

Study Commission on Region C Water Supply
MINUTES OF AN OPEN PUBLIC MEETING
June 21, 2010

The Study Commission on Region C Water Supply (Study Commission) met in an open public meeting on Monday, June 21, 2010, at 12:30 P.M. The meeting was held at the Region 8 Education Services Center, located at 2230 N. Edwards in Mt. Pleasant, Texas. Notice of the meeting was legally posted.

I. CALL TO ORDER

Senator Florence Shapiro called the meeting to order at approximately 12:30 P.M.

II. WELCOME/INTRODUCTION

The following members were in attendance:

The Honorable Florence Shapiro
The Honorable Stephen Frost
The Honorable Jodie Laubenberg

Mr. Thomas Duckert
Mr. Richard LeTourneau

A representative for Senator Kevin Eltife, Dee Farmer, was in attendance. Texas Water Development Board (TWDB) staff included: Dr. Robert Mace and Temple McKinnon. David Harkins attended as a representative of Espey Consultants. Northeast Texas Municipal Water District Executive (NETMWD) Director Walt Sears was also in attendance.

The registration lists signed by guests are attached.

III. ACTION ITEMS FOR CONSIDERATION

a. APPROVAL OF MINUTES OF APRIL 26, 2010 MEETING

On a motion by Representative Jodie Laubenberg and a second by Representative Stephen Frost, the Study Commission unanimously adopted the minutes from the April 26, 2010, meeting.

b. PRESENTATION BY DAVID HARKINS (ESPEY CONSULTANTS, INC.) AND POSSIBLE ACTION CONCERNING ESTIMATED COST TO DEVELOP FUTURE WATER SUPPLY FROM WRIGHT PATMAN RESERVOIR (TASK 1.6)

Dr. Harkins with Espey Consultants discussed the preliminary results of the cost analysis for additional Wright Patman water supply. Dr. Harkins emphasized throughout his presentation that Espey must receive input from the U.S. Army Corps of Engineers (USACE) before completing the analysis. Lake Wright Patman currently has 57,000 total remaining acre feet per year (afpy) remaining for contract. Use of this water would require a contract between the City of Texarkana and the Corps.

Lake Wright Patman also has potentially available water, some of which is contracted to but not being used by International Paper Company. Currently, City of Texarkana has water rights to 180,000 afpy. Of this, 134,500 afpy is potentially available. Use of the full 135,5000 afpy would require a change to International Paper's water rights.

Additional yield from system operation of Lakes Wright Patman and Jim Chapman is estimated at 108,000 afpy.

Representative Frost asked who would have first claim to additional Wright Patman rights. Dr. Harkins replied that an entity with local responsibility would have to enter a USACE contract for storage in federal reservoir.

Dr. Harkins presented the cost of moving the water from Wright Patman to Region C as put forth in the 2011 Regional Water Plan. Espey is asking the Corps questions to complete its own set of cost estimates. The final report will include a comparison of Espey and Regional Water Plan's cost analyses.

The Regional Water Plan estimated a \$99.3 Million cost for the substantial raw water improvements necessary to move additional water supply from Wright Patman to Region C. Representative Frost asked for a breakdown of the \$99.3 Million, and Dr. Harkins indicated that this was a specific question Espey was asking of USACE.

c. PRESENTATION BY DAVID HARKINS (ESPEY CONSULTANTS, INC.) AND POSSIBLE ACTION CONCERNING ESTIMATED COST TO DEVELOP FUTURE WATER SUPPLY FROM LAKE O' THE PINES RESERVOIR (TASK 1.9)

Lake O' the Pines currently has 34,000 afpy uncontracted, and 67,000 afpy potentially available. Use of the 67,000 afpy would require a reallocation from NETMWD member cities and U.S. Steel.

Dr. Harkins presented Espey's cost estimates for transmission of this water via three routes to Region C. Espey's estimated unit cost for transmission was: \$723 for DWU; \$617 for NTMWD; and \$981 for TRWD. Espey's numbers were higher than those in the Regional Water Plan, largely because of pumping costs and uphill transmission.

Tom Duckert asked how these numbers would translate to a residential water bill. Walt Sears offered an answer: the rule of thumb is that each \$100 will cost about 30 cents per thousand gallon on a water bill. The Espey numbers are only for transmission of raw water, and not for treatment. Mr. Sears indicated that transmission could account for about 30 percent or more of a water bill's final cost.

Senator Shapiro asked Mr. Sears how the presented numbers compare to transmission costs for other projects. Mr. Sears replied that transmission costs are not comparable across regions, because too much variation exists.

Dr. Harkins indicated that Espey is in discussions with USACE in order to project the costs of raising Lake O' the Pines by two feet. This information will be in the final report.

Richard LeTourneau noted that in each scenario, Region C entities will have transportation costs from Region D to Region C.

- d. PRESENTATION BY CHRIS ECKERT (JACK STOWE & COMPANY) AND POSSIBLE ACTION CONCERNING THE SOCIO-ECONOMIC EFFECTS ON REGION C AND ON REGION D IN AREAS WHERE A WATER SUPPLY IS PROPOSED TO BE LOCATED TO MEET CERTAIN WATER NEEDS IN THE REGION C WATER PLANNING AREA (TASK 2A AND 2B)

Jack Stowe, president of Jack Stowe & Company, and Connie Cannady, manager at Jack Stowe & Company, presented in Chris Eckert's stead. Mr. Stowe said that no data is available and no socioeconomic impact studies have previously been compiled for Wright Patman or Lake O' the Pines.

Ms. Cannady discussed key economic terms and the IMPLAN Economic Model. She also presented the socioeconomic impact reservoir construction or expansion can have on landowners, agricultural and natural resources, business and industry and taxing entities.

Mr. Stowe and Ms. Cannady indicated that the greatest need is a comprehensive, formal study by a neutral party. Senator Shapiro noted that this would be the purpose of the Sulphur River Basin Feasibility Study.

- e. PRESENTATION BY DR. ROBERT MACE AND TEMPLE MCKINNON (TEXAS WATER DEVELOPMENT BOARD) AND POSSIBLE ACTION TO REVIEW THE GROUNDWATER AVAILABILITY MODELING AND DESIRED FUTURE CONDITIONS (DFC) INCLUDED IN THE 2010 VERSION OF THE REGION C AND REGION D WATER PLANS (TASK 1.12)

Dr. Robert Mace presented an overview of Regions C and D's aquifers. He explained that there is an estimated 56 million acre feet brackish groundwater in Region D. However, this number is somewhat misleading because that water is spread throughout the region, and artesian pressure makes it difficult to get the water out for processing and use. Several wells in multiple counties would be required, in addition to piping from each well location.

Dr. Mace reviewed the current process that groundwater management areas (GMAs) are going through to submit Desired Future Conditions (DFCs) to the TWDB. Groundwater management will be governed by the DFCs and will be in the next state water plan for most GMAs.

Groundwater availability in Region C is about 150,000 acre-feet in its Initially Prepared Plan (IPP). Region D has over 300,000 acre-feet in its IPP, with 200,000 acre-feet in remaining supplies. These numbers take into account DFCs.

- f. PRESENTATION BY CAROLYN BRITTIN (TEXAS WATER DEVELOPMENT BOARD) AND POSSIBLE ACTION TO REVIEW THE METHODS OF COMPENSATION THAT HAVE BEEN CONSIDERED BY THE LEGISLATURE DURING THE 80TH AND 81ST LEGISLATIVE SESSIONS RELATED TO PROPERTY OWNERS POTENTIALLY AFFECTED BY PROPOSED WATER MANAGEMENT STRATEGIES (TASK 6.1)

Temple McKinnon presented in Carolyn Brittin's place. She discussed recent legislation that covers innovative compensation methods to landowners impacted by reservoir constructions. In the 80th Session, legislation passed to change Water Code 16.051(i), 16.143 and 16.144. Other legislation was filed but did not pass in recent sessions: HB 2470 (80R), Sections 1.302 and 3.03; and SB 728 (81R), Section 3.

- g. PRESENTATION BY CAROLYN BRITTIN (TEXAS WATER DEVELOPMENT BOARD) AND POSSIBLE ACTION SUMMARIZING THE NUMBER OF SURFACE ACRES REPORTED IN VARIOUS PRIOR STUDIES AS THEY RELATE TO DIFFERENT DAM LOCATIONS FOR VARIOUS WATER DEVELOPMENT PROJECTS IN REGION C WATER PLAN LOCATED IN REGION D (TASK 7.1)

Ms. McKinnon discussed the surface acres impacted by Marvin Nichols Site 1A, as described in the 2010 Region C IPP. The total estimated land need for the dam and reservoir is 77,427 acres. The estimated inundation of the conservation pool is 67,392 acres.

Representative Frost asked why there is a 10,000 acre discrepancy between the total land mass and the conservation pool. Ms. McKinnon said she would get this information to the Commission.

The Study Commission's work in Phase I and II addressed potential Wright Patman projects. With a 230' conservation pool, the surface area would cover an additional 11,961 acres. With a 240' conservation pool, the surface area would cover an additional 32,666 acres.

Senator Shapiro asked Ms. McKinnon to provide the Commission with a matrix of all the scenarios for each potential water project.

h. PRESENTATION BY DR. C. ALLAN JONES (TEXAS A & M'S BLACKLANDS RESEARCH CENTER) AND POSSIBLE ACTION ON AERIAL IMAGERY OBTAINED FOR THE MARVIN NICHOLS RESERVOIR SITE

Dr. Jones explained Texas A&M Blacklands Research Center's work on obtaining aerial imagery of the Marvin Nichols reservoir site. The Center used aerial imagery to look for water, pine, pine mix, upland hardwood, bottomland hardwood, agriculture, urban, and grassland. This imagery identifies land types with accuracy of up to 85 percent.

The Marvin Nichols 1A site has about 26,800 acres of bottomland hardwood, whereas the original site covered about 36,000 acres. The area has experienced a gradual decline in bottomland hardwood since 1974, which has largely leveled off. Currently, about 20 percent of the area is covered in bottomland hardwood.

Dr. Jones asserted that he would provide the Commission with a copy of the final report.

i. PRESENTATION BY CAROLYN BRITTIN (TEXAS WATER DEVELOPMENT BOARD) AND POSSIBLE ACTION CONCERNING A PROPOSED OUTLINE AND FORMAT FOR THE STUDY COMMISSION'S "REPORT TO THE 82ND LEGISLATURE"

Ms. McKinnon proposed an outline for the Commission's final report. The format would essentially mirror that of a legislative interim report.

Senator Shapiro pointed out that the biggest missing piece to the Commission's work is the Sulphur River Feasibility Study, and suggested that the Commission issue a request to Congressman Ralph Hall for the study. On a motion from Representative Frost, and a second by Mr. LeTourneau, the Commission unanimously agreed to have Mr. Duckert and Mr. Parks draft a letter to be discussed as an agenda item at the next Commission meeting.

Senator Shapiro also asked Dr. Harkins, Mr. Duckert and Mr. Parks to compile the Commission's documentation for each task, and give that documentation to the TWDB for processing into the final report.

Mr. LeTourneau asked for an update on Phase I. Dr. Harkins said all the Commission's comments have been incorporated, so that Phase I is only waiting Commission approval. Senator Shapiro stated that Phase I approval would be an individual agenda item at the next Commission meeting.

IV. REVIEW AND DISCUSS STUDY COMMISSION TIMELINE FOR COMPLETING REQUIREMENTS OF SECTION 4.04 OF SENATE BILL 3 AS PASSED DURING THE 81ST LEGISLATIVE SESSION

At the September 1 meeting, the Commission will approve both phases of the report by individual vote. After that meeting, there will be 30 days open for public comment.

Representative Frost asked that the Commission consider for recommendations: raising Wright Patman to 230 ft, and looking into the 200,000 acre-feet remaining groundwater in the Region D plan. Representative Frost also pointed out that Senate Bill 3 requires that the Commission make a recommendation about whether Marvin Nichols should remain a designated site.

V. CONFIRM DATE, TIME, AND LOCATION OF NEXT MEETING OF STUDY COMMISSION

The members tentatively agreed to set the next Commission meeting on September 1, 2010, at the University of Texas - Dallas in Region C.

VI. PUBLIC COMMENT

Public comments were received from the following individuals:

- i. George Frost
- ii. Nancy Clements
- iii. John Purviance
- iv. Gary Cheatwood
- v. Lindy Guest
- vi. Dickie Dalby
- vii. Barney Krebs
- viii. David Nabors
- ix. Rob Holt
- x. Sharon Nabors

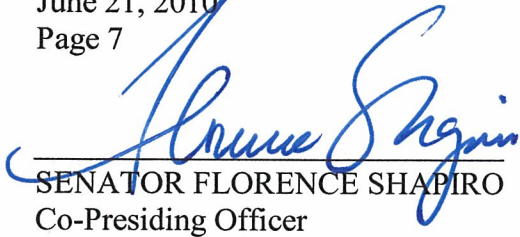
VII. ADJOURN

There being no further business, the meeting of the Study Commission on Region C Water Supply adjourned at approximately 3:30 P.M.

Study Commission on Region C Water Supply Agenda

June 21, 2010

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SENATOR FLORENCE SHAPIRO
Co-Presiding Officer



REPRESENTATIVE STEPHEN FROST
Co-Presiding Officer

PUBLIC COMMENTS

STUDY COMMISSION ON REGION C WATER SUPPLY
Region 8 Education Services Center, 2230 N. Edwards, Mt. Pleasant, Texas
ATTENDANCE ROSTER
June 21, 2010

	PRINTED NAME	REPRESENTING	E-MAIL ADDRESS
1	George Frost		
2	Nancy Clements		
3	John Poirance		
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5	Kathy W. Chestwood		
6	Linda Gust		
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STUDY COMMISSION ON REGION C WATER SUPPLY

Region 8 Education Services Center, 2230 N. Edwards, Mt. Pleasant, Texas

ATTENDANCE ROSTER

June 21, 2010

	PRINTED NAME	REPRESENTING	E-MAIL ADDRESS
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4	Sharon Nabors	self	
5	Temple McKinnon	TWDB	temple.mckinnon@twdb.state.tx.us
6	Brendy Chewing	TXE Caretaker	
7	TOMMY SPRUILL	SELF	
8	Shang Lee	DEW	Chang.Lee@DallasCityHall.com
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13	David H. Frost	self	
14	Ruth Frost		
15	James Carter		
16	Alan Mauldin	self	annmoulding@shcglobal.net
17	Emir Can	self	ecain@ferwin.com
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19	Tony Sparks	City of Warkner	
20	Kirkland Powers	Caddo Lake Industry	kl@caddo.lake.us

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STUDY COMMISSION ON REGION C WATER SUPPLY

Region 8 Education Services Center, 2230 N. Edwards, Mt. Pleasant, Texas

ATTENDANCE ROSTER

June 21, 2010

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5	SHERI NEW	INTERNATIONAL PAPER	SHERI.NEW@IPAPER.COM
6	Freda Smart	Self	1845Eastfall, Paris, Texas
7	Dan & Mary K. Cotton	Self	
8	George Frost	Self	Gfrost003@aol.com
9	Billy Old Frost	Self	
10	Mahey Clements	Clements Tree Farm	mcllements4@yahoo.com
11	Bessie Neal Heath	Self	
12	Deid McHenry	Self	
13	John Purvian	Self / Cotland United Methodist Church	JPurvian@windstream.net
14	Paul Hammons	Flush Meiter, Inc	pat@ www.flushmeister.com
15	David A. Nabors	Self	
16	Tom Hufford	Texas Forestry Association	chufford@texasforestry.org
17	Tom STARS	RIVERBEND	STARSK@RIVERBENDWATERRESOURCES.ORG
18	Pat McCary	RIVERBEND	
19	Pat Akers	Self (H ₂ O Assoc)	packer@half.com
20	Sandy Cash	UT&M	skacash@aol.com

STUDY COMMISSION ON REGION C WATER SUPPLY

Region 8 Education Services Center, 2230 N. Edwards, Mt. Pleasant, Texas
ATTENDANCE ROSTER

June 21, 2010

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5	Nina Holt	Self	
6	Robert Holt	Self	
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8	Larry W. Cheatum	Self	3727 Fu 1487 Boca R
9	John A. Shredgill	Self	
10	Dennis Townscho	Self.	
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