

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 May 18, 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, Kenneth Motl, Grace G. Kunde, Don B. Meador, and William R. Carbonara. Director Darrel McLain was absent. Also present were W. E. West, Jr., General Manager (retiring); Kevin Patteson, General Manager/Chief Executive Officer; 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; Anna Daniels, Regional Representative; Tim Dusek, Grant Writer/Administrator; Sandra Terry, Investment Manager; Rebecca Wilson, Social Media/Community Relations Specialist; Cinde Thomas-Jimenez, Environmental

Education Administrator; Charlie Hickman, Engineer; Josie Longoria, Regional Laboratory Director; Wilbert Freeman, Maintenance Crewman, Hydroelectric Division; Albert Soto, Operator, Luling Water Treatment Plant; Ernest Wilhelm, Operator, Luling Water Treatment Plant; Mike Fagan, Plant Operator-Western Canyon Water Treatment Plant; Mark Steel, Projects and Publications Specialist; Janet Thome, Projects and Publications Specialist; Richard Gaona, Chief Water Tender-Calhoun Canal Division and GBRA 2016 Retiree; Leticia Gaona; 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; Christopher Velasquez, graduate from San Marcos High School, and Abel Velasquez; Madison Hesse, graduate from Samuel Clemens High School, and Mary Hesse; Bernadette Flehmer, graduate from Smithson Valley High School, Dyanne Jaroszewski and Phil Flehmer; Addie Blinder, graduate from Seguin High School, and Jennifer Blinder; Ileana Gonzales, graduate from Lockhart High School, and Jamie Gonzales; Joseph Freeman, graduate from Seguin High School, and Erma and Wilbert Freeman; Shelby Mann, graduate from Luling High School, Michael and Kimberley Helmke, and Kevin Mann; Hannah Shelly, graduate from Calhoun High School, and Stephanie and RJ Shelly; Patrick Urrutia, graduate from Central Catholic High School, Roberta and Michael Urrutia, and Miguel Urrutia; Chico Wagner, graduate from Canyon High School, and Mark Wagner; Katie Morrison, Intern from Sewanee The University of the South; Johnson Jeffers and Sam Regonini with the Episcopal Diocese of West Texas

Sewanee; Adam Connor and Felix Arambula with San Antonio Water System; Alan Thompson with LNV; Stephan Schuster with SWCA; John Young and Laura Powell with Wells Fargo Bank; Amy Campbell and Michael Steel with MWH; and Collin Kennedy with Congressman Blake Farenthold's Office.

Chair Mathews 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 Motl led the Pledge of Allegiance to the United States flag and Texas flag.

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

The Chair called for **Chair Item 1 - Consideration of and possible action approving a Resolution honoring 2016 Guadalupe-Blanco River Authority retiree Richard Gaona for his twenty-five (25) years of meritorious and faithful service.**

Chair Mathews and General Manager West introduced and recognized Richard Gaona for his twenty-five (25) years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chair Mathews read a Resolution honoring Richard Gaona. Upon motion by Director Motl, seconded by Director Carbonara, the Board unanimously

approved a Resolution honoring GBRA 2016 retiree Richard Gaona. A copy of the Resolution is attached and made a part of these minutes.

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 Texas Water Conservation Association 2016 Mid-Year Conference June 15-17, 2016, at Horseshoe Bay Marriott Resort, Horseshoe Bay, Texas.** Upon motion by Director Fogle, seconded by Director Motl, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 2016 Mid-Year Conference at Horseshoe Bay.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the April 20, 2016, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for April 2016; Consent Item 5 - Consideration of and possible action approving the monthly operations report for April 2016; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Motl, seconded by Director Meador, 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, South Central Texas Regional Water Planning Group (Region L), water reuse policies, GBRA's Mid-Basin Project, Integrated Water Power Project, Lower Basin Storage Project and related regional planning and legislative issues, GBRA's Lower Basin**

Storage Project, Hydropower Regulatory Efficiency Act, water resources operation including engineering, construction management reports, utility operations, Water Quality Division and Regional Laboratory reports, economic and community development reports, project development reports relating to Johnson Ranch, Park Village-4-S Ranch, Singing Hills, Lerin Hills-Miralomas, Dunlap Area Utilities, and Canyon Park Wastewater Master Plan, Emergency Watershed Protection Program, lake management, property management, the Gorge Preservation Society, public affairs reports including media reports, publications, Geographic Information Systems projects, grants, Board relations, social media and community relations, education reports, the Environmental Learning Center, information technology reports, Human Resource reports, and accounting and finance reports. James Murphy introduced and recognized new employees in GBRA's operations Albert Soto, Ernest Wilhelm, Wilbert Freeman, and Mike Fagan. Mr. Murphy also introduced Michael Helmke. The Board was updated on the Guadalupe Valley Hydroelectric H-5 Dam gate failure and replacement. James Murphy briefed the Board on GBRA water resources planning, regional planning, operation and engineering activities. David Welsch introduced Anna Daniels, GBRA's Regional Representative. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. Mary Newman updated the Board on the Emergency Watershed Protection Program related to the 2015 Memorial Day flood event and work with Natural Resources Conservation Service. Anna Daniels and Teresa VanBooven briefed the

Board on the 54th Annual Texas Water Safari to be held June 11, 2016, and the recent Texas River Marathon “The Prelim” race for the Annual Texas Water Safari. Mrs. VanBooven also briefed the Board on meetings held with local officials relating to a potential study area for wastewater services in Guadalupe County. Michael Urrutia briefed the Board on GBRA’s Regional Laboratory, the Plum Creek Watershed Steering Committee meeting, and the 2016 Clean Rivers Program Basin Highlights Report. 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 April 30, 2016, and the Fiscal Year 2017 Work Plan and Budget schedule.

Next, the Chair called for **Action Item 8 - Consideration of and possible action authorizing the General Manager to approve an engagement of an auditing firm to perform the Fiscal Year 2016 financial audit.** An annual audit is required by Section 7 of GBRA’s Enabling Act, Section 49.191 of the Texas Water Code, GBRA Board Policy 410-Audits, and the provisions of numerous bond resolutions. GBRA Board Policy 410.202 states that the initial term of the engagement of an independent auditor shall be three years with subsequent renewals, however, the term may not exceed five consecutive years. The firm of Alonzo, Bacarisse, Irvine and Palmer (ABIP) completed their third year serving as GBRA’s auditor with the Fiscal Year 2015 audit. In April 2016, ABIP submitted their proposal for auditing services for the Fiscal Year 2016 financial audit to the Auditing Committee. The proposal for services states that

the fee for the firm's services will be based upon their quoted hourly rates, but not to exceed \$42,400 (exclusive of any potential Single Audit Act services resulting from federal grants). Upon motion by Director Fogle, seconded by Director Brockman, the Board unanimously authorized the General Manager to approve an engagement of the auditing firm Alonzo, Bacarisse, Irvine and Palmer (ABIP) to perform the Fiscal Year 2016 financial audit.

The Chair then called for **Action Item 9 - Consideration of and possible action approving a Resolution adopting the Drought Contingency Plan for the Guadalupe-Blanco River Authority Calhoun County Rural Water Supply System.**

The Drought Contingency Plan for the Guadalupe-Blanco River Authority Calhoun County Rural Water System was developed and placed on the GBRA website for public review from April 27, 2016 through May 13, 2016. Notice stating the Plan was available for review was placed on Rural Water System bills during the May 2016 billing cycle. Upon motion by Director Brockman, seconded by Director Kunde, the Board unanimously approved a Resolution adopting the Drought Contingency Plan for the Guadalupe-Blanco River Authority Calhoun County Rural Water System. A copy of the Resolution and Drought Contingency Plan is attached and made a part of these minutes.

The Chair called for **Action Item 10 - Consideration of and possible action authorizing the General Manager to negotiate and execute an Agreement with the most qualified respondent for engineering services for the Guadalupe-Blanco River Authority Western Canyon Disinfection By-Products Control Project 2016.**

After rainfall and subsequent flooding in April and May of 2015, the water level in Canyon Reservoir rose quickly. The organic matter in the reservoir increased as was reflected in the UV 254 data at the Western Canyon Water Treatment Plant. In June 2015, operators started to see the increased organic matter reflected in the Total Trihalomethanes (TTHM) data collected at the water treatment plant and the delivery points. As a result, GBRA staff realized that the nature of the TTHM's had changed. HDR Engineering was engaged to update an aeration study it had completed in 2013 and it took samples and conducted bench scale testing. The HDR study recommended an option that included aeration and granular activated carbon. The Western Canyon Project's Technical Advisory Committee reviewed the study on February 5, 2016. Consensus of the Committee was to take the recommendation to the Western Canyon Project's Project Management Committee. A Project Management Committee meeting was held on April 21, 2016 where the recommendation was to move forward with the design and installation of aeration facilities and design of facilities for granular activated carbon, including a study to outline the advantages and disadvantages and life cycle cost of utilizing granular activated carbon. A Request for Qualifications for engineering services for the project – referred to as the “GBRA Western Canyon Disinfection By-Products Control Project 2016” – was properly advertised and was due on May 17, 2016. Fourteen firms requested copies of the Request for Qualifications and four proposals were received. Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously authorized the General Manager to negotiate and execute an Agreement with the most qualified respondent for engineering services for

the GBRA Western Canyon Disinfection By-Products Control Project 2016. A copy of the Agreement is attached and made a part of these minutes.

Next, the Chair called for **Discussion Item 11 - Discussion and report on the Guadalupe-Blanco River Authority's educational activities.** Cinde Thomas-Jimenez briefed the Board on activities of the Guadalupe-Blanco River Authority's Water Education and Information Program. Matters discussed include: the program "Journey Through the Guadalupe River Basin," which was originally developed in 1989 for fourth grade students and revised as needed; the program "Water Makes the World Go 'Round," which was originally developed in 2012 for second grade students and revised as needed; elementary school outreach; the middle school program "Waters to the Sea," which has been in use since 2012; middle school outreach; teacher workshops; field trips; community and school partnerships; the proposed GBRA Environmental Learning Center; public information; and publications.

The Chair recessed the open meeting at 11:26 a.m. and reconvened the open meeting at 11:31 a.m.

The Chair called for the **Presentation of 2016 annual GBRA Scholarships.** Rebecca Wilson introduced the 2016 GBRA Scholarship recipients: Christopher Velasquez, graduate from San Marcos High School; Madison Hesse, graduate from Samuel Clemens High School; Bernadette Flehmer, graduate from Smithson Valley High School; Addie Blinder, graduate from Seguin High School; Ileana Gonzales, graduate from Lockhart High School; Joseph Freeman, graduate from Seguin High School; Shelby Mann, graduate from Luling High School; Hannah Shelly, graduate from

Calhoun High School; Patrick Urrutia, graduate from Central Catholic High School; and Chico Wagner, graduate from Canyon High School.

The Chair then called for **Discussion Item 12 - Discussion regarding Blanco River rain/stream gauge project.** Tommy Hill briefed the Board on the Guadalupe-Blanco River Monitoring Program including a watershed map of GBRA's statutory district, the United States Geological Survey gauges in the Guadalupe Watershed, geographic regions, the Guadalupe River profile, flash flood alley area in Texas, major flood events on the Guadalupe River from 1900 to present, and rainfall totals from recent floods. Mr. Hill continued discussion on the Blanco Watershed including the Blanco River profile, Blanco River gauge at Wimberley, the 2015 flood event, and the National Weather Service River Forecast Center data applications for forecasting. Discussion was had regarding the 2015 Flood aftermath meetings and ways to help the National Weather Service improve forecasts. The Board was briefed on future forecasting improvements.

The Chair called for **Discussion Item 13 - Discussion regarding the GBRA-TAP White Paper: Water, Habitat, Economy grant applications.** Todd Votteler briefed the Board on the GBRA-TAP White Paper including grant opportunities.

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.** Todd Votteler briefed the Board on the activities of the Guadalupe-Blanco River Trust. Dr. Votteler introduced Katie Morrison, Intern from Sewanee The University of the South. Johnson Jeffers briefed the Board on the Episcopal Diocese of West Texas Sewanee Internship Program. 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, water level elevations 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 discussed a letter from Gonzales Economic Development Corporation relating to the Guadalupe Valley Hydroelectric H-5 Dam and upcoming Legislative hearings.

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 Waters of the United States and other federal water issues.

The Chair recessed the open meeting at 12:14 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:55 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:49 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:50 p.m. subject to call by the Chair.

Chair

Secretary