun, Member Kathleen Jackson, Member Kevin Patteson, Executive Administrator</p>
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4. Request that the Guadalupe-Blanco River Authority obtain a web link from TWDB staff in order to fill out an associated online Infrastructure Financing Survey regarding how the entity plans to finance the projects associated with the amendment.

If Region L makes any substantive changes to the project components or configuration during the minor amendment process, TWDB will need to review the modified proposed amendment to ensure that the modified project still meets all of the criteria under 31 TAC §357.51(c).

If you have any questions concerning this approval or its associated requirements, please contact David Meesey, the Board's designated regional water planning project manager for this region.

Sincerely,



Kevin Patteson
Executive Administrator

cc: Ms. Suzanne Scott, General Manager
San Antonio River Authority
100 Guenther Street
San Antonio, Texas 78283-0027
David Meesey, TWDB

ATTACHMENT B

Minor Amendment Documentation of Submittal



Region L
South Central Texas Regional Water Planning Group

c/o San Antonio River Authority
P.O. Box 839980
San Antonio, Texas 78283-9980

(210) 227-1373 Office
(210) 302-3692 Fax
www.RegionLTexas.org

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Municipalities
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Public
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River Authorities

November 24, 2014

David Meesey
Texas Water Development Board
1700 North Congress Avenue
P.O. Box 13231
Austin, TX 78711-3231

RE: Region L 2012 State Water Plan Amendment Request (GBRA Integrated Water-Power Project Minor Amendment)

Dear Mr. Meesey:

Over the past several months, the South Central Texas Regional Water Planning Group (Region L) considered changes to its 2011 Regional Water Plan.

In a letter dated April 30, 2014, the Guadalupe-Blanco River Authority (GBRA), a Wholesale Water Provider and Region L member, requested the support of the Planning Group of its proposal to add the Integrated Water-Power Project, formerly known as the GBRA Seawater Desalination Project, as a recommended water management strategy in the 2011 Regional Water Plan by way of minor amendment (enclosed).

At its August 7, 2014, meeting, the Planning Group authorized the San Antonio River Authority (SARA), as Administrator for Region L, to submit a request to the Executive Administrator of the Texas Water Development Board (TWDB) for pre-adoption review to determine whether the proposed amendment constitutes a minor amendment. In a letter dated August 20, 2014, I requested the pre-determination approval (enclosed). After reviewing the project package, the Executive Administrator confirmed in writing that adding GBRA's Integrated Water-Power Project as a recommended water management strategy to the 2011 Region L Regional Water Plan would constitute a minor amendment (enclosed).

Accordingly, on November 6, 2014, the Region L Planning Group held a public meeting. The meeting consisted of 1) a presentation by the technical consultants on the GBRA Integrated Water-Power Project as a minor amendment to the 2011 Region L Regional Water Plan, 2) a brief discussion among planning group members, and 3) an opportunity for public comment. During the public meeting, the planning group noted that the period for public comment would remain open until at least fourteen days after the public meeting, and to contact Cole Ruiz, San Antonio River Authority, for submittal of public comments. Mr. Ruiz's contact information was provided at the meeting and posted in accordance with 31 Tex. Admin. Code Section 357.21 two weeks prior to holding the public meeting. No public comments were submitted.

On November 6, 2014, the Region L Planning Group also held its regularly scheduled meeting, where the planning group approved amending the 2011 Region L Regional



c/o San Antonio River Authority
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San Antonio, Texas 78283-9980

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GMA 7
John Kight
Counties
Russell Labus
Water Districts
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Industries
Doug McGockey
Small Business
Dan Meyer
GMA 10
Iliana Peña
Environmental
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Water Plan to include GBRA's Integrated Water-Power Project as a recommended water management strategy. Additionally, the Regional L Planning Group authorized SARA, as the Administrator, to request TWDB to amend the 2012 State Water Plan by including GBRA's Integrated Water-Power Project as a recommended water management strategy.

Enclosed is the complete minor amendment package. This is Region L's request that GBRA's Integrated Water-Power Project be included as a recommended water management strategy in the 2012 State Water Plan.

Sincerely,

Con Mims
Chair, Region L

Enclosures: Volume I – Tracked or highlighted changes to the Executive Summary; Sections 4.B.1, 4.B.3, and 7; and Appendix D Tables 1, 2, and 3.
Volume II – New Section 4.C.37 (technical evaluation) and tracked changes to the Table of Contents.
Database – Additions to DB12.
Correspondence - GBRA Minor Amendment Request 4-30-2014; GBRA Seawater Desalination Response 5-13-2014; Amendment Request EA Determination (GBRA Integrated Water Power Project Proposed Minor Amendment); and TWDB Letter re Reg L request for minor amendment 10-21-14.

cc: Temple McKinnon, Regional Water Planning (TWDB)
Steve Raabe, PE, Director, Technical Services (SARA)
Brian Perkins, PE, Water Resources Engineer, HDR Engineering, Inc.