

## **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 November 16, 2016, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Robert “Rusty” Brockman, Dennis L. Patillo, Oscar H. Fogle, Kenneth Motl, Don B. Meador, William R. Carbonara, and Ronald J. Hermes. Director Darrell McLain was absent. Also present were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Alvin Schuerg, Senior Advisor to the General Manager; Darel Ball, Executive Manager of Water Resources and Utility Operations; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/CFO; LaMarriol Smith, Executive Manager for Strategic Communications and Public Affairs; David Welsch, Executive Manager of Business Development and Resource Management; Barbara Gunn, Human Resources Manager; Charlie Hickman, Manager of Project Engineering; Tommy Hill, Chief Engineer; Michael Urrutia, Director of Water Quality Services; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Counsel; Tricia Ramirez, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Mary Newman, Project Coordinator; Anna Daniels, Regional Representative; Tim Dusek, Grant Writer/Administrator; Lauren Willis, Administrative Assistant; Jaynellen Kerr, Natural Resource Specialist; Carrie Kasnicka, Conservation Director with the

Guadalupe-Blanco River Trust; Dan Alonso, Executive Director with the San Antonio Bay Foundation; Roger Nevola, legal counsel; David Engel with Engel and Associates; W. E. West, Jr., retired GBRA General Manager; Texas State Representative Doug Miller; Felix Arambula with the San Antonio Water System; Jeanne Schnuriger with Springs Hill Water Supply Corporation; Humberto Ramos with Canyon Regional Water Authority; Garry Montgomery with RCE; and Mark Graver and Augusto Villalon with Freese and Nichols.

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, the GBRA main office and the William E. West, Jr., Annex Building in Seguin, Texas, pursuant to Title 5, Chapter 551 of the Texas Government Code. A quorum being present, the following proceedings were had:

Director Carbonara 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 **Chair Item 1 - Consideration of and possible action approving a Resolution honoring Texas State Representative Doug Miller for his meritorious and faithful service to the State of Texas.** Chair Mathews introduced and recognized Texas State Representative Doug Miller. Chair Mathews read a Resolution honoring Representative Miller for his service to the citizens of District 73, which includes Comal, Gillespie, and Kendall Counties during his four terms in the

Texas House of Representatives and for his protection of the water resources of the Guadalupe River Basin and the State of Texas. Upon motion by Director Brockman, seconded by Director Patillo, the Board unanimously approved a Resolution honoring Texas State Representative Doug Miller. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Chair Item 2 - Presentation of a Resolution from Texas State Representative Doug Miller honoring W. E. West, Jr.** Texas State Representative Miller recognized W. E. "Bill" West, Jr. retired GBRA General Manager. Representative Miller read a Resolution honoring Bill West on his distinguished career and dedicated service protecting the water resources of the Guadalupe River Basin.

The Chair then called for **Chair Item 3 - Consideration of and possible action accepting Board of Directors' Committee Assignments.** Chair Mathews appointed Director Hermes to the Audit Committee and the Public Communication Committee; and Chair Mathews to the Legislative Committee to fill the vacancies of former Director Kunde and Director McLain. At this time no additional Directors will be appointed to the Industrial Development Committee. Upon motion by Director Brockman, seconded by Director Patillo, 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 **Chair Item 4 - Appointment of a Nominating Committee for Officers of the Board of Directors for calendar year 2017.** Chair Mathews appointed Directors Fogle and Mathews to serve as members on the Nominating

Committee. The Committee was instructed to present a slate of officers for calendar year 2017 at the December 2016 Board meeting.

Next, the Chair called for **Chair Item 5 - Consideration of and possible action approving changing the date of the December 21, 2016, Board of Directors meeting to December 14, 2016.** Upon motion by Director Patillo, seconded by Director Fogle, the Board unanimously approved changing the date of the December 21, 2016, Board of Directors meeting to December 14, 2016.

The Chair then called for **Consent Item 6 - Consideration of and possible action approving the minutes of the October 19, 2016, Board meeting; Consent Item 7 Consideration of and possible action approving the monthly financial report for September and October 2016; Consent Item 8 - Consideration of and possible action approving the monthly operations report for October 2016; and Consent Item 9 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Fogle, seconded by Director Motl, the Board unanimously approved Consent Item 6, 7, 8, and 9.

The Chair called for **General Manager Item 10 - Discussion of the executive report addressing various matters relating to WATER RESOURCES PLANNING including GBRA's Mid Basin Project (Groundwater and Surface Water); GBRA's Integrated Water-Power Project and Seawater Desalination, GBRA's Lower Basin Surface Water Project, the Hydropower Regulatory Efficiency Act; meetings related to the Hydropower Regulatory Efficiency Act; Water Resources Operations including Engineering activities and meetings; Construction Management in the**

**Guadalupe Basin, including without limitation, dams, plants, pipelines and highway construction involving or impacting GBRA facilities or operations; Safety; Utilities Operations; WATER QUALITY DIVISION AND REGIONAL LABORATORY ACTIVITIES including Regional Laboratory meetings and activities; Water Quality meetings and activities including watershed protection programs, debris removal, lake and property management; Community and Economic Development including public meetings, Gorge Preservation Society activities; Project Development; Resource Projection; COMMUNICATIONS AND PUBLIC AFFAIRS including Media and Public Affairs, Publications, Geographic Information Systems, and Special Projects, Social Media and Community Relations, Board Relations and Events, Grants, Education and the Environmental Learning Center; FINANCE AND ADMINISTRATION including information technology reports, Human Resource reports, and accounting and finance reports.** Darel Ball briefed the Board on the log jam and debris removal project in Victoria, Refugio, Hays, and Caldwell Counties; the State Highway 46 Relocation Project; safety issues; and utility operations repairing/replacing a regional raw water pump. Michael Urrutia briefed the Board on the low impact development pervious parking lot and rain garden system being installed at the Seguin Outdoor Learning Center. LaMarriol Smith briefed the Board on the Lower Guadalupe River tour with representatives of the Victoria Advocate. Cindy Demers briefed the Board on information technology including development of an IT disaster recovery plan; support provided to GBRA's Regional Laboratory LIMS project; the SCADA redesign and

implementation; radio and security improvements; and completion of the installation of communication dishes on the Kyle water tower. Discussion continued on accounting and financed activities including completion of the annual audit, implementation of Fiscal Year 2017 billing rates for GBRA customers, employee annual salary adjustments, submission of the Fiscal Year 2017 budget for the Government Finance Officers Association distinguished budget award, and implementation of the Check Guard software. The Board was also informed on the completion of the San Marcos Water Treatment Plant bond refunding and the Fiscal Year 2016 budget to actual reconciliation with customers. Cindy Demers briefed the Board on upcoming finance and accounting initiatives including the Texas Transparency Stars Program, open records request process, reviewing agency procurement processes, review of financial policies, and evaluation of options to upgrade financial software. Discussion continued on Human Resource activities including assessments, filling positions, health insurance review, and exploring additional training options for supervisory and leadership groups. The Board was informed that GBRA has purchased its first drone. Discussion was had on Information Technology activities including a strategic plan, policies, utilizing cloud storage, and a data center build out. The Board was briefed on the executive financial summary for the period ending October 31, 2016.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for an automated discrete analyzer to be used at the GBRA laboratory.** Michael Urrutia briefed the Board on GBRA's Regional

Laboratory providing water quality data for two Texas State Soil and Water Conservation Board Nonpoint Source Grant Programs: the Geronimo and Alligator Creeks Watershed Protection Plans and the Plum Creek Watershed Protection Plan. The grant funding for the automated discrete analyzer will be split 50/50 between the two programs. An automated discrete analyzer is used for analysis of water samples for nutrients (ammonia-nitrogen, total kjeldahl nitrogen and total phosphorus). Bid documents were prepared and sent to various discrete analyzer vendors. Upon motion by Director Brockman, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for an automated discrete analyzer to be used at the GBRA laboratory.

The Chair then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute contract(s) with the lowest responsible bidder for gate repairs in the Guadalupe Valley Hydroelectric Division in accordance with the engineering feasibility study for the gate replacement and rehabilitation program for the Guadalupe Valley Hydroelectric Division.** No discussion or action was taken on Action Item 12 at this time.

The Chair called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute the White Paper with The Aransas Project: Affirmation and Restructuring of the Shared Vision for the Guadalupe River System and San Antonio Bay.** Jonathan Stinson briefed the Board on the White Paper. On February 24, 2016, the Guadalupe-Blanco River

Authority (GBRA) and The Aransas Project (TAP) endorsed a jointly developed white paper that laid out a vision for future cooperation on a range of issues regarding the Guadalupe River watershed and San Antonio Bay. On September 16, 2016, GBRA and TAP met again to discuss the mutual agreement with a goal to restructuring the effort to produce a more practical and streamlined approach to future cooperation titled, *Affirmation and Restructuring of the Shared Vision for the Guadalupe River System and San Antonio Bay*. The restructured agreement condenses ten items of research and collaboration into two major priorities; habitat conservation and water management for the environment. The first priority focuses on habitat conservation, endangered species management, and land stewardship. The second priority focuses on future water supply and water development within the watershed. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to execute the White Paper with The Aransas Project: *Affirmation and Restructuring of the Shared Vision for the Guadalupe River System and San Antonio Bay*. A copy of the White Paper is attached and made a part of these minutes.

Next, the Chair called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Regional Wastewater Treatment Contract between Guadalupe-Blanco River Authority and City of Lockhart, Texas**. Alvin Schuerg briefed the Board on negotiations with the City of Lockhart. On June 15, 1994, GBRA executed its first wastewater treatment contract with the City of Lockhart. The principle components of that Contract were that GBRA would lease and operate the City's existing 1.1 MGD Larremore Street Wastewater



Treatment Plant while at the same time, GBRA would finance, construct and operate a new 1.5 MGD plant that became known as the FM 20 Wastewater Treatment Plant. The 1994 Contract may terminate at the City's option on February 1, 2017 with the final payoff of all bonded indebtedness on the FM 20 Plant or the City may opt to "automatically renew" the 1994 Contract for up to two successive ten (10) year terms. The City has expressed its desire that GBRA continue to operate the two wastewater treatment plants after February 1, 2017. However, instead of automatically renewing the 1994 Contract, the City and GBRA staffs decided to update the current contractual language and remove the 1994 provisions related to financing, constructing, and commencing operations at the new FM20 Wastewater Treatment Plant. The respective staffs believed that such an update would more closely match GBRA's contractual obligations going forward, as well as result in a more easily readable contract document. Upon motion by Director Fogle, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Regional Wastewater Treatment Contract between Guadalupe-Blanco River Authority and City of Lockhart, Texas. A copy of the Regional Wastewater Treatment Contract is attached and made a part of these minutes.

The Chair then called for **Action Item 15 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute (a) a Water Supply Contract between the Guadalupe-Blanco River Authority and the City of Luling, Texas; and (b) a settlement agreement resolving the litigation between GBRA and the City.** No discussion or action was taken on Action Item 15 at this time.

The Chair called for **Action Item 16 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Second Amendment to the Regional Wastewater Treatment Contract between Guadalupe-Blanco River Authority and the City of Buda, Texas.** Darrell Nichols briefed the Board on negotiations with the City of Buda. On September 1, 2001 the GBRA and the City of Buda entered into a regional wastewater treatment contract for the operation of the City of Buda's wastewater treatment plant. The initial term continued through September 1, 2006 or until all principal and interest on the bonds financing the wastewater treatment plant were paid, redeemed or defeased, whichever occurred last. Subject to the City's right to terminate on one year's written notice, the Agreement automatically renewed for two successive five (5) year terms. Thereafter, the parties could agree to successive five (5) year renewal terms subject to the same termination rights. The initial term and the two successive five year terms have expired. The parties wish to extend the Agreement under the same terms for an additional year while terms for a longer agreement are negotiated. This second amendment to the contract commenced September 1, 2016 and will end on September 1, 2017. The City of Buda has signed the attached letter outlining the terms of the amendment. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Second Amendment to the Regional Wastewater Treatment Contract between Guadalupe-Blanco River Authority and the City of Buda, Texas.

Next, the Chair called for **Discussion Item 17 - 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 including the status of a conservation easement on the Dream Catcher Ranch in Hays County and a conservation easement on the Pagel Farm in Refugio County. The Board was briefed on the Plum Creek Wetland Preserve in Caldwell County. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation including the Mission Statement and goals of the Bay Foundation. Discussion was had on Traylor's Cut, the current meter study with the Texas Water Development Board, salinity levels in the bay, a billboard challenge to educate the public on Whooping Cranes, and planning efforts for the crab trap removal program. Jaynellen Kerr briefed the Board on activities at the Canyon Lake Gorge including the upcoming open house "Explore the Gorge", fifth grade field trips, the annual Moon Light in the Gorge, educational efforts, and the annual volunteer appreciation dinner.

The Chair then called for **Discussion Item 18 - 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 rainfall percents, Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other reservoirs, salinity levels in San Antonio and Aransas Bay, the latest El Nino and La Nina modeled forecast, and the U. S. Drought Monitor Seasonal Outlook.

The Chair recessed the open meeting at 11:33 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 11:41 a.m. pursuant to Chapter 551, Texas Government Code.

The Chair reconvened the meeting in open session at 12:13 p.m. and recessed the open meeting at 12:13 p.m.

The Chair reconvened the meeting in open session at 12:24 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:24 p.m.

The Chair reconvened the meeting in open session at 1:53 p.m.

The Chair called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute contract(s) with the lowest responsible bidder for gate repairs in the Guadalupe Valley Hydroelectric Division in accordance with the engineering feasibility study for the gate replacement and rehabilitation program for the Guadalupe Valley Hydroelectric Division.** Charlie Hickman briefed the Board on the failure of the spill gate at Lake Wood/H-5 Dam in March 2016. GBRA has been working on an engineering feasibility study to determine the best option for replacement of the failed gate and the remaining gates in the Guadalupe Valley Hydroelectric System (GVHS). Staff has been investigating and identifying repairs that can be made to prolong the service life of the existing gates. Staff recommended soliciting bids from contractors to perform components of the rehabilitation work. While not complete, the engineering feasibility study identified two potential options for gate replacement. One involves replacement with the existing gate design and the other involves replacement with a

modern gate design known as an Obermeyer gate. Upon motion by Director Patillo, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute contract(s) with the lowest responsible bidder for gate repairs in the Guadalupe Valley Hydroelectric Division in accordance with the engineering feasibility study for the gate replacement and rehabilitation program for the Guadalupe Valley Hydroelectric Division.

There being no further business to be brought before the Board, the meeting was adjourned at 2:25 p.m. subject to call by the Chair.

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Chair

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Secretary