

Texas Commission on Environmental Quality
Water Districts Stakeholder Workgroup Meeting Notes

June 8, 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 meetings.
 - Introduced Ramiro Garcia, Office of Compliance and Enforcement Deputy Director, and Kelly Keel Linden, Coastal and East Texas Area Director
 - **Discussion Point:**
 - Mr. Garcia spoke with stakeholders about the meeting for TCEQ regional staff and local stakeholders scheduled at 10 AM July 19 at the Association of Water Board Directors (AWBD) Office in Houston.
 - Noted meeting information available at the entry table, discussed general housekeeping items, and thanked staff for online payment progress.
 - **Discussion Point:**
 - TCEQ notified the stakeholders that all District filing fees and the Bond Proceeds Fees can now be paid online using ePay.
 - New Districts Section employees were introduced and spoke briefly on their duties and contributions.
 - Randy Waclawczyk, Districts Bond Team Leader
 - Chris Jones, Districts Financial Auditor
 - Elizabeth Flores, Districts Creation Review Team Leader
- II. Status of Action Items**
- **New Online Payment Capability for Filing and Bond Proceeds Fees Overview – Jacolyn Saldaña, WSD Special Assistant**
 - Overview on accessing and using TCEQ ePay to pay filing fees for district applications and the bond proceeds fees online was given.
 - **Regulatory Guidance (RG) Status – Cari-Michel La Caille**
 - Discussed some contradictory comments received regarding RGs and the possibility to dedicate time to further discuss what the stakeholders need in the RGS.
 - **Discussion Point:**
 - Stakeholder discussed issues regarding maintenance tax not working on the operating side, lack of standard coverage percentage, and operating funds frequently changing on opposing sides.
 - Stakeholder discussed issues regarding the lack of benefit to submitting a no growth vs. a growth bond application.
 - TCEQ and stakeholders will reevaluate the value and purpose of various RGs.

- Stakeholder requested a formal email to confirm the status of the RGs.
 - TCEQ will provide a list identifying which RGs are currently in use and which are in draft status.
 - TCEQ asked stakeholders if they believed that changes to rule language would better address some of the issues rather than RGS.
 - Stakeholders stated that some rules need clarification.
 - TCEQ asked that if stakeholders have any recommended changes they submit them in writing via email.
- **Water Districts Database Status – Cari-Michel La Caille**
 - Discussed that TCEQ is in the process of making modifications to the Water Districts Database to display additional information on application status.
 - Discussed the potential to create reports for districts to more easily access information on application status.
 - Discussed future changes to database structure on the horizon and informed stakeholders that TCEQ will seek their input when the time comes for database replacement.
- **New Consent Letter for Stakeholder Review – Chris Ulmann, Districts Section Manager**
 - Discussed the addition of the option to give consent to “proceed with issuing the order as drafted and understand that the objections will be addressed in a subsequent application” to the Consent Letter.
 - Stakeholders confirmed their agreement with the changes and an agreement was made to start using the letter immediately.
 - **Discussion Point:**
 - Stakeholders asked that TCEQ also include the engineer on Consent Letter emails to the attorney.
 - TCEQ agreed that they could comply with the request.
- **New Purchase of Facilities/BAN TCEQ Process Change for Stakeholder Review, Chris Ulmann**
 - Discussed approval process and letter changes for Bond Anticipation Note (BAN) Purchase of Facilities (PoF) applications including:
 - The BAN PoF approval will be included in the Districts Administrative Complete (DAC) letter, which will be valid for 120 days from the DAC letter date.
 - A separate application for a PoF associated with a BAN will no longer be required.
 - Applicants will not have to come back to the Districts Section for approval after regional PoF investigation if no deficiencies are noted.
 - Stakeholders agreed to the process and letter changes.
 - **Discussion Point:**

- Stakeholders requested that TCEQ send out a letter to the stakeholder group to memorialize the changes and serve as record of the occurrence.
- TCEQ stated that once the meeting notes were approved, they would be posted to the website for all to download and keep for their own records.
- Stakeholder stated that they were concerned that the notes would at some point no longer be available online.
- TCEQ stated that the notes will have no retention policy and will therefore remain online indefinitely.
- **Discussion Point:**
 - TCEQ asked if engineers should also be copied on the BAN & purchase of facilities approval letter via email.
 - Stakeholders suggested TCEQ follow the BAN CC list format when sending out email and approved using an electronic letter via email.
- TCEQ introduced Susan Jablonski, Office of Compliance and Enforcement, Central Texas Area Director (Waco, Austin, and San Antonio) to Stakeholder Workgroup assembled.

III. Open Discussion

- **Discussion Point - Bond Application Report Format (BARF)**
 - Stakeholder discussed and gave comments for Sections 1-3 and Section 7a and 7b.
 - TCEQ asked stakeholders what they thought about the BARF form and changes being made.
 - Stakeholders stated that some firms need more time to review the changes.
 - TCEQ stated they would work with the stakeholders to allow more time for review.
 - Stakeholders suggested picking out a couple of districts to act as beta testers for the new form.
 - TCEQ agreed to using a beta testing group for new form before implementation.
 - TCEQ stated that it is TCEQ's goal to create a form that will help the districts but also help the TCEQ reviewer to be as efficient as possible.
 - TCEQ stated that they would like feedback on the current process and if it needs to be defined or not.
 - Stakeholders expressed their thanks for TCEQ working with them and addressing their concerns.
- **Discussion Point - BARF Subcommittee**
 - TCEQ and stakeholders discussed the need to create a subcommittee to finish working on updating the BARF to promote efficiency.
 - Stakeholders will choose subcommittee and notify TCEQ.

- Discussed Sections 4 and 5 of the BARF and agreed that these sections would need to be worked on first by the subcommittee.
 - Stakeholders stated that the subcommittee, once formed, will draft its suggested changes and submit to TCEQ for review.
- ***Discussion Point - Electronic BARF Form***
 - TCEQ presented a draft BARF form and discussed with stakeholders the possibility of making it an online form.
 - Stakeholders agreed to beta test the form and added that the districts attorneys and engineers should also test.
 - TCEQ stated that the form would provide efficiency and quicker application review.
 - Stakeholders stated they are all in favor of making the process more efficient.
- ***Discussion Point - Electronic Application Submittal***
 - Stakeholders discussed the possibility of submitting applications to TCEQ electronically.
 - TCEQ expressed some concerns with electronic submittal including the cost to TCEQ of printing documents during review process and server space issues with storing large files.
 - TCEQ will meet and discuss what parts of the application would need to be submitted as a hard copy and which could be accepted electronically and how those files can be submitted.
- ***Discussion Point - Water Districts Map Viewer***
 - TCEQ discussed the need for an easier way of obtaining district boundary information in a format that can be used to update the Water Districts Map Viewer.
 - TCEQ discussed the need for district boundary information prior to the confirmation election or first bond application.
 - TCEQ discussed the option of exporting files from Computer-aided design (CAD) software to a format usable in geographic information system (GIS) software (i.e. .SHP).
 - Stakeholders stated they can work with engineers to get these files to TCEQ.
 - TCEQ discussed adding a line in the Districts information form that GIS data must be submitted to TCEQ electronically.
- ***Discussion Point - Bond Proceeds Fee (BPF)***
 - TCEQ discussed with stakeholders the possibility of sending out a reminder email or letter concerning the BPF owed to the TCEQ, as well as late payment penalties and interest.
 - Stakeholders requested a list of their districts who have not paid the BPF so that they can reach out to them.
 - TCEQ discussed that they may not be able to pull a list of districts by stakeholder or attorney.
 - Stakeholders agreed to send a list of their existing district clients to TCEQ to be cross-referenced with TCEQ's database.

- TCEQ staff agreed that with a list of districts they could inform the stakeholders of which of their clients owe for BPF or corresponding penalties and interest for late payment.
- **Discussion Point - Training and education between stakeholders and TCEQ**
 - TCEQ offered time in the next agenda for stakeholders to send in representatives to present on their duties and contributions to the application process.
 - TCEQ suggested scheduling time at the end of the agenda to accommodate external training provided by stakeholders.
 - Stakeholders suggested sending TCEQ staff to the AWBD Municipal Utility District (MUD) 101 for training.
 - Stakeholders discussed sending TCEQ educational material from consultants.
 - TCEQ stated they were interested in learning more about the financial side, audits, and bond application and bond sale process from the districts' side.
 - Stakeholders discussed the possibility of sending in consultants to do presentation for TCEQ staff or for TCEQ staff to be sent to regional presentations.
 - Stakeholders proposed a “brown bag” lunch with developers to discuss how they pick a project and the process.

IV. Future Stakeholder Workgroup Meetings

- **Discussion Point**
 - Stakeholders recommended cancelling the future August 3rd and November 30th meetings as to give the BARF Subcommittee time to work on the BARF.
 - The next Water Districts Stakeholder Workgroup Meeting is scheduled for Friday, September 28.
- **TCEQ Action Items**
 - TCEQ will provide a list of RGs currently in use on the website.
 - TCEQ will copy engineers on Consent Letter emails to the attorneys.
 - TCEQ will meet and discuss what parts of the application would need to be submitted as a hard copy and which could be accepted electronically and how.
- **Stakeholder Action Items**
 - Stakeholders agreed to send a list of their existing district clients to TCEQ to be cross-referenced with TCEQ's database and Bond Proceeds Fee late payers list
 - Stakeholders agreed to form a BARF Subcommittee and submit suggestions to TCEQ before next meeting on September 28th
 - Stakeholders agreed to schedule District Auditor to come train TCEQ staff at August meeting

- Stakeholders agreed to schedule additional training sessions for TCEQ staff
- Stakeholders agreed to work with their engineers to get the GIS files to TCEQ for the Water Districts Map Viewer
- Stakeholders agreed to review draft RGs further decide which are still necessary or can be addressed otherwise
- Stakeholders agreed to submit suggestions for any rule changes that would improve clarification to TCEQ

Note: After this meeting, TCEQ received a follow up email from stakeholders requesting that TCEQ keep the August and November meeting times as educational only meetings. A district auditor is scheduled to come present for TCEQ staff on August 24th.