

Study Commission on Region C Water Supply
MINUTES OF AN OPEN PUBLIC MEETING
March 11, 2010

The Study Commission on Region C Water Supply (Study Commission) met in an open public meeting on Thursday, March 11, 2010, at 10:00 A.M.. The meeting was held in the McDermott Library at the University of Texas at Dallas in Richardson, Texas. Notice of the meeting was legally posted.

I. CALL TO ORDER

Senator Florence Shapiro called the meeting to order at approximately 10:05 A.M.

II. WELCOME/INTRODUCTION

The following members were in attendance:

The Honorable Florence Shapiro
The Honorable Stephen Frost

Mr. Thomas Duckert
Mr. Richard LeTourneau
Mr. Jim Parks

A representative for Senator Kevin Eltife, Travis Ransom, was in attendance. Texas Water Development Board (TWDB) staff included: Executive Director Kevin Ward, Dan Hardin and Temple McKinnon. David Harkins attended as a representative of Espey Consultants. Northeast Texas Municipal Water District Executive Director Walt Sears was also in attendance.

The registration lists signed by guests in attendance are attached.

III. ACTION ITEMS FOR CONSIDERATION

a. APPROVAL OF MINUTES OF NOVEMBER 20, 2009 MEETING

On a motion by Jim Parks and a second by Tom Duckert, the Study Commission unanimously adopted the minutes from the November 20, 2009, meeting.

IV. DISCUSSION ITEMS

- a. PRESENTATION BY USACE CONCERNING MITIGATION REQUIREMENTS OF THE UNITED STATES ARMY CORPS OF ENGINEERS RELATING TO ANY NEW RESERVOIR PROJECT, INCLUDING IDENTIFYING POTENTIAL MITIGATION SITES. (SOW TASK 4.1)

Meg Gaffney-Smith, Chief of the USACE Regulatory Branch, presented the Corps' approach to mitigation. Corps-approved mitigation is required for any project that involves unavoidable impacts to navigable waters in the United States. Ms. Gaffney-Smith emphasized that no absolute method for mitigation exists, because mitigation is project-specific.

In 2008, the Corps adopted a new rule regarding mitigation. The intent of the rule is to allow for more flexibility while meeting a "no net loss" of wetlands goal and balancing public interest. Mitigation is achieved by restoration, creation, enhancement or preservation of aquatic resources.

Formerly, mitigation was preferred to be "on-site" and "in-kind." Thus, the options for mitigation were limited in scope. The 2008 rule allows the Corps to make its permitting decisions based on the broader watershed, and focus on what mitigation solutions will provide the same ecological function within a watershed. The emphasis is on long term protection and monitoring.

Ms. Gaffney-Smith indicated that the key for any project will be the "mitigation sequence," where the project developer must avoid any adverse effects to wetlands, minimize impacts, and compensate any unavoidable impacts. The mitigation sequence increases the importance of continual communication with USACE throughout project planning and construction.

She also discussed the three sources of mitigation: permittee-responsible mitigation, mitigation banks and in-lieu-fee programs. Members of the Commission posed several questions about these sources, asking which would be appropriate for proposed reservoirs and reservoir expansions in North Texas. Stephen Brooks, Chief of the Fort Worth District's Regulatory Branch, also stated that the Corps has not yet permitted any large projects in Texas under the 2008 rule.

Members asked if the Corps has permitted a project requiring the replacement of a mitigation area like White Oak Creek. Jennifer Walker, Chief of the Permits Section of the Fort Worth District's Regulatory Branch, stated that USACE has not dealt with this issue on such a large scale.

- b. PRESENTATION BY USACE CONCERNING WHETHER THE MITIGATION BURDEN MAY BE SHARED BY THE REGIONS C AND D REGIONAL WATER PLANNING AREAS IN PROPORTION TO THE ALLOCATION TO EACH REGION, OF WATER FROM ANY PROPOSED RESERVOIR PROJECT. (SOW TASK 5.1)

Ms. Walker indicated that while Regions C and D can both contribute to a mitigation plan in any way they see fit, only the permit applicant is responsible for the mitigation. The Corps does not consider interlocal agreements.

c. PRESENTATION BY USACE CONCERNING THE PURPOSE AND BENEFITS OF COMPLETING THE "SULPHUR RIVER BASIN FEASIBILITY STUDY" (SOW TASK 8.2)

Marcia Hackett, Chief of the Fort Worth District's Civil Programs, presented the Commission with the history concerning the Sulphur River Basin Feasibility Study (Study).

Congress authorized the Study in 1998 in order to look at the opportunities, problems and needs in the Sulphur River Basin. The Study requires a 50-50 match between federal and non-federal partners, and so is subject to Congressional appropriation. Up to 100 percent of the local sponsor's share can be work-in-kind.

The Corps received Congressional appropriation in 1999 for a reconnaissance study, the purpose of which was to justify federal interest and to identify non-federal sponsors. At that time, no non-federal sponsors were identified. The reconnaissance study was certified in 2004.

The Corps identified planning objectives, problems and opportunities related to the Sulphur Basin in the reconnaissance study. The Corps identified several problems: flooding issues; additional water supply needs; the logjam; water quality degradation; and degradation of aquatic and bottomland habitats.

Planning objectives and opportunities identified include: develop potential water supplies; analyze potential additional reservoirs; reduce flood frequency and velocity; reduce channel cutting in the North Sulphur River; and improve habitats and water quality.

The Corps and the Sabine River Basin Authority (SRBA) signed a Feasibility Cost Share Agreement in 2005, establishing the SRBA as the non-federal partner.

Ms. Hackett concluded that the major impediment to the Study is Congressional appropriation, given that the cost estimate for the Study was \$9.5 Million in 2005. However, the watershed-wide Study offers several benefits to stakeholders in Regions C and D. It would allow for more informed decisions by establishing baseline conditions. It would allow for alternatives to be compared "apples to apples." The Study would give fair and equitable consideration to economical, social and environmental impacts. The Study would ultimately assist in documentation required for the 404 permitting of any future water supply project in the Basin.

Members discussed obtaining appropriations from Congress, and the timeline associated with appropriation and completion of the Study. The Corps

estimated that an annual appropriation from Congress of \$800,000 would be needed, and that the Study could take approximately 3.5 years to complete.

d. POTENTIAL IMPACT TO THE TEXAS FOREST PRODUCTS INDUSTRY FROM RESERVOIR CONSTRUCTION

Charlie Gee, Texas Logging Council Coordinator for the Texas Forestry Association, testified as to the impact of reservoirs on the construction industry. Mr. Gee presented the importance of the timber industry to East Texas and to Texas itself. The timber industry contributes \$19.4 Billion to the Texas economy, with \$33.6 Billion as the total industry output. The timber industry also employs 78,000 Texans directly.

Mr. Gee maintained that additional reservoirs are not the final answer because of lost economic opportunity and wildlife impact. Additionally, reservoir construction displaces people.

The members asked Mr. Gee to provide the Commission information on details relating to the timber industry in the Sulphur River Basin including: acreage, potential displacement, mills in Northeast Texas, and other relevant information. Representative Frost, Mr. Duckert and Mr. Gee agreed to get this information.

e. PRESENT AND DISCUSS RESULTS OF STUDY COMPLETED FOR 2011 REGION C WATER PLAN, FOCUSING ON CURRENT CONSERVATION EFFORTS, ISSUES RELATED TO MEASUREMENT OF EFFECTIVENESS OF SPECIFIC MEASURES, IMPLEMENTATION RATES, AND RECOMMENDATIONS FOR ONGOING PLANNING EFFORTS. (SOW TASK 3.1).

Alan Plummer, president of Alan Plummer and Associates and consultant for Region C Regional Water Planning Group, presented the reuse and conservation strategies implemented in Region C and identified in the 2011 regional planning process. Mr. Plummer identified conservation and reuse as key strategies for Region C.

Mr. Plummer spoke about the difficulties of using gallons per capita per day (GPCD) to compare cities and regions. No standard methodology is in place, and different users are not adequately broken down.

Mr. Plummer shared a comparison of regions' 2006 municipal per capita water use. Region C's municipal GPCD was the second highest in the state, and Region D's GPCD was the fourth highest. By contrast, Region C's total per capita water use was the lowest in the state, and Region D's total use was about average.

Mr. Plummer noted that these numbers do not account for the differences between residential and industrial use. He presented a normalized residential GPCD for major Texas cities in 2007. Dallas ranked the highest, at 92 GPCD for residential users. Houston, by contrast was at 69 GPCD for residential users. San Antonio's residential GPCD was 86.

Members asked several questions about how the normalized GPCDs were calculated, and why they are so different from GPCDs usually associated with cities. Mr. Plummer agreed to provide the Commission with the following information: the GPCD breakdown among all users in Texas and the method used by San Antonio to calculate its GPCD.

- f. PRESENT AND DISCUSS RESULTS OF STUDY TO DETERMINE THE VOLUME OF WATER EXPECTED TO BE SAVED THROUGH CONSERVATION AND REUSE STRATEGIES TO BE IMPLEMENTED BY MUNICIPAL WATER USER GROUPS(WUG'S) IN REGION C. (SOW TASK 3.2)

Mr. Plummer discussed conservation's role in Region C's regional water plan. Since 2006, Region C has advanced 5 major reuse projects. Another project is scheduled for completion in 2010. Regional coordination and agreements have been key in the development of these reuse projects.

2060 projections in Region C's proposed 2011 regional water plan show Region C ahead of the rest of the state in reuse. Mr. Plummer pointed out that in 2010, Region C's reuse was greater than 200,000 acre-feet per year. This number is expected to grow to 665,000 in 2060. The 2011 Region C plan also projects a 30-35 percent reduction in municipal demand.

Members asked Mr. Plummer to help identify what data should be collected to better pinpoint possible water savings.

- g. PRESENT AND DISCUSS RESULTS OF WORK TO DETERMINE THE REMAINING WATER DEMAND FOR MUNICIPAL WUG'S WHICH WOULD BE ANTICIPATED TO BE MET FROM TRADITIONAL GROUND AND/OR SURFACE WATER SOURCES, AND THE EQUIVALENT GALLONS PER DAY (GPCD) DEMAND FOR WATER FROM THOSE SOURCES. (SOW TASK 3.3).

Dan Hardin, Director of TWDB's Water Resource Planning division, presented data on municipal demand and need from traditional water resources. In 2007, Texas user demand by group broke down as: 60 percent for irrigation; 26 percent for municipal; and 8 percent for manufacturing.

TWDB data shows that Region C will be responsible for 47 percent of all municipal conservation in Texas by 2060. By 2030, Region C will have implemented most of its conservation and reuse strategies and will meet 1/3 of its municipal demand through these strategies.

- h. PRESENT AND DISCUSS THE RESULTS OF WORK TO DETERMINE THE AMOUNT OF REDUCTION IN DEMAND WHICH WOULD BE NECESSARY TO FURTHER REDUCE THE REGION C GPCD TO LEVELS EQUIVALENT TO THE STATE AVERAGE GPCD AND TO THE REGION D AVERAGE GPCD. (SOW TASK 3.4)

Mr. Hardin testified that if Region C's GPCD were equal to that of Region D, there would still be remaining municipal needs of 750,000 acre-feet per year in 2060. Reduced GPCD would be outstripped by population growth in 2030.

Projections for Region C show that Region C and Region D GPCD should be equal by 2030. Conservation and reuse will sustain Region C's water needs in the short term, but cannot keep up with population growth in the long term.

- i. PRESENT AND DISCUSS THE ANALYSIS OF THE VOLUMES OF DEMAND REDUCTION CALCULATED IN E.(TASK 3.4) ABOVE IN RELATION TO VOLUMES ASSOCIATED WITH RECOMMENDED AND ALTERNATE STRATEGIES PROPOSED TO DEVELOP ADDITIONAL WATER SUPPLIES. (SOW TASK 3.5).

The municipal water use formula is governed by statute, where GPCD is the average daily total of residential, commercial and institutional water use divided by total residential population. However, GPCD is often treated as if it only measured residential. TDWB has been gathering data in order to publish purely residential estimates.

Representative Frost questioned Mr. Hardin as to how the Water Board reviews regional water plans, and how it determines that Region C has done all it can do to implement conservation and reuse. Jim Parks noted that the Region C plan relies on Best Management Practices developed by the TWDB.

Kevin Ward, executive director of TWDB, clarified that the Water Board does not have the statutory authority to review whether a region can do more for conservation and reuse. Representative Frost asked if TWDB needed more control over regional plans, but Mr. Ward replied that the State does not have the data to do this.

- V. REVIEW STATUS AND PROGRESS OF CONTRACT AMENDMENTS WITH TEXAS WATER DEVELOPMENT BOARD (TWDB) AND ESPEY CONSULTANTS, INC.

Mr. Parks stated that the contract amendments and funding is complete for Espey and TWDB.

VI. REVIEW STUDY COMMISSION TIMELINE FOR COMPLETING REQUIREMENTS FOR SENATE BILL (SB) 3

Tom Duckert stated that the requirements should be complete in seven months time, in time for printing and distribution. The contract currently states that Phase I and II must be complete by May 26, 2009. Mr. Duckert and Mr. Parks will discuss the issue with Espey and TWDB to amend the timeline and contract. Richard LeTourneau requested that the Phase I report be kept a stand-alone document.

VII. DISCUSSION/SELECTION OF DATE, TIME, AND LOCATION OF NEXT MEETING

The members tentatively agreed to set the next Commission meeting on April 26, 2010, at a location to be determined in Region D.

VIII. PUBLIC COMMENT

Public comments were received from the following individuals:

- i. Michael Russell, Sabine Basin River Authority
- ii. Wayne Dial, City of Clarksville
- iii. Ann Rushing, Mayor, City of Clarksville
- iv. Max Shumake
- v. Janice Bezanson, Texas Conservation Alliance
- vi. David Corrigan, Dallas Regional Chamber
- vii. George Frost
- viii. Nancy Clements
- ix. Richard Lowerre, Caddo Lake Institute

IX. ADJOURN

There being no further business, the meeting of the Study Commission on Region C Water Supply adjourned at approximately 2:05 P.M.



SENATOR FLORENCE SHAPIRO
Co-Presiding Officer



REPRESENTATIVE STEPHEN FROST
Co-Presiding Officer

STUDY COMMISSION ON REGION C WATER SUPPLY

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ATTENDANCE ROSTER

March 11, 2010

	PRINTED NAME	REPRESENTING	E-MAIL ADDRESS
1	ANTONIO VALMENDRA	ALIFF ASSA	TAMERIDAEHALFF@aol.com
2	Kew Johnson	Self	TKewJohnson@yahoo.com
3	Diane Fontaine	Self- landowner	dconnor0811@tx.tvr.com
4	Wayne Owen	TRWD	
5	Jack Stevens	TRWD	
6	TINA PTAKE	TRWD	
7	Joy Barksdale	Dallas Regional Chamber	
8	Isais, Charlene, Victor Martinez	landowner	
9	Nancy Clements	landowner	nclements@yahoo.com
10	Molly C. Berridge	landowner	mollyc97@aol.com
11	Red Jackson	landowner	
12	PRESTON L. SPIRITS	WORKING LANDS	
13	Emile Fleming	landowner	Chamsonaw1234@aol.com
14	Max Shumaker	Supplier River Oversight Society	Max Shumaker@AOL.COM
15	John McConnell	McCleary Community	jdmcz@mt-vernon.com
16	Ruth Amble	SUTHER RIVER/SHAWNEE PRairie	74 Zibek Rd. Aubrey TX 75054
17	Roberta Melissa Hughes	landowner	
18	CHARLES COLE	TX Logging Council	CHARLESGETT@yahoo.com
19	Allen Birdsong	Family	shifty2@ash.com
20	Shirley Shumaker	SOS	HollowayCrossing@aol.com

STUDY COMMISSION ON REGION C WATER SUPPLY

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ATTENDANCE ROSTER

March 11, 2010

	PRINTED NAME	REPRESENTING	E-MAIL ADDRESS
1	Patricia Womack	SRBA	
2	Nancy Ross	SRBA	
3	David Neeley	SRBA	
4	Cliff Sunda	Landowner	cliff'sunda@yahoo.com
5	Chaeken Granberry	Landowner	
6	David Granberry	Landowner	
7	David Frost	"	
8	Ruth Frost	"	
9	Naney Clements	"	
10	Bessie Neal Heath	"	
11	Molly Berridge	"	
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