

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 January 16, 2013, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Oscar H. Fogle, Grace G. Kunde, Tommy Mathews, James L. Powers, Frank J. Pagel, Dennis L. Patillo, Myrna P. McLeroy, Robert “Rusty” Brockman, and Kenneth Motl. Also present were W. E. West, Jr., General Manager; James Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Science, Intergovernmental Relations and Policy; 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, Chief Strategic Communications and Public Affairs Officer; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations and Publication Specialist; Leigh Crettenden, IT Manager; Tommy Schulte, Regional Representative; Steve Jester, Executive Director of the Guadalupe-Blanco River Trust; Dan Alonso, Executive Director of the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin representing Dublin and Associates; David Engel representing Engel and Associates; Honorable Mike McCormick, Presiding Judge

(Retired) Texas Court of Criminal Appeals; Alan Thompson representing Klotz Associates; Rich Galloway representing Atkins North America; Nieves Alfaro representing KBR Infrastructure; Rick Menchaca representing BOSC, Inc.; Steve Bereyso representing San Antonio Water System; John Moore representing Strategic Energy; Bill Swanson representing MWH; Lara Zuzak representing Cardno Entrix; Tom Hodge representing Canyon Lake Water Supply Corporation; Tyson Broad representing the Sierra Club; and Ramon Salazar representing Worley Parsons.

Chair Fogle called the meeting to order at 10:00 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 Brockman 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 - Welcome newly appointed Director and administered the *Oath of Office* to Kenneth Alan Motl.** Chair Fogle welcomed Kenneth Motl to the Board. Honorable Mike McCormick, Presiding Judge, Retired, Texas Court of Criminal Appeals, administered the *Oath of Office* to Kenneth Alan Motl.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action authorizing the expenditure of funds for staff to attend the Texas Water**

Conservation Association Texas Water Day in Washington, D.C. on February 5-7, 2013. Upon motion by Director Mathews, seconded by Director Kunde, the Board unanimously authorized the expenditure of funds for staff to attend the Texas Water Conservation Association Texas Water Day in Washington, D.C.

The Chair then called for **Chair Item 3 - Consideration of and possible action accepting Board of Directors' Committee assignments.** Upon motion by Director Mathews, seconded by Director Brockman, the Board unanimously accepted the Committee assignments. A copy of the Committee assignments is attached and made a part of these minutes.

The Chair called for **Consent Item 4 - Consideration of and possible action approving the December 19, 2012, Board meeting minutes; Consent Item 5 - Consideration of and possible action approving the monthly financial report for December 2012; Consent Item 6 - Consideration of and possible action approving the monthly operations report for December 2012; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Patillo, seconded by Director Kunde, the Board unanimously approved Consent Items 4, 5, 6, and 7.

Next, the Chair called for **General Manager 8 - Discussion of the Executive Reports addressing various matters, including 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, meetings held with cities and counties to discuss Phase 2 of the Lower Guadalupe River Basin Feasibility Study, construction management including River Bend pump station replacement matters, Mid-Basin Water Supply Project, Feasibility Study for the South Central Texas Power and Desalination Project, Regional Laboratory activities, Clean Rivers Program activities, Plum Creek Projects, Geronimo Creek Watershed Protection Plan, Environmental Flows Project, water quality general, San Antonio Bay Foundation, Economic and Community Development activities, events and projects, development including water and wastewater services activities, Bulverde area wastewater, 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, Gonzales area flood warning, Gorge Preservation Society, information technology, human resources, budget activities, accounting and finance. James Murphy briefed the Board on GBRA operation and engineering activities. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. Teresa Van Booven gave the Board an overview of the Gorge Preservation Society and the GBRA Gorge Office managed by Jaynellen Ladd. Debbie Magin briefed the Board on two invasive plants in the Lower Basin area and possible control methods of these plants. 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 December 31, 2012.

The Chair then called for **Action Item 9 - Consideration of and possible action approving a Resolution authorizing the issuance of up to \$77,000,000 in principal amount of Guadalupe-Blanco River Authority Contract Revenue Refunding Bonds, Series 2013 (Western Canyon Regional Water Supply Project); authorizing the sale thereof; authorizing the General Manager and the Executive Manager of Finance and Administration to approve all final terms of the Bonds; approving the preparation and distribution of an Official Statement; authorizing the execution of a Purchase Contract, a Paying Agent/Registrar Agreement, and an Escrow Agreement; calling certain Bonds for redemption; and containing other provisions relating to the subject.** Action Item 9 was deferred to the next monthly Board meeting and no action was taken on this item.

The Chair called for **Action Item 10 - Consideration of and possible action authorizing the General Manager to negotiate and execute an amendment to the Contract for Raw Water Service between the Guadalupe-Blanco River Authority and the Port O'Connor Municipal Utility District for an increase in raw water commitment.** This is the First Amendment to the original Contract for Raw Water Service dated July 19, 2000, between the Guadalupe-Blanco River Authority and Port O'Connor Municipal Utility District. Under the terms of the Contract for Raw Water Service, GBRA agreed to provide the Port O'Connor Municipal Utility District up to sixty (60) acre-feet per year (the "Annual Commitment") of raw water from Canyon Reservoir.

Based on customer growth that has occurred within the Port O'Connor Municipal Utility District over the years, it is necessary to amend to the Contract for Raw Water Service to reflect an increase in the Annual Commitment of raw water to the Port O'Connor Municipal Utility District effective January 1, 2013. GBRA and the Port O'Connor Municipal Utility District have agreed to amend the Contract for Raw Water Service. Upon motion by Director Kunde, seconded by Director Powers, the Board unanimously authorized the General Manager to negotiate and execute an amendment to the Contract for Raw Water Service between GBRA and the Port O'Connor Municipal Utility District for an increase in raw water commitment. A copy of the First Amendment to the Contract for Raw Water Service is attached and made a part of these minutes.

Next, the Chair called for **Action Item 11 - Consideration of and possible action approving a Resolution nominating a Guadalupe-Blanco River Authority representative for Ex-officio membership in the Executive Committee of the Hays County Water and Sewer Authority.** The Hays County Water and Sewer Authority established an Executive Committee on November 19, 2012 to consist of at least two members of the Hays County Water and Sewer Authority and one ex-officio member per: municipality in Hays County, ground water conservation district in Hays County, special water district in Hays County, and quasi-governmental water entity in Hays County. Hays County Water and Sewer Authority solicited GBRA's inclusion in their effort to expand the discussion of water availability and the development of water resources for Central Texas to include the various municipalities, ground water conservation districts, special water districts, and other quasi-governmental water

entities of Hays County. This effort could be beneficial to both the region and the local entities therein and would be enhanced by GBRA's' participation. Upon motion by Director Mathews, seconded by Director Kunde, the Board unanimously approved a Board Resolution nominating James Murphy as GBRA's Ex-officio member for the Executive Committee of the Hays County Water and Sewer Authority. A copy of the Resolution is attached and made a part of these minutes.

The Chair then called for **Discussion Item 12 - 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, the Edwards Aquifer Recovery Implementation Program Habitat Conservation Plan, and the Guadalupe Basin Coalition.

The Chair called for **Discussion Item 13 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, the Gorge Preservation Society, and the Guadalupe River Foundation.** Steve Jester briefed the Board on activities of the Guadalupe-Blanco River Trust including receipt of a \$10,000 grant from the Burdine Johnson Foundation. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation. LaMarriol Smith briefed the Board on the Guadalupe River Foundation.

Next, the Chair called for **Discussion Item 14 - 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. Debbie Magin briefed the Board on the Instream Flow Program that will begin in GBRA's basin on January 29, 2013 in Seguin and January 30, 2013 in Victoria.

The Chair then called for **Discussion Item 15 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on the up-coming Texas Water Conservation Association Texas Water Day white paper to be discussed with the Congressional Delegation, the Texas House National Resources Interim Report to the 83rd Legislature, a National Endangered Species Act Reform Coalition (NESARC) Policy Committee meeting, and the up-coming 2013 Texas Ag Water Forum scheduled for February 25, 2013, in Austin, Texas. The Board was also briefed on the Supreme Court hearing on the Texas-Oklahoma Water Case and the Supreme Court water dispute between Texas and New Mexico. General Manager West also briefed the Board on a pilot desalination project with the Barton Edwards Aquifer Authority and other entities. The Board was also briefed on Legislative activities including new Committees established in the House, a scholarship program established by Texas State University in honor of Representative Edmund Kuempel, and various bills filed.

The Chair recessed the open meeting at 12:00 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:39 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:11 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:12 p.m. subject to call by the Chair.

Chair

Secretary