

**Texas Commission on Environmental Quality
Water Districts Stakeholder Workgroup Meeting Notes**

April 6, 2018

- I. Welcome/Introductions – Cari-Michel La Caille, Director Water Supply Division and L’Oreal Stepney, P.E., Deputy Director Office of Water**
- Welcomed stakeholders to meeting and discussed the purpose and goals of the meeting.
 - Stakeholders and TCEQ attendees introduced themselves.
- II. Open Discussion**
- **Pre-Purchase Region Inspection – Ramiro Garcia – Deputy Director Office of Compliance and Enforcement (OCE)**
 - Ramiro Garcia discussed stakeholders’ concerns regarding documentation needed by the various Regional offices to schedule a pre-purchase inspection and staffing issues for district pre-purchase inspections in the Houston Region.
 - OCE stated they are looking at what documentation is currently being required by Regional offices and would like to work with stakeholders to develop standard requirements across the Regional offices.
 - OCE stated they will look at resource allocation in the Houston Region and provide feedback to stakeholders.
 - **Discussion Point - Pre-Purchase Inspection Stakeholder Question**
 - Stakeholders discussed that they would like TCEQ to consider the district engineer report to be sufficient so that a Regional office pre-purchase inspection would not be required
 - Stakeholders requested that TCEQ explore the process to incorporate a BAN Purchase of Facilities request/approval into the administrative review process via the DAC letter
 - TCEQ OCE staff stated they will look into those recommendations and provide information at a future stakeholder meeting.
- III. Status of Action Items**
- **Regulatory Guidance (RG) – Cari-Michel La Caille**
 - Informed stakeholders of the location of TCEQ’s webpages where both published and draft RG documents for Districts can be found:
 - Published RGs are available on the Districts webpage at <https://www.tceq.texas.gov/waterdistricts/rules-forms.html>
 - Draft RGs are available on the Water Districts Advisory Workgroup webpage located at <https://www.tceq.texas.gov/drinkingwater/diawg.html>.
 - TCEQ requested that stakeholders provide comments on any of the draft RGs by May 11, 2018 to the Districts_SG@tceq.texas.gov web box. Stakeholders were also asked to provide input on any preferences for prioritizing updates and revisions to published RGs, if any new RGs

needed to be developed, and if any draft or published RGs were no longer needed.

- **Water Districts Database – Cari-Michel La Caille**
 - Discussed TCEQ efforts to provide more milestone information in iWDD (Districts Database) to provide additional information on the status of each application(s).
 - **Discussion Point**
 - Stakeholders stated they would also like TCEQ to be a robust data repository that is user friendly, instead of each district having their own web page.
 - TCEQ stated that this would be a large information technology project and is not be feasible at this time.
- **Consent Letter Recommendations – Cari-Michel La Caille**
 - TCEQ provided a draft update to the consent letter which addressed the stakeholder request of adding a third check box for the district to agree to the technical memo with minor changes and clarifications as noted by the district.
 - **Discussion Point**
 - Stakeholders stated they would like a fourth box check box to indicate there were disputed costs/policy interpretations and to allow for future consideration in subsequent bond applications.
 - TCEQ expressed the desire to continue working with the stakeholders during the initial review process to resolve disputed costs, but would consider the option suggested by stakeholders and provide an updated draft consent letter.
 - **Discussion Point**
 - Stakeholder inquired if TCEQ had a minimum or set limit on when TCEQ will reduce a bond or move to bond issuance expense.
 - TCEQ stated that there is no set limit and that they will work with applicant on course of action.
- **Bond Application Report Format (BARF) – Cari-Michel La Caille**
 - TCEQ provided a list of TCEQ recommendations for updates to the BARF.
 - Stakeholders provided a list of recommendations for updates to the BARF.
 - **Discussion Point**
 - Stakeholders stated they would like to consolidate and restructure the BARF.
 - Stakeholder recommendations discussed during the meeting included:
 - Changing the BARF format to focus the information for evaluating if the bond is financially feasible, needed, can be paid for by the tax rate, and issued for the correct projects.
 - Lowering the wastewater flow factor (*Stakeholders referred to 30 TAC 217 for wastewater flow factor.*)

- Add additional language in Section 8, clarifying the BAN section.
- Ability to submit bond applications electronically
- Ability to submit application payment electronically
- TCEQ stated that, at this time, it is not feasible to submit a complete bond application electronically because of constraints on receiving and storing large files, and limitations of viewing documents during review. TCEQ staff will evaluate if portions of the application can be submitted electronically.
- TCEQ stated that paying application fees online is a possibility and would work with the TCEQ Financial Division to offer this option. Stated that TCEQ staff would send out an email with instructions once completed.

IV. **New Items**

- **Bond Proceeds Fee – Cari-Michele La Caille**

- Provided update noting that some districts are paying the bond proceeds fee late and not paying interest and penalties. Once the online payment option is available TCEQ will send out a reminder letter with instructions.
- **Discussion Point**
 - Stakeholders mentioned that they could communicate with financial consultants to include instructions at bond sale closings that would incorporate the bond proceeds fee payment to TCEQ at time of closing.

V. **Future Stakeholder Workgroup Meetings**

- TCEQ Staff provided proposed dates for future meetings:
 - May 25th (Recommend moving this one due conflicts)
 - July 27th (Recommend moving this one due conflicts)
 - Friday, September 28th
 - Friday, November 30th
- **Discussion Point**
 - TCEQ staff and stakeholder rescheduled the May 25th meeting to June 1st due to Memorial Day holiday and to accommodate schedules.
 - TCEQ staff and stakeholder discussed moving the July 27th meeting due to schedule conflicts. A date was not agreed upon.
 - Stakeholders requested that future meetings occur between the 10:00AM-1:00PM timeframe to accommodate travel and schedules.
 - TCEQ stated that they could accommodate the request 10:00AM-1:00PM timeframe for future meetings.
- **TCEQ Action Items**
 - Provide an updated draft consent letter

- Continue to work with stakeholders to revise and update BARF information and formatting
- TCEQ staff will evaluate if portions of bond applications can be submitted electronically
- TCEQ staff will add application filing fees to the electronic payment (ePay) system and send out an email with instructions

Note: The June 1st date had to be rescheduled for June 8th after the April 6 Stakeholder Meeting due to scheduling conflicts.