

May 30, 2018

Honorable Senator Birdwell
Chairman Sunset Commission
State of Texas

Dear Mr. Chairman,

My name is Nathan Bell. I appeared before the Commission on May 24, 2018 representing the Red River Authority. This letter is being submitted as an individual and the opinions and beliefs do not necessarily reflect those of the Red River Authority or any other board members. First let me express my gratitude for the opportunity to appear personally. In addition, I wish to compliment the Chairman's conduct of the meeting and the actions of most of the members. Since I was not offered time nor the opportunity to respond to comments by some of the members, it was important that I send this letter and request that it be included in the record.

Those present included our new general manager, Randy Whiteman, who had been on the job since March 1, 2018. The other member present was Todd Boykin, who has only served a little over a year. I must agree that the written response from the Authority was somewhat crass. I do not think it accurately reflected the attitude of the Board of Directors and only made a crude attempt to explain some of the facts. I will add some short statements now that I hope paints a better picture of the situation. I do so and ask for consideration in that I may not have all the facts.

FIRST: RRA operates 33 water supply systems. Not all have problems with Nitrates. Grants to improve even those that do or address other problems in the system had to have engineering and other data which often disqualified some of the systems. Income and agriculture meters were often the problem. The GM at the time chose not to make actual applications based on conversations with many possible underwriters. To do so on thirty-three systems would have required additional staff. Note we are operating with thirty-one employees for the entire basin. It is obvious that most of our operations are in West Texas which does allow a concentration in those areas that need it most.

SECOND: The systems which had nitrates exceeding the limit were identified. Persons in those areas who could be affected by high nitrates were also identified. Only very young babies, women who were trying to get pregnant or were pregnant are classified as possibly being affected by the nitrates. I will say that we do not have any evidence that anyone is affected by the current levels of nitrates. The only research was accomplished many years ago and very high nitrate doses were tagged as causing "Blue Baby Syndrome". We may have treated this lightly but are not aware of this Syndrome surfacing anywhere in the US. I suggest that the entire Board classified this as a very low risk if any risk at all. In all cases this nitrate is naturally occurring in water lines that have very long distances between connections. Based upon engineering reports multiple filters located at multiple points would be needed to correct the problem. The cost of the water going through these systems would have been unaffordable to both man and beast. Bottled water insured safe drinking water for anyone who was concerned about their safety. This was never thought to be a permanent solution. When EPA notified

us that they were going to enforce their previous threats of fines we began the consolidation of all the systems. This caused many of systems to suffer increased cost of water to help pay for those that actually needed the work. The rock was the cost of water. The hard place was the EPA order which said do it regardless of the cost. Yes, we were lax in accomplishing the needed action in a timely manner. The paths to choose from included shutting down the system, raising rates to an unaffordable point so work could be done to lower the nitrates or issue bottled water until science came up with a better solution. The EPA, with all of their experience, never offered any suggestions on how we could accomplish the reduction in nitrates!

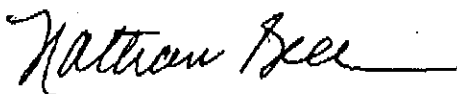
THIRD: We considered ourselves autonomous even though we were formed by the Legislature in 1959. We really do need to be able to turn to the State and ask it to "help get us out of this situation"! This should have happened earlier. Frankly we are inspected by and must comply with TCEQ, PUC, The US Corp of Engineers (when working with them) and finally the EPA. The EPA does not offer any assistance of how to do what they have ask us to do. Yes, it can be engineered but it cannot be paid for by the people the systems were designed to serve. RRA does not have any alternative to financing this work other than the way we did. We combined the systems on one rate. Used that to borrow the \$15 million dollars. Now are free to apply the money and work where it is needed most. This money will be a drop in the bucket. What is really needed is \$20 million for upgrades to meet EPA current and future standards and another \$10 million to begin (it won't cover all the systems) to expand and enlarge services to the growing West Texas needs. Several systems are at capacity and we cannot add customers. I find it ironic that some of the systems were built with Federal Funds and Federal regulations may shut them down.

As funding is not available to expand the current systems and several of them need extraordinarily expensive repairs that cannot be made by the Red River Authority, we hereby request that you propose to the legislature funding to accomplish both. The economy and even the very future of large portions of West Texas will depend on your suggested changes to the systems and whether the State of Texas chooses to fund those changes.

I wish to express my appreciation to Chairman Birdwell, Vice-Chairman Paddie and all the members of the Commission. Chairman Birdwell's civil but directed approach to questions was appreciated and informative. I received encouragement from several members both during and after adjournment. The interruption at one point was up-setting. As a result, little was accomplished. I apologize to the entire Commission as this certainly was not my intent. I understood the process was designed to gain information to chart a new course for the River Authorities and The State of Texas. As a Realtor, we often say "under all is the Land"! Texas's growth in population is dependent on jobs. Both the growth in population and jobs is dependent on "WATER".

To all the Board Members of the Sunset Commission: "May GOD encourage and enlighten you as this process continues so that you may do the best things for our Great State.

Thank You,



Nathan Bell,