

Texas Commission on Environmental Quality
Water Districts Stakeholder Workgroup Meeting Notes

September 28, 2018

- I. Welcome/Introductions – Chris Ulmann, P.E., Districts Section Manager, Cari-Michel La Caille, Water Supply Division Director, 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 new staff, described new staff roles, and relayed that the Districts Section is almost fully staffed.
 - TCEQ shared slides with the number of expedited and regular major applications reviewed by the Districts Section.
 - **Discussion Point:**
 - TCEQ noted the importance of time frame expectations and that the majority of TCEQ staff’s work load involves communicating with districts for additional information or documents.
 - Stakeholder stated that it would be helpful to always copy the attorney on communications with district engineers, in case someone is out for an extended period.
 - TCEQ stated that they have been working to ensure that they are including attorneys on the emails and will continue to do so moving forward.
- II. Status of Action Items**
- **Water Districts Database Status Fields – Chris Ulmann, Districts Section Manager**
 - TCEQ stated they are currently testing additional tracking fields in the Water Districts Database (WDD).
 - TCEQ stated that once testing has been completed, the TCEQ will begin drafting a report Districts Stakeholders can run to more easily access application status information.
- III. Open Discussion**
- **Discussion Point - Bond Proceeds Fee (BPF)**
 - TCEQ discussed the importance of timely payment of the BPF.
 - TCEQ stated there have been about 12% of districts paying the BPF late on average.
 - TCEQ stated that after an audit of the program, the Financial Administration Division (FAD) will be taking over late penalties and interest for the fee as of January 2019.
 - TCEQ stated that they will begin contacting the districts one week prior to the proposed sale date, retrieved from the Municipal Advisory Council

- (MAC) of Texas website, to remind the district that the BPF is due within 7 business days of the delivery date of the bond proceeds.
- Stakeholders suggested working with the fiscal agents to add the TCEQ to the closing letters to districts.
 - Stakeholders discussed successes and issues when wiring the BPF to TCEQ and noted the importance of using the correct fax number when sending backup documentation to FAD.
 - Stakeholders requested that the district's attorney be copied on any invoice sent to the districts for late payment of the BPF.
 - TCEQ agreed to copy the district attorneys on BPF invoices.
 - Stakeholders requested that the ACH and Wire transfers be separated into two separate categories and that the payment options/instructions be posted on the website.
 - TCEQ agreed to make the requested changes and post them to the website.
- ***Discussion Point - Purchase of Facilities/BAN DAC Letter Update***
 - TCEQ stated that it they will move forward with using the new letter starting October 01, 2018.
 - TCEQ stated that a draft of the letter has been shared with the regions and that they have been notified of the process changes, as discussed in the June 08, 2018 Stakeholder Meeting.
 - ***Discussion Point - District GIS Files for Mapping***
 - TCEQ stated there are quality issues with some of the paper metes and bounds received from districts. An example of illegible metes and bounds was shared with the stakeholders.
 - TCEQ noted issues with some metes and bounds that do not close or do not have a defined location to place on the map when trying to include in the GIS based Water Districts Map Viewer.
 - TCEQ stated that the Water Districts Map Viewer is often used by the Texas Legislature and is used by the Public Utilities Commission (PUC) when ensuring that a Certificate of Convenience and Necessity (CCN) does not cross into a district boundary.
 - TCEQ provided a handout outlining the requirements for electronic submittal of mapping data for upload into the GIS Water Districts Map Viewer.
 - Stakeholders stated they could provide the information electronically, but that the boundaries of the district would not be as accurate as a survey metes and bounds.
 - Stakeholders stated they would need information on how and when TCEQ needs the information.
 - TCEQ stated they would develop a process if the districts would work with them on getting the data in electronically.
 - Stakeholders stated that they would send in sample MUD mapping data for testing.

- Stakeholders stated that since the boundaries would not be exact, the Water Districts Map Viewer may show some overlap of boundaries that are not correct.
 - TCEQ stated that they would consider a disclaimer statement for the Water Districts Map Viewer for these instances.
- ***Discussion Point - Regulatory Guidance (RG)***
 - TCEQ stated that they have opened up RG-491 “Purchase of Facilities” and RG-490 “Directives for Districts to Escrow or to Not Expend Funds” for review and update.
 - TCEQ stated they would email stakeholders to notify them when the drafts updates have been posted to the Workgroup website for stakeholder review.
 - TCEQ stated there were mixed responses from stakeholders on the draft proposed draft RGs currently posted to the Workgroup website and asked if stakeholders felt that the draft proposed RGs were still needed.
 - Stakeholders stated that those RGs were no longer necessary.
 - TCEQ and stakeholders agreed that the RGs would be archived.
 - TCEQ stated they would leave the drafts available on the Workgroup website for a few more weeks for stakeholders and then remove them from the site if no comments were received.
- ***Discussion Point - Bond Application Review Format (BARF)***
 - TCEQ asked stakeholders how they would like to move forward with the Bond Application Review Format (BARF) review project.
 - Stakeholders stated that they want to move forward with the project but not too quickly.
 - Stakeholders stated that they would like to get together as a subcommittee.
 - Stakeholders stated that they want to know TCEQ’s proposed changes to the BARF.
 - TCEQ agreed and said that their goal is the streamline the process.
- ***Discussion Point - Training and education between stakeholders and TCEQ***
 - TCEQ and stakeholders discussed potential opportunities for an external district financial advisor or developer to come to TCEQ and led a training session for TCEQ staff.
 - TCEQ and stakeholders discussed having a shortened version of the Director 101 training for TCEQ staff.
 - TCEQ stated they would offer a few dates before the holidays to schedule training.
- ***Discussion Point – Liberty County***
 - Stakeholders discussed concerns with the lower tax rate in Liberty County which would result in a lower standard of development.
 - TCEQ stated that the stakeholders could submit a petition to the TCEQ for a rule change. If this is pursued, TCEQ recommended that the stakeholders work together to develop a petition clearly indicating the proposed intent.

- **Discussion Point – Obtaining Facilities Information for Public Water Systems**
 - Stakeholders stated that the BARF requires pumping, capacity, and infrastructure information for public water systems (PWS), but the information is no longer available on iWDD and cities are reluctant to share this information.
 - TCEQ stated that PWS data are now kept in the Safe Drinking Water Information System (SDWIS) for Federal Reporting and that districts could view PWS information on the Texas Drinking Water Watch (DWW) website.
 - TCEQ is working on getting Comprehensive Compliance Investigation (CCI) information from regional offices entered into SDWIS.
 - TCEQ stated that CCIs are conducted every 3 to 5 years and WSD staff can assist a district with accessing the most current information.
- **Discussion Point – Electronic Submittal of Financial Audits**
 - Stakeholders stated that they have recently been getting emails that they cannot submit their financial audits electronically.
 - TCEQ stated that whenever they receive a financial audit electronically, they must print a copy for the Central File Room (CFR).
 - TCEQ stated that electronic storage capacity is also becoming an issue.
 - TCEQ stated they would coordinate with CFR to determine if electronically submitted documents can be accepted and will notify the stakeholders of the necessary format.

IV. Future Stakeholder Workgroup Meetings

- **Discussion Point**
 - TCEQ and stakeholders discussed the need for smaller subcommittee meetings focused on the BARF.
- **TCEQ Action Items**
 - TCEQ will copy the district attorneys on BPF invoices
 - TCEQ will separate the Wire and ACH instructions on the options to pay and post the documents to the website.
 - TCEQ will begin using the new DAC/BAN letter starting October 01, 2018.
 - TCEQ will work to develop a process for districts to submit district boundary data electronically.
 - TCEQ will notify district stakeholders via email when the draft updates to RG-490 and RG-491 are posted to the stakeholder website.
 - TCEQ will share their proposed changes to the BARF at the BARF subcommittee meetings.
 - TCEQ will leave the draft unpublished RGs on the website for a few weeks and then remove if no comments are received.
 - TCEQ will share their proposed changes to the BARF at future Stakeholder BARF Subcommittee meetings.
 - TCEQ will offer a few dates before the holidays to schedule training.
 - TCEQ will check with CFR on if they can accept financial audits electronically and will notify the stakeholders.

- **Stakeholder Action Items**

- Stakeholders will work with district financial agents to have the TCEQ BPF payment directions added to their closing letters to the districts.
- Stakeholders will send MUD mapping data for TCEQ to test uploading into the Water Districts Map Viewer.
- Stakeholders will review the BARF as a smaller subcommittee and submit suggestions to TCEQ.
- Stakeholders will coordinate with TCEQ to schedule future staff training sessions.