

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 March 16, 2016, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Robert “Rusty” Brockman, Dennis L. Patillo, Oscar H. Fogle, Don B. Meador, and William R. Carbonara. Directors Kenneth Motl, Grace G. Kunde, and Darrel McLain were absent. Also present were W. E. West, Jr., General Manager; Tom Bohl, General Counsel; James Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; LaMarriol Smith, Executive Manager for Strategic Communications and Public Affairs; Todd Votteler, Executive Manager of Science, Intergovernmental Relations and Policy; David Welsch, Executive Manager of Business Development and Resource Management; Darel Ball, Operations Manager-Lower Basin; Barbara Gunn, Human Resources Manager; Tommy Hill, Chief Engineer; John Smith, Operations Manager-Upper Basin; Michael Urrutia, Director of Water Quality Services; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Jaynellen Kerr, Natural Resource Specialist; Mary Newman, Project Coordinator; Tim Dusek, Grant Writer/Administrator; Charlie Hickman, Engineer; Josie Longoria, Regional Laboratory Director; Carrie Kasnicka, Guadalupe-Blanco River Trust Conservation Director; Dan Alonso, San Antonio Bay Foundation Executive Director;

Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Steve Holzheuser, legislative consultant; John Mark Matkin with Kendall West Utilities; Humberto Ramos with Canyon Regional Water Authority; Adam Conner and Felix Arambula with San Antonio Water System; Jeanne Schnuriger with Springs Hill Water Supply Corporation; and Eugenia Barnes with Texas A&M University Corpus Christi.

Chair Mathews 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:

Chair Mathews reminded meeting attendees that in the interest of more transparency, the Guadalupe-Blanco River Authority Board meetings are being videotaped and made available online.

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.

The Chair recessed the open meeting at 9:03 a.m. and the Board and staff proceeded to tour the GBRA main office and regional laboratory facilities.

The Chair reconvened the meeting at 9:58 a.m.

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 2016 Federal Water Issues Conference, April 11-13, 2016, at the Washington Court Hotel in Washington, D.C.** Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously authorized the expenditure of funds for Director and staff to attend the National Water Resources Association 2016 Federal Water Issues Conference in Washington, D.C.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the February 17, 2016, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for February 2016; Consent Item 5 - Consideration of and possible action approving the monthly operations report for February 2016; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Fogle, seconded by Director Patillo, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chair called for **General Manager Item 7 - Discussion of the executive report addressing various matters relating to water resources planning including reports on Regional L Water Planning group activities, State funding issues, water reuse policies, Texas Water Development Board interregional conflict rules, GBRA's Mid-Basin Project (Groundwater and Surface Water components), Integrated Water Power Project and project funding applications, Lower Basin Storage Project and related regional planning and legislative issues, Lower Basin**

Appropriation (new) Project, Hydropower Regulatory Efficiency Act issues, water resources operation including engineering issues and related meetings, regional planning, consultations with the U. S. Army Corps of Engineers, construction management reports relating to GBRA projects and to the FM 110 Bypass in San Marcos, FM 150 near Kyle, U.S. 183 near Lockhart, CR-266 in Caldwell County, rainfall and floodwater monitoring issues in the Guadalupe and Blanco River watersheds, safety issues, utility operations; Water Quality Division and Regional Laboratory reports, economic and community development reports including reports on the River Heritage Tour Project, reports on various community meetings, community outreach activities in the Guadalupe Basin, reports on demolition of structures at certain locations around Lake Wood/H-5, a Boy Scout project on Lake Wood/H-5 in the cleared areas, project development reports relating to Johnson Ranch, Bulverde, Park Village and 4-S Ranch, Dunlap Area Utilities, Point Comfort, Port Lavaca, Canyon Lake wastewater master plan development, water and wastewater agreements and services provided in various communities throughout the Guadalupe Basin, GBRA's Lower Basin Project, property management reports, water supply studies in the Basin, Western Canyon reports, water supply studies in the middle Guadalupe Basin, resource protection issues, lake management, water safety issues and ordinances, Zebra Mussels, flood management and recovery issues, issues related to log jams, reports from the Canyon Lake/Sattler office and the Gorge Preservation Society,

reports on subdivisions in and around Kendall County, public affairs reports including media reports, public outreach and social media, new website development, education reports, reports on the activities of the Environmental Learning Center, publications, Geographic Information Systems projects, special projects including outreach to various schools and presentation to students, Guadalupe-Blanco River Trust planning for newly acquired conservation easement at Coletto Creek, GBRA publications, grants, Board relations and public events, administrative reports, information technology reports, Human Resource reports, personnel matters, accounting, and finance reports, water supply and wastewater treatment contract activities. James Murphy briefed the Board on GBRA water resources planning, operations, and engineering activities. Mr. Murphy also briefed the Board on regional planning efforts. Charlie Hickman briefed the Board on the Guadalupe Valley Hydroelectric System H-5 Dam which was completed in 1931. Damage was sustained to a portion of the dam and was not a result of a high water event. One section of a spillgate is missing and efforts are underway to address the situation. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. Michael Urrutia briefed the Board on trihalomethanes. Mary Newman updated the Board on the Emergency Watershed Protection Program related to the 2015 Memorial Day flood event. LaMarriol Smith briefed the Board on media, education, publications, marketing, and grant activities. Alvin Schuerg briefed the Board on finance, human resource, and

information technology activities. Mr. Schuerg also briefed the Board on the executive financial summary for the period ending February 29, 2016.

Next, the Chair called for **Action Item 8 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2016 Work Plan and Budget in the amount of \$125,550 for the purpose of adding and/or filling Constructor Inspector, Internal Auditor, and Risk Management Officer positions.**

Board of Directors Policy 409 – Budgets provides that the expenditure of non-budgeted funds requires a budget amendment approved by the Board of Directors. The Policy further states that the staff shall identify such information as listed below. For a number of years, the GBRA Staffing and Compensation Tables have included four “authorized” Construction Inspector positions. While these positions have been previously authorized by the Board of Directors, they have not been “funded” as part of the annual work plan. However, the amount of construction activity in Fiscal Year 2016 has increased and there is an expectation of further increases in the not too distant future. As a result, the GBRA staff recommended that one of the Construction Inspector positions be filled before the end of fiscal year 2016. Staff also recommended two additional GBRA employment positions be added before the end of Fiscal Year 2016 which are for an (1) Internal Auditor and a (2) Risk Management Officer. The Fiscal Year 2016 estimated salary and employee benefit costs of the three recommended staff additions is \$125,550. It is anticipated these costs will be shared between GBRA’s General and Water Resource Divisions and the use of existing resources within those Divisions will be adequate to fund the budget amendment. Upon motion by Director

Brockman, seconded by Director Patillo, the Board unanimously approved an amendment to the GBRA Fiscal Year 2016 Work Plan and Budget in the amount of \$125,550 for the purpose of adding and/or filling Constructor Inspector, Internal Auditor, and Risk Management Officer positions.

The Chair then called for **Action Item 9 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2016 Work Plan and Budget for the Port Lavaca Water Treatment Plant.** In November 2015, the Texas Commission on Environmental Quality issued an Agreed Order to the Calhoun County Rural Water System for failure to comply with the standards of the Stage 2 Disinfection Byproducts Rule for total trihalomethanes (TTHM). The System has three years to meet the compliance standards. The most efficient means of achieving compliance is typically at the surface water treatment plant. Proposed improvements to meet the current regulation will cost approximately \$242,000. The first phase was the completion of a feasibility study to evaluate the necessary corrective actions. The Guadalupe-Blanco River Authority engaged the consulting firm Arcadis U.S., Inc. which completed the Study. The Study found the most efficient means to better assure compliance is to make enhancements and modifications to the surface water treatment plant owned by GBRA and located in Calhoun County that provides the water to the Rural Water System as well as the City of Port Lavaca and the Port O'Connor Improvement District. The improvements will allow plant operators to monitor organic matter in the source water and optimize the coagulation and disinfection processes. The estimated cost of the improvements is \$242,030, which will be incurred over the three year period allowed

by the Agreed Order, starting in April 2016. GBRA staff has briefed the Council and Staff of the City of Port Lavaca and the Board of the Port O'Connor Improvement District. Both the City and the District understand the need for the improvements and prefer the level cost approach as proposed by GBRA where each of the three wholesale customers of the water treatment plant will be billed for their pro rata share of the cost of the improvements, spread evenly over the three year compliance period. Under this arrangement, it will be necessary to amend the current Fiscal Year 2016 budget in the amount of \$41,730 effective April 1, 2016. The remaining balance of the cost of the improvements will be included in the Fiscal Year 2017 and 2018 budgets. Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved an amendment to the GBRA Fiscal Year 2016 Work Plan and Budget for the Port Lavaca Water Treatment Plant in the amount of \$41,730 for costs related to Plant improvements.

The Chair called for **Action Item 10 - Consideration of and possible action approving a Resolution declaring a public necessity for a United States Geological Survey Scientific Study of Carrizo Aquifer Geophysical Properties in Guadalupe and Gonzales Counties.** The United States Geological Survey, in cooperation with the Guadalupe-Blanco River Authority, will be conducting a geophysical assessment study to develop a better understanding of the connection between the Guadalupe River and groundwater in the Carrizo aquifer in Guadalupe and Gonzales Counties. This Resolution authorizes appropriate actions by the General Manager and staff to identify, enter upon and inspect properties identified as Carrizo

Geophysics Study proposed transects in Guadalupe and Gonzales counties; to perform the geophysical study; to enter lands to determine the extent and thickness of surficial soils and gather data in said counties; and affirms all acts and proceedings theretofore done or initiated by employees, agents and attorneys of GBRA to perform such studies as described in the memorandum letter dated January 20, 2016 from Ryan Banta and Andrew Teeple, United States Geological Survey. Upon motion by Director Meador, seconded by Director Brockman, the Board unanimously approved a Resolution declaring a public necessity for a United States Geological Survey Scientific Study of Carrizo Aquifer Geophysical Properties in Guadalupe and Gonzales Counties. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Water Supply Agreement between the Guadalupe-Blanco River Authority (GBRA) and Kendall West Utility, LLC to develop system improvements and water delivery through cooperative efforts for water planning and water distribution and for re-allocation of water supply commitments within existing customers of the Guadalupe-Blanco River Authority Western Canyon Regional Treated Water Supply System.** GBRA owns and operates the Western Canyon Regional Treated Water Supply System providing a firm supply of water to users in the hill country. Among those users are the City of Boerne, the City of Fair Oaks Ranch, Johnson Ranch, Kendall West Utility, LLC, Canyon Lake Water Service Company, Cordillera Ranch and Lerin Hills. One of the original system participants, Lerin Hills, has now transferred assets to Miralomas. In

order to facilitate the transfer, GBRA will re-allocate all or a portion of the Lerin Hills/Miralomas water supply system to and among the other project participants; with service to Miralomas to then be provided by Kendall West Utility, LLC. Kendall West Utility, LLC is negotiating an agreement with Miralomas to provide the local transfer of water supplies and associated operations for Kendall West Utility, LLC to be the utility provider for Miralomas. The proposed action authorizes appropriate actions by the General Manager and staff to negotiate and execute a Water Supply Agreement with Kendall West Utility, LLC for system improvements, water delivery, cooperative efforts of water planning and water distribution systems and for service from the GBRA Western Canyon Regional Treated Water Supply System, and further authorizing the General Manager to develop and implement system improvements among various local water utilities including Kendall West Utility, LLC, Miralomas, and the City of Boerne and Guadalupe-Blanco River Authority for surface water planning and delivery of water from the Western Canyon Regional Treated Water Supply System. Upon motion by Director Patillo, seconded by Director Carbonara, the Board unanimously authorized the General Manager to negotiate and execute a Water Supply Agreement between the Guadalupe-Blanco River Authority and Kendall West Utility, LLC to develop system improvements and water delivery through cooperative efforts for water planning and water distribution and for re-allocation of water supply commitments within existing customers of the Guadalupe-Blanco River Authority Western Canyon Regional Treated Water Supply System. A copy of the Water Supply Agreement is attached and made a part of these minutes.

The Chair then called for **Discussion Item 12 - Discussion regarding building expansion project for the GBRA main office and regional laboratory.** General Manager West briefed the Board on GBRA's growth and the need for a building expansion. Project authorization will be requested as details are developed.

The Chair called for **Discussion Item 13 - Quarterly status report on grant activities.** Tim Dusek briefed the Board on the status of various grants.

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, the Guadalupe Basin Coalition, and the South Central Texas Water Advisory Committee.

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, the Gorge Preservation Society, and the Guadalupe River Foundation.** Carrie Kasnicka briefed the Board on the activities of the Guadalupe-Blanco River Trust. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation.

The Chair called for **Discussion Item 16 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** Tommy Hill briefed the Board on the Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin, including 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.

Next, the Chair called for **Discussion Item 17 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on the Texas Water Conservation Association Annual Convention and the first meeting of the San Marcos River Task Force.

The Chair then called for **Discussion Item 18 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on the Water Strategies federal update relating to water issues and the House Appropriations Subcommittee on Interior, Environmental and Related Agencies water and data and science program funding.

The Chair recessed the open meeting at 11:51 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:28 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:44 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:44 p.m. subject to call by the Chair.

Chair

Secretary