

## **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 July 18, 2012, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Grace G. Kunde, Oscar H. Fogle, James L. Powers, Frank J. Pagel, Dennis L. Patillo, Myrna P. McLeroy, and Robert "Rusty" Brockman. Director Tommy Mathews was absent. Also present were W. E. West, Jr., General Manager; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Science, Intergovernmental Relations and Policy; Bruce Wasinger, General Counsel; David Welsch, Executive Manager of Business Development and Resource Management; Gary Asbury, Manager of Project Engineering; 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; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations and Publication Specialist; Leigh Crettenden, Web Master; Tommy Schulte, Regional Representative; Jaynellen Ladd, Natural Resource Specialist; Sandra Terry, Accountant; Denise Lyssy, Customer Service Assistant; Jeannine Herrmann, Accounting Assistant; Yolanda Pierce, Operations Assistant; Andrew Walters and Ben Haggerty, GBRA Interns; Tommie Streeter-Rhoad representing the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin

representing Dublin and Associates; David Engel representing Engel and Associates; Janet Pitman and Mike DeToro representing Thompson, Williams, Biediger, Kastor, and Young; Matt Garcia, Bob Johnson, and Larry Laws representing MWH Constructors; Michael Albach and Ross Cummings representing Blue Water Systems; Rob Reid representing Power Engineers; Gerard Kyle and Tony Kyle representing Texas A&M University; Humberto Ramos representing Canyon Regional Water Authority; James Kuhn representing Cintra; Adam Conner representing San Antonio Water System; Shirley Ross representing KBR; Alan Thompson representing Klotz Associates; Stafford Gunning representing Freese and Nichols; and Texas State Senator Jeff Wentworth. Attendees present relating to Agenda Item 8 – Lake Dunlap were Sassy Ross, Dan Laroe, Jr., Paul Edelen, Lydon Flume, George Scofield, Cynthia Scofield, Craig Rickau, Lonnie Chunn, Michael Calta, J Harmon, Robby Kinsey, Tony Sellers, Doug Harrison, Joe Boyle, John Ivy, Mike Simmons, Kathy Seymore, Rick Flume, David Shaw, Carl Adkins, Heather Shikoski, Robin Walker, Ronnie Shikoski, John Charve, John Scanio, Stephen Scanio, Darrin Boston, Bill Bonewitz, Debbie Lewis, Tanya Mallory, John Mallory, Hank Hanscheck, Clarissa DeSanto, Kerry Harlow, Craig Leblanc, Darren Harlow, Clyde Treet, Ken Holt, Donna Tripp, Audrey Henson, Wayne Henson, Ray Dittmar, Whit Pilcraer, Brad Newman, Kris Bostow, Dan Rein, Bob Springs, Ryla Cottingham, Ron Cottingham, Shawn Nerby, Hayden Nerby, Lori Keatts, Chad Harlin, Robert Wiggins, Kyle Pawelek, Senn Pawelek, Steve Pawelek, Lee Oslon, Deborah Linebarger, Gene Moseley, Dan Rain, Bob Shaw, Florence Sloan, Denise Murl, Mary Joyce, Jared Goolsby, Pat Beyer, Nancy Edelen, Cameron Edelen, Rich

Menchace, Lawrence Davle, Mike Bohan, Jeff Beyer, Heather Coorz, Linda Sham, Viki Wernert, Craig Wernert, Jimmie Fox, Katherine Rhodes, Carl Rhodes, Ed Zimmerman, Rail Bissioli, Alise Ebehard, Herb Ebehard, Sam Kneuper, Larry Lehr, Doyle McKnight, Paul Hooks, Sandy Heuess, Ron Dafries, Charles Kern, Gary Miller, Darel Moses, Steve Renneker, Mary Fox, Greg Pool, Elisa Racanelli, Kendra Wray, Hunter Croan, Leonard Gabler, Michael Shaw, Jim Collins, Gary Perry, Jim Krause, Phil Vaughan, Matthew Spelton, Gary Woltersdorf, Chad Wernert, Burt Patt, Marcus McKean, Jeff Caultas, Jay Baker, Patti Baker, Terrence Miskell, Ray Kottler, Marilyn Kottler, Jonathan Donnell, Julius Grossenbacher, B.B. Harlett, Pat Reilly, Nancy York, Jeannine Mansfield, Rick Galloway, and Marcia Wilson.

Chair Kunde called the meeting to order at 9:00 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 Texas Government Code. A quorum being present, the following proceedings were had:

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

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

The Chair called for **Chair Item 1 - Consideration of and possible action accepting Board of Directors' Committee assignments.** Upon motion by Director Fogle, seconded by Director Patillo, the Board unanimously accepted the Board

Committee assignments. A copy of the Committee assignments is attached and made a part of these minutes.

Next, the Chair called for **Consent Item 2 - Consideration of and possible action approving the June 20, 2012, Board meeting minutes; Consent Item 3 - Consideration of and possible action approving the monthly financial report for June 2012; Consent Item 4 - Consideration of and possible action approving the monthly operations report for June 2012; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director McLeroy, seconded by Director Powers, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chair then called for **General Manager Item 6 - Discussion of the Executive Reports addressing matters relating to safety, utility operations, 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, construction management including the Luling Water Treatment Plant Expansion and ASR Facilities, River Bend pump station replacement matters including easement acquisition, Mid-Basin Project, Clean Rivers Program activities, Plum Creek Projects, Geronimo Creek Watershed Protection Plan, Environmental Flows Project, River Network Project, water quality general, San Antonio Bay Foundation, Economic and Community Development activities, events and projects, Business Development including water and wastewater services**

**activities, Rural Utilities - Dunlap wastewater service area activities, Mid-Basin Water Supply, Project activities, Resource Protection activities including lake management and water safety, implementation of water conservation measures, water strategies, Gorge Preservation Society matters, Gonzales area flood warning matters, information technology, human resources, budget activities, accounting and finance.** No discussion was had on General Manager Item 6.

The Chair called for **Action Item 7 - Consideration of and possible action accepting the Management Audit dated July 18, 2012, and performed as defined by the Texas Commission on Environmental Quality and as mandated by Title 30 Part 1 Chapter 292 Subchapter B Rule 292.13 of the Texas Administrative Code.** Susan Hubbert briefed the Board on the Management Audit conducted by Thompson, Williams, Biediger, Kastor, and Young. Mike DelToro briefed the Board on the Management Audit that is performed every five years. The Board was briefed on the purpose, procedures, and conclusion of the audit. There were no deficiencies and a clean opinion was issued. Upon motion by Director Fogle, seconded by Director Powers, the Board unanimously accepted the Management Audit dated July 18, 2012.

Next, the Chair called for **Action Item 8 - Consideration of and possible action by the Board of Directors of the Guadalupe-Blanco River Authority to establish permanent or temporary regulations and/or restrictions on the use of motor powered watercraft on all or portions of Lake Dunlap, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority in portions of Comal and Guadalupe Counties, Texas; to designate certain restricted or limited**

**use areas, and to take other such actions as necessary to address certain water safety hazards within the Lake.** Through the assistance of Dr. Gerard Kyle from Texas A&M University, two options were developed to provide public safety in an area of Lake Dunlap which contained submerged stumps from recent cutting activity. Input was provided by area lake users, Texas Parks and Wildlife Department, the Guadalupe County Sheriff's office, representatives of each lake association, and various recreation interests and fishery professionals. The goal was to achieve manageable water safety and balance of uses. By action of the Board of Directors of the Guadalupe-Blanco River Authority dated January 18, 2012 and in furtherance of that action, on January 26, 2012, a "No-Wake" speed was designated on a portion of Lake Dunlap from the north end of Camp Porter Road to the restricted area within 200 feet of the Lake Dunlap Dam as identified by buoys, to protect the public safety. The No-Wake area of Lake Dunlap has been enforced in accordance with restrictions adopted by GBRA. The area is defined by buoys and advisory signs and notification has been provided to the public. There are interests that support the restriction and those that oppose it. It is clear that there are a variety of interests. Regardless of the alternative, GBRA will continue to seek good solutions through and with organizations that embrace the concepts of dialogue, education, co-operation and mutual respect. Dan Laroe and Carl Adkins addressed the Board and spoke in favor of the no-wake zone. Sassy Ross, Lyndon Flume, George Scofield, Cynthia Scofield, Craig Rickau, Lonnie Chunn, Michael Calta, J Harmon, Robby Kinsey, Tony Sellers, Doug Harrison, Joe Boyle, John Ivy, Mike Simmons, Kathy Seymour, and Rick Flume addressed the Board and spoke against the

no-wake zone. Paul Edelen and Robin Walker addressed the Board and requested all groups work together toward a solution to the no-wake zone. Senator Jeff Wentworth addressed the Board and requested Agenda Item 8 be tabled and no action be taken on the no-wake zone at this time.

The Chair recessed the open meeting at 9:57 a.m. The Chair closed the open meeting and convened the meeting in executive session pursuant to Texas Government Code Section 551.071 to consult with legal counsel at 10:05 a.m. The open meeting reconvened in open session at 10:18 a.m.

The Chair called for **Action Item 8 - Consideration of and possible action by the Board of Directors of the Guadalupe-Blanco River Authority to establish permanent or temporary regulations and/or restrictions on the use of motor powered watercraft on all or portions of Lake Dunlap, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority in portions of Comal and Guadalupe Counties, Texas; to designate certain restricted or limited use areas, and to take other such actions as necessary to address certain water safety hazards within the Lake.** Director Brockman made the following statement and motion:

“In consideration of all public comment received today and prior to this Board meeting, I move that Agenda Item Number 8 be tabled and that the General Manager and staff continue to meet with representatives of Lake Dunlap, enforcement officers, and fishery experts to evaluate the current no-wake area designation and alternative options to provide water safety and assure a balance of all uses including the

preservation of fishery habitat and funding mechanisms, and to continue to review and develop alternatives that address congestion and lake boating conflict uses on Lake Dunlap and to report back to the Board at its next regularly scheduled meeting in August 2012.” The motion was seconded by Director Powers and unanimously approved to table Action Item 8.

The Chair recessed the open meeting at 10:21 a.m. The open meeting reconvened at 10:32 a.m.

Director McLeroy left the meeting at this time.

The Chair then called for **Action Item 9 - Consideration of and possible action approving a Resolution establishing restrictions on the use of watercraft on the San Marcos River within the boundaries of Guadalupe and Caldwell Counties.**

Bruce Wasinger briefed the Board regarding restrictions of watercraft on the San Marcos River. The Caldwell and Guadalupe County Commissioners’ Courts have expressed support for GBRA to enact regulations for the San Marcos River. The San Marcos River has traditionally and historically been used for recreation by swimmers, fishermen, canoes, kayaks, tubes and other types of paddleboats. The river is not suited for high-powered boats or powered personal watercraft (e.g. jet skis), as their operating characteristics create a water safety hazard for other traditional users and landowners along the river. Recently, motorboats and powered personal watercraft have appeared on the river between Martindale Dam and Scull’s Crossing, creating a potential safety problem. Upon motion by Director Brockman, seconded by Director Powers, the Board unanimously tabled Action Item 9.



The Chair called for **Action Item 10 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Wastewater Service Agreement between GBRA; SH-DJL Development, LLC; and Comal County Water Control and Improvement District Number 6.** GBRA staff has been working with “developers” and consultants to prepare a wastewater master plan for the Bulverde Area of Comal County. The plan includes options for initial direct service as well as regionalization. The SH-DJL Development, LLC (Singing Hills) is one of the potential participants for service. An agreement has been developed between GBRA and SH-DJL Development, LLC (Singing Hills), providing for the construction of a wastewater treatment plant and system, with GBRA operating and ultimately owning plant and system. There are also provisions that provide for service to others and regional treatment alternatives. Upon motion by Director Brockman, seconded by Director Patillo, the Board unanimously authorizing the General Manager to negotiate and execute a Wastewater Service Agreement between GBRA; SH-DJL Development, LLC; and Comal County Water Control and Improvement District Number 6.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Purchase and Sale Agreement between the Guadalupe-Blanco River Authority and SJW Corporation.** No discussion or action was taken on Action Item 11 at this time.

The Chair then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager to negotiate and execute the terms and**

**conditions of a proposed Water Supply Agreement between GBRA and Blue Water Systems.** No discussion or action taken on Action Item 12 at this time.

The Chair called for **Discussion Item 13 - Discussion regarding the Fiscal Year 2013 Work Plan and Budget.** Alvin Schuerg recognized various GBRA Managers for their work and input on the 2013 Work Plan and Budget. The Work Plan and Budget consists of twenty-seven individual budgets. The Board was informed of GBRA's receipt of the Government Finance Officers Association Distinguished Budget Presentation Award for GBRA's Fiscal Year 2012 Work Plan and Budget. This award has been received for fourteen consecutive years. Mr. Schuerg recognized Sandra Terry, Jeannine Hermann, Denise Lyssy, and Susan Hubbert for their work on the Fiscal Year 2013 Work Plan and Budget. Alvin Schuerg continued discussion with the Board on the 2013 Work Plan and Budget including staffing summary, wage compensation structure, financial reserve chart, rates and rate structures. Discussion continued on General Division salary and wages, and maintenance and repair for General office. Discussion was had on the Guadalupe Valley Hydroelectric Division power sales, capital additions, work in progress, and interfund loan payment. Alvin Schuerg continued briefing the Board on the Rural Utilities Division's various budgets including work in progress, restricted funds, income and expenses. Discussion continued on the Water Sales Division's operating revenues, raw water rate increase, operating expenses, change in restricted funds, interfund loans, legal fee funds for The Aransas Project, and water purchases and deliveries in the Calhoun Canal Division. The Board was briefed on the Canyon Hydroelectric Division maintenance and repairs.

Alvin Schuerg discussed the Quick Referenced Guide for the Fiscal Year 2013 Work Plan and Budget including customer meeting dates, system listing, budget formula, consolidated budget summary for Fiscal Years 2012 and 2013, operating revenue, operating expenses, ten year consolidated budget summary for Fiscal Years 2003 and 2013, water sales and lake operations ten year comparison, and Fiscal Year 2013 budgeted revenue by customer County and location of operations. The Board was given an executive summary on the proposed 2013 Work Plan and Budget.

Next, the Chair called for **Discussion Item 14 - 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 Authority and water levels of the Edwards Aquifer.

The Chair then called for **Discussion Item 15 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, and the Gorge Preservation Society.** No discussion was had on Discussion Item 15.

The Chair called for **Discussion Item 16 - 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 17 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on Resolution from the Calhoun County Judge and Commissioners' Court in support of balanced Guadalupe River flows and the Texas Commission on Environmental Quality's Environmental Flow Standards. The Board was also briefed on several articles in the Irrigation Leader magazine and Texas Monthly magazine. General Manager West informed the Board of the upcoming Texas Lineman's Rodeo to be held at GBRA's Nolte Island.

The Chair recessed the open meeting at 12:01 p.m. The Chair closed the open meeting and convened the meeting in executive session pursuant to Chapter 551, Texas Government Code at 12:20 p.m. The open meeting reconvened in open session at 1:10 p.m.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Purchase and Sale Agreement between the Guadalupe-Blanco River Authority and SJW Corporation.** Upon motion by Director Patillo, second Brockman, the Board unanimously authorized the General Manager to negotiate and execute a Purchase and Sale Agreement between the Guadalupe-Blanco River Authority and SJW Corporation.

Next, the Chair then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager to negotiate and execute the terms and conditions of a proposed Water Supply Agreement between GBRA and Blue Water Systems.** Upon motion by Director Powers, seconded by Director Brockman,

the Board unanimously authorized the General Manager to negotiate and execute the terms and conditions of a proposed Water Supply Agreement between GBRA and Blue Water Systems.

There being no further business to be brought before the Board, the meeting was adjourned at 1:15 p.m. subject to call by the Chair.

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Chair

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Secretary