

GUADALUPE-BLANCO RIVER AUTHORITY

Minutes of the Board of Directors

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular monthly meeting on February 16, 2011, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Grace G. Kunde, Oscar H. Fogle, Arlene N. Marshall, T. L. Walker, James L. Powers, and Frank J. Pagel. Director Myrna P. McLeroy was absent. Also present were W. E. West, Jr., General Manager; James Lee Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Intergovernmental Relations and Policy; Bruce Wasinger, General Counsel; David Welsch, Executive Manager of Business Development and Resource Management; Gary Asbury, Project Manager; Barbara Gunn, Human Resources Manager; Tommy Hill, Chief Engineer; Debbie Magin, Director of Water Quality Services; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Manager of Communication and Education; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations Assistant; Tammy Beutnagel, Public Communications Assistant; Leigh Crettenden, Web Master; Sandra Terry, Accountant; Susan Hubbert, Accountant; Darel Ball, Division Manager, Hays-Caldwell; GBRA Safety Committee Members Allan Smith, John Urban, Gynna Hernandez, John Moryl, Dave Kenda, Eric Mendez, Don Carpenter, Tom McNeal, Ernest Luna, Emmylou Roberts, Hunter Duncan, and Daphne Harder; Tommie Streeter-Rhoad, Executive Director

representing the San Antonio Bay Foundation; Janae Reneaud, Executive Director representing the Guadalupe-Blanco River Trust; Roger Nevola, legal counsel; Rose Marie Eash representing Dublin and Associates; David Engel representing Engel and Associates; Calvin Finch representing San Antonio Water System; Mike Nichols, Trooper Smith and John Wolfhope representing Freese and Nichols; Larry Land representing HDR Engineering; Steven Adams representing Specialized Public Finance; Darwin Ockerman representing the United States Geological Survey; and Rob Ford representing the Gonzales Inquirer.

Chair Kunde called the meeting to order at 10:06 a.m., and took note of the certifications presented that notice of the meeting had been properly posted in the office of the Secretary of State, in the Guadalupe County Courthouse, and at the GBRA main office and river annex in Seguin, Texas, pursuant to Title 5, Chapter 551 of the Government Code. A quorum being present, the following proceedings were had:

Director Walker led the Pledge of Allegiance to the United States flag and Texas flag.

The Chair called for comments from the public. There were no comments from the public at this time.

The Chair called for **Chair Item 1 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 67th Annual Convention in Austin, Texas, on March 2-4, 2011.** Upon motion by Director Marshall, seconded by Director Fogle, the

Board unanimously authorized the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 67th Annual Convention.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the National Water Resources Association 2011 Federal Water Issues Conference in Washington, D.C., on April 4-6, 2011.** Upon motion by Director Marshall, seconded by Director Fogle, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the National Water Resources Association 2011 Federal Water Issues Conference in Washington, D.C.

Chair Kunde brought before the Board new Board Committee assignments due to Board vacancies which resulted from the resignations of Directors Clifton L. Thomas, Jr. and Michael D. Schultz. A copy of the new Board Committee assignments is attached and made a part of these minutes.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the January 19, 2011, Board meeting minutes; Consent Item 4 - Consideration of and possible action approving the monthly financial report for January 2011; Consent Item 5 - Consideration of and possible action approving the monthly operations report for January 2011; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Walker, seconded by Director Powers, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chair called for **General Manager Item 7 - Discussion of the Executive Reports** addressing matters relating to safety, utility operations including finalizing the transition of wastewater operations to the City of Victoria; water resource operations, engineering, coordination with the U.S. Army Corps of Engineers regarding Canyon Reservoir operations, Nueces Recharge Study, the seasonal deviation study for Canyon Reservoir and Cibolo Watershed Study, meetings with counties and cities to discuss possible flood modeling program; attendance at SB 3 BBEST and BBASC meetings, construction management including the regional raw water pipeline capacity improvements including approval of pigging subcontractor and scheduling of cleaning operations, Canyon Park Estate Wastewater Treatment Plant expansion is complete and operational, Clean Rivers Program, Plum Creek Project activities, Geronimo Creek Watershed Protection Plan activities, Environmental Flows Project activities, River Network Project activities, water quality (general), economic and community development activities, events and projects, work on alternatives for reuse of treated effluent to irrigate Wimberley's soccer fields at Blue Hole Park, Bulverde area regional wastewater activities, Dunlap wastewater service area activities, Mid-Basin water supply, Tri-Community Water Supply Corporation water supply matters, Hays County water and wastewater study, resource protection activities including lake management and removal of debris caused by floods, Canyon Lake operations, leasing issues at H-5 and other hydroelectric lakes, Plum Creek Watershed Protection, brush control, water strategies,

information technology, human resources, budget activities, accounting and finance. James Murphy briefed the Board on GBRA operation and engineering activities. Mr. Murphy also briefed the Board on the Senate Bill 3 BBEST and BBASC stakeholder meetings. James Murphy called upon Bryan Serold, GBRA's Safety Coordinator. Bryan Serold addressed the Board regarding GBRA's safety program and thanked the Board and GBRA management for their support of the program. Mr. Serold introduced Safety Committee members Allan Smith, Dave Lundin, John Urban, Gynna Hernandez, John Moryl, Dave Kenda, Clint Retzloff, Eric Mendez, Don Carpenter, Wally Aguillon, Tom McNeal, Ernest Luna, Emmylou Roberts, Hunter Duncan, Susan Cochran, Daphne Harder, and John Smith. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. Alvin Schuerg briefed the Board on finance, human resource, and information technology activities. Mr. Schuerg also briefed the Board on the financial statements executive summary for the period ending January 31, 2011.

Next, the Chair called for **Action Item 8 - Consideration of and possible action authorizing the General Manager to execute an Engagement Agreement(s) with Consulting Services Group, LLC for the provision of retirement plan advisor services.** GBRA has three retirement plans. A Defined Benefit (DB) Pension Plan for employees hired before January 1, 2011, a Defined Contribution (DC) Plan for employees hired on or after January 1, 2011, and a Section 457(b) Employee Savings Plan. Due to the recent addition of the Defined Contribution Plan, the closing of the Defined Benefit Plan to new participants, and issues from time to time related to

government regulations, plan administration, and investment of retirement funds, the GBRA Retirement and Benefit Committee has solicited firms which can provide GBRA with retirement plan consulting services. On December 10, 2010, the Retirement and Benefit Committee interviewed four consulting firms which specialize in advice and services to retirement plans and their fiduciaries. The Retirement and Benefit Committee had a follow-up meeting with one firm on January 19, 2011, to clarify various issues and/or questions. The Retirement and Benefit Committee met again on February 16, 2011, to review a proposed engagement agreement for further recommendation for approval by the GBRA Board of Directors. Upon motion by Director Powers, seconded by Director Fogle, the Board unanimously authorized the General Manager to execute an Engagement Agreement(s) with Consulting Services Group, LLC for the provision of retirement plan advisor services. A copy of the Engagement Agreement(s) are attached and made a part of these minutes.

The Chair then called for **Discussion Item 9 - Discussion and presentation regarding the evaluation of hydrologic connection between San Marcos Springs and Barton Springs through the Edwards Aquifer.** General Manager West introduced Larry Land of HDR Engineering, Inc. Mr. Land made a presentation to the Board on the evaluation of the hydrologic connection between San Marcos Springs and Barton Springs through the Edwards Aquifer.

The Chair called for **Discussion Item 10 - Discussion and presentation regarding the Guadalupe River Gain/Loss Study.** Tommy Hill introduced Darwin Ockerman representing the United States Geological Survey. Mr. Ockerman briefed the

Board regarding various studies underway and completed by the USGS. Mr. Ockerman also briefed the Board on the Guadalupe River Gain/Loss Study including determining various characteristics of the reaches of the Guadalupe River and major tributaries, components of streamflow, collection of streamflow data, and location of collection stations.

Next, the Chair called for **Discussion Item 11 - Discussion regarding the activities and transactions of the Edwards Aquifer Authority, South Central Texas Water Advisory Committee, and the Guadalupe Basin Coalition.** Todd Votteler briefed the Board on activities of the Edwards Aquifer Recovery Implementation Program as well as meetings and activities of the Edwards Aquifer Authority.

Todd Votteler briefed the Board regarding the San Antonio Bay Foundation that was established in 2008. The Board was informed that Tommie Streeter-Rhoad has been hired as the Executive Director of the San Antonio Bay Foundation. Ms. Rhoad briefed the Board on the current Board members and up-coming activities of the Foundation.

The Chair then called for **Discussion Item 12 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust.** Todd Votteler informed the Board regarding the employment of a new Executive Director, Steve Jester. Dr. Votteler gave a brief description of the accomplishments Janae Reneaud has made for the GBR Trust including having the Trust become the first accredited Trust in the State of Texas. Todd Votteler presented Janae a gift from the GBR Trust

Board and a plaque from GBRA reflecting her dedication and accomplishments for the Trust. Janae thanked the Board for three wonderful years.

The Chair called for **Discussion Item 13 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** The reports were discussed with the Board. Tommy Hill briefed the Board on the Comal Springs level, elevation of Canyon Reservoir, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

Next, the Chair called for **Discussion Item 14 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on an up-coming Legislative Conference to be held in New Braunfels. The Board was briefed on Texas Water Day held in Washington, D.C. and meetings with Congressional members. General Manager West briefed the Board on the 82nd Legislative Session including various bills and Committee memberships.

The Chair recessed the open meeting at 12:08 p.m. The Chair closed the open meeting and convened the meeting in executive session at 12:31 p.m. The open meeting reconvened in open session at 1:54 p.m.

Upon motion by Director Marshall, seconded by Director Fogle, the Board unanimously authorized the General Manager to negotiate and execute a Letter of Intent with SJW Corporation d/b/a Texas Water Alliance relating to a water supply project in Gonzales County, Texas.

There being no further business to be brought before the Board, the meeting was adjourned at 2:00 p.m. subject to call by the Chair.

Chair

Secretary