

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 October 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, Robert “Rusty” Brockman, Dennis L. Patillo, William R. Carbonara, Darrell McLain, and Don B. Meador. Director Kenneth Motl was absent. 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; Susan Hubbert, Accounting Manager; Sandra Terry, Investment Manager; Jeff Crosby, Executive Director of the Guadalupe-Blanco River Trust; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Jay Howard with HillCo Partners;

Milton Lee with Lee Energy Partners; Emily Rogers with Bickerstaff, Heath, Delgado, and Acosta, LLP; Humberto Ramos with Canyon Regional Water Authority; Greg Bowen with the New Braunfels Herald Zeitung; H. Rene Moulinet with HRM Land Acquisition Solutions; Adam Conner with San Antonio Water System; Rick Myrick with CEC; and Steven Adams with Specialized Public Finance.

Chair Fogle called the meeting to order at 10:01 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 McLain 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.

The Chair called for **Consent Item 1 - Consideration of and possible action approving the minutes of the September 18, 2013, Board meeting and Board public meeting/reception; Consent Item 2 - Consideration of and possible action approving the monthly operations report for September 2013; and Consent Item 3 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously approved Consent Items 1, 2, and 3.

Next, the Chair called for **General Manager Item 4 - Discussion of the Executive Report 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, Region L Water Planning meeting, Kerr-Kendall Water Supply Study, U.S. Army Corps of Engineers Lower Guadalupe Feasibility Study, Victoria Area Water Supply Study workshop including identification of sources of water and possible ASR sites, review of drought and run-of-river rights with South Texas Watermaster, Construction Management including Mid-Basin Water Supply Project, Feasibility Study for the Integrated Water Power Project, Regional Laboratory activities, Clean Rivers Program activities, Plum Creek Projects, Texas Water Utilities Association Laboratory Analyst Section, Operations, Geronimo Creek Watershed Protection Plan, Environmental Flows Project including background data collections and environmental sampling, Vegetation, Water Quality (general), TDA/TWRI Real Hog Farm VTA project, San Antonio Bay Foundation and Partnership, Economic and Community Development activities, events and projects, development including water and wastewater services activities, Bulverde area wastewater operations including Singing Hills and Johnson Ranch, Rural Utilities - Dunlap wastewater service area activities, Water Supply Project activities including development of GBRA/Customer facility plan for the Mid-Basin Water Supply Project, water and wastewater infrastructure needs for the Cherryville Development in Caldwell county, Maxwell Water Supply Corporation water supply projects, Western Canyon Treated Water Supply

System activities, Resource Protection activities including procedures for activation of the Weather Net-Hydro Watch system for dissemination of flow information during high rainfall events, work with Texas Parks and Wildlife Department enforcement and fisheries professionals, County enforcement officers and representatives of the area lake associations to address issues relating to lake management and lake safety, work on lake restrictions regarding water usage on the hydro lakes during drought conditions, presentations regarding drought conditions and water supply matters, Gonzales area flood warning plan, Canyon Lake/Sattler Office, Gorge Preservation Society, information technology, human resources, 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. Debbie Magin briefed the Board on a magazine article in *Lab Manager* featuring GBRA's Regional Laboratory. LaMarriol Smith briefed the Board on an article featuring the Canyon Lake Gorge published in *Texas Highways*. Alvin Schuerg briefed the Board on the Government Financial Officer Award received by GBRA for sixteen years. Discussion was also had regarding finance, human resource, and information technology activities. Mr. Schuerg also briefed the Board on the contractual operations budget to actual reconciliations for Fiscal Year 2013. The Board was also briefed on the results from the Requests for Proposals for GBRA medical, dental, life, and long term disability benefits. Discussion was had on the cost analysis for employee benefits for plan year 2014.

Director Brockman left the meeting at this time.

The Chair then called for **Action Item 5 - Consideration of and possible action authorizing the General Manager to negotiate and execute Agreement by and between Bremer Ranch LTD (Bremer) and the Guadalupe-Blanco River Authority (GBRA) for the wholesale supply of treated water in an amount of 100 acre-feet of water on an annual basis from the GBRA Western Canyon Regional Treated Water Supply System.** The Bremer Ranch is located in the Bulverde area of Comal County. The Western Canyon Regional Treated Water Supply System includes an intake on Canyon Reservoir, a raw water line to convey water to a water treatment plant, and approximately 40 miles of treated water pipeline. The treated water pipeline crosses the Bremer Ranch. Consistent with a previously executed letter agreement with GBRA, the owner of the Bremer Ranch has requested a commitment for 100 acre feet of water from the Western Canyon Regional Treated Water Supply System. The proposed agreement is consistent with agreements with other customers of the Western Canyon Regional Treated Water Supply System. Upon motion by Director Mathews, seconded by Director Kunde, the Board unanimously authorized the General Manager to negotiate and execute an Agreement by and between Bremer Ranch LTD (Bremer) and the Guadalupe-Blanco River Authority for the wholesale supply of treated water in an amount of 100 acre-feet of water on an annual basis from the GBRA Western Canyon Regional Treated Water Supply System. A copy of the Agreement is attached and made a part of these minutes.

The Chair called for **Action Item 6 - Consideration of and possible action authorizing the General Manager to negotiate and execute Agreement by and between Jacquelyn Couser (Couser Ranch) and the Guadalupe-Blanco River Authority (GBRA) for the wholesale supply of treated water in an amount of 100 acre-feet of water on an annual basis from the GBRA Western Canyon Regional Treated Water Supply System.** The Couser Ranch is located in the Bulverde area of Comal County. The Western Canyon Regional Treated Water Supply System includes an intake on Canyon Reservoir, a raw water line to convey water to a water treatment plant, and approximately 40 miles of treated water pipeline. The treated water pipeline crosses the Couser Ranch. Consistent with a previously executed letter agreement with GBRA, the owner of the Couser Ranch has requested a commitment for 100 acre feet of water from the Western Canyon Regional Treated Water Supply System. The proposed agreement is consistent with agreements with other customers of the Western Canyon Regional Treated Water Supply System. Upon motion by Director Mathews, seconded by Director Kunde, the Board unanimously authorized the General Manager to negotiate and execute an Agreement by and between Jacquelyn Couser (Couser Ranch) and the Guadalupe-Blanco River Authority for the wholesale supply of treated water in an amount of 100 acre-feet of water on an annual basis from the GBRA Western Canyon Regional Treated Water Supply System. A copy of the Agreement is attached and made a part of these minutes.

Next, the Chair called for **Action Item 7 - Consideration of and possible action authorizing the General Manager to negotiate and enter into a Grant**

Agreement with Texas State Soil and Water Conservation Board (TSSWCB) for the completion of the Scope of Work for the project entitled “Investigation into Contributions of Nitrate-Nitrogen to Plum Creek, Geronimo Creek and the Underlying Leona Aquifer.” The Grant Agreement is for October 1, 2013 – September 30, 2016. The Grant Agreement obligates Texas State Soil and Water Conservation Board to reimburse up to \$162,000 to GBRA for actual allowable and eligible costs of performing the tasks prescribed in the Scope of Work. GBRA will provide a non-federal match of \$54,113, using GBRA labor for project administration, quality assurance plan development, field sampling, and final report review and printing. A subcontract with the U.S. Geologic Survey will cover the water quality analyses and production of the final report. Upon motion by Director Kunde, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and enter into a Grant Agreement with Texas State Soil and Water Conservation Board for the completion of the Scope of Work for the project entitled “Investigation into Contributions of Nitrate-Nitrogen to Plum Creek, Geronimo Creek and the Underlying Leona Aquifer.” A copy of the Grant Agreement is attached and made a part of these minutes.

The Chair then called for **Action Item 8 - Consideration of and possible action approving a Resolution supporting implementation and financing of the State Water Plan.** Upon motion by Director Meador, seconded by Director Kunde, the Board unanimously approved a Resolution urging expeditious implementation of critical water supply projects in the State Water Plan. A copy of the Resolution is attached and made a part of these minutes.

The Chair called for **Action Item 9 - Consideration of and possible action authorizing the General Manager to pursue defendant intervenor status in League of United Latin American Citizens v. Edwards Aquifer Authority, NO. 5:12-CV-620-OLG.** No discussion or action was taken on Action Item 9 at this time.

Next, the Chair called for **Discussion Item 10 - Discussion regarding 83rd Legislative Session.** Jay Howard briefed the Board on the 83rd Legislative Session and the 2014 political outlook.

The Chair then 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 discussed the Edwards Aquifer J-17 well level, Comal Springs at New Braunfels level, and the springflow protection measures in the Edwards Aquifer Habitat Conservation Plan. 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 12 - 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.** Jeff Crosby briefed the Board on the activities of the Guadalupe-Blanco River Trust.

Next, 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, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other reservoirs, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

The Chair then called for **Discussion Item 14 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on an article on State power reserves. Mr. West introduced Milton Lee with Lee Energy Partners. Mr. Lee discussed with the Board power generation reserves for the State of Texas. Mr. West also briefed the Board on meetings had with Representative Todd Hunter and Texas Water Development Board Chairman Carlos Rubinstein. The Board was also informed that GBRA staff is working on a domestic use contract for water usage by residents living on GBRA hydroelectric lakes.

The Chair called for **Discussion Item 15 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on proposed amendments on the Endangered Species Act.

The Chair recessed the open meeting at 12:06 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:32 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:49 p.m.

The Chair called for **Action Item 9 - Consideration of and possible action authorizing the General Manager to pursue defendant intervenor status in League of United Latin American Citizens v. Edwards Aquifer Authority, NO. 5:12-CV-620-**

OLG. Upon motion by Director Meador, seconded by Director Kunde, the Board unanimously authorized the General Manager to pursue defendant intervenor status in League of United Latin American Citizens v. Edwards Aquifer Authority, NO. 5:12-CV-620-OLG.

The Chair called for **Consideration of and possible action approving a compensation adjustment for the General Manager.** Upon motion by Director Kunde, seconded by Director Meador, the Board unanimously approved adjusting the compensation for the General Manager to \$256,500.

There being no further business to be brought before the Board, the meeting was adjourned at 1:51 p.m. subject to call by the Chair.

Chair

Secretary