

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 February 21, 2018, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Robert “Rusty” Brockman, Dennis L. Patillo, Don B. Meador, William R. Carbonara, Oscar H. Fogle, Ronald J. Hermes, Tommy Mathews, and Kenneth Motl. 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 Operations and Water Quality; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/Chief Financial Officer; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; Courtney Kerr-Moore, Associate General Counsel; Charlie Hickman, Manager of Project Engineering; Hunter Duncan, Chief Operator-Western Canyon Operations; and Sam Vaughn with HDR Engineering.

Chairman Brockman 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:

Chairman Brockman led the Pledge of Allegiance to the United States flag and Texas flag. Chairman Brockman had a moment of silence to honor the students and families of the tragic school shooting.

The Chairman called for **Chairman Item 1 - Consideration of and possible action changing the date of the November 21, 2018 and the December 19, 2018 Board meeting dates.** General Manager/CEO Patteson discussed with the Board the possibility of changing the November and December 2018 Board meeting dates due to the closeness of dates to the holidays. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved changing the date of the November Board meeting to November 14, 2018 and the December Board meeting to December 12, 2018.

Next, the Chairman called for **Public Comment 2 - Comments from the public.** There were no public comments.

The Chairman then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the January 17, 2018, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for January 2018; Consent Item 5 - Consideration of and possible action approving the monthly operations report for January 2018; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Mathews, seconded by Director Carbonara, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chairman called for **General Manager/CEO Item 7 - The General Manager/CEO and staff may report on, and the Board may discuss, executive**

reports and/or issues relating to GBRA activities including without limitation, the following: utility operations, GBRA Lab, water quality, safety, water resources planning and operation, construction management, economic and community development, project development, resource protection, weather and climate, river flows and other scientific issues, education programs, social media and community relations, media and public affairs, Board relations and events, publications, policy and stewardship, endangered species issues, information technology, human resources, accounting, finance, records management, grants and financial assistance. General Manager/CEO Patteson briefed the Board on GBRA's 2018 scholarship program; signing of the Gonzales Carrizo Water Supply Project Treated Water Supply Agreements with New Braunfels Utilities; the City of Lockhart, and Goforth Special Utility District; submission of an application to the Texas Water Development Board for SWIFT funding for the Gonzales Carrizo Water Supply Project; the up-coming retirement for GBRA Employee Michael Schultze; the up-coming retirement of GBRA Board Chairman Rusty Brockman from the New Braunfels Chamber of Commerce; and discussions with the City of Fair Oaks Ranch and City of Boerne for a potential regional wastewater project. Darel Ball briefed the Board on operations, water quality and safety including the snow weather event, no lost time accidents to date, and operator licensing requirements for GBRA's utility operations. Darel Ball introduced Hunter Duncan. Mr. Duncan briefed the Board on the Western Canyon operations. Tommy Hill briefed the Board on the Rainfall Telemetry Project which began in 1999. This project provides rainfall data to the National Weather Service River Forecast Center,

surrounding Counties, and the public. The rainfall telemetry network includes Kerr, Kendall, Comal, Guadalupe, Hays, and Caldwell Counties. Discussion was had regarding the Texas Water Development Board grants received for the program and design of the rainfall network system. Charlie Hickman briefed the Board on construction projects including installation of the aeration system at the Western Canyon Clearwell Number 2 and installation of timbers on the Hydroelectric Dams. Cindy Demers briefed the Board on the monthly financial reports, financial reserve policy review, incorporation of the Gonzales Carrizo Water Supply Project into GBRA's process, implementation of the Human Resources Information System, implementation of financial software, update on the comprehensive purchasing policies and procedures, employee pay policies and benefits review, deployment of Office 365 and Windows 10, completion of the Disaster Recovery System, completion of the Fiscal Year 2017 comprehensive annual financial report, submission of GBRA's transparency page to the State Controller's office, the transition of the education function to finance and administration, and completion of a sexual harassment and cultural sensitivity training. Discussion was had on the next quarter's goals.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement with a Project Manager/Engineer for the Gonzales Carrizo Water Supply Project.** Charlie Hickman briefed the Board on the selection process for a Project Manager/Engineer for the Gonzales Carrizo Water Supply Project. Sam Vaughn with HDR Engineering briefed the Board on the firm's relationship with GBRA and work on various

water supply projects. Upon motion by Director Patillo, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute an agreement with HDR Engineering to serve as Project Manager/Engineer for the Gonzales Carrizo Water Supply Project.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Construction, Conveyance and Wastewater Service Agreement between Guadalupe-Blanco River Authority and Laubach Partners, LLC.** Alvin Schuerg briefed the Board on negotiations with Laubach Partners. Currently GBRA provides retail wastewater service to approximately 1,450 customers through the Dunlap Wastewater Reclamation System. The service area is wholly within Guadalupe County and lies just west of the Guadalupe River and south of the City of New Braunfels. The pace of new housing development within the service area has quickened over the last few years requiring the construction of new wastewater infrastructure to interconnect with GBRA's existing infrastructure. Adjacent to GBRA's existing service area, Laubach Partners, LLC (Laubach) plans to develop approximately 78 acres of land. The development as currently platted will include 301 single family residences. Laubach has requested that GBRA provide wastewater service to the development. In order to provide the requested wastewater service, GBRA and Laubach will need to execute an Agreement principally requiring: (1) Laubach to provide all construction plans and specifications for GBRA review, (2) Laubach to construct the wastewater collection system within the development, (3) Laubach to construct the connecting infrastructure from the

development to GBRA's existing facilities, (4) Laubach to convey all wastewater infrastructure and rights-of-way to GBRA following construction, (5) Laubach to pay GBRA Connection Fees. Upon motion by Director Meador, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Construction, Conveyance and Wastewater Service Agreement between Guadalupe-Blanco River Authority and Laubach Partners, LLC.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Construction, Conveyance and Wastewater Service Agreement between Guadalupe-Blanco River Authority and White Wing 2016, LLC.** Alvin Schuerg briefed the Board on negotiations with White Wing 2016, LLC. Currently GBRA provides retail wastewater service to approximately 1,450 customers through the Dunlap Wastewater Reclamation System. The service area is wholly within Guadalupe County and lies just west of the Guadalupe River and south of the City of New Braunfels. The pace of new housing development within the service area has quickened over the last few years requiring the construction of new wastewater infrastructure to interconnect with GBRA's existing infrastructure. Within GBRA's existing service area, White Wing 2016, LLC (White Wing) plans to expand a housing subdivision onto 26 acres of adjacent undeveloped land. The development as currently platted will include 109 single family residences. White Wing has requested that GBRA provide wastewater service to the development. In order to provide the requested wastewater service, GBRA and White Wing will need to execute an Agreement principally requiring: (1) White Wing to provide all construction plans and

specifications for GBRA review, (2) White Wing to construct the wastewater collection system within the development, (3) White Wing to construct the connecting infrastructure from the development to GBRA's existing gravity lines in the area, (4) White Wing to convey all wastewater infrastructure and rights-of-way to GBRA following construction, (5) White Wing to pay GBRA Connection Fees. Upon motion by Director Meador, seconded by Director Patillo, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Construction, Conveyance and Wastewater Service Agreement between Guadalupe-Blanco River Authority and White Wing 2016, LLC.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2018 Work Plan and Budget.** Cindy Demers briefed the Board on the proposed budget amendment. This item amends the Fiscal Year 2018 Work Plan and Budget to reflect the purchase of land in Comal County and changes to authorized personnel. In November 2017, the GBRA Board approved the purchase of land in Comal County for office expansion. This expenditure amendment includes \$1,950,000 for that purchase as well as funding for other planning and design costs. The funding source for this change is from existing, available unrestricted and undesignated cash. This amendment also adjusts the staffing schedules removing the full-time positions of Advisor to the General Manager and Executive Manager of Resource Policy and Stewardship; and adding the full-time positions of Deputy Laboratory Director (Laboratory), Sample Custodian (Laboratory), and Purchasing Manager (Finance and Administration). The two added Laboratory

positions reflect the increased and changing operating needs of the Lab, ensures the Lab conforms to accreditation best practices (by separating quality assurance/ quality control functions from a position of authority) and eliminates the use of temporary employees to perform regular testing and analysis. The Purchasing Manager is being added to develop more centralized and consistent procurement procedures across all GBRA divisions reflecting best practices and improved internal control. This position will be completely dedicated to the purchasing function for all GBRA divisions. The net of these personnel changes is one full-time equivalent (FTE) added to the budget, however there is no increased monetary impact to the Fiscal Year 2018 expenditure budget. Upon motion by Director Hermes, seconded by Director Mathews, the Board unanimously approved an amendment to the GBRA Fiscal Year 2018 Work Plan and Budget in the amount of \$1,950,000 and amended the authorized personnel schedule by adding a net total of one additional full-time equivalent position.

The Chairman then called for **Discussion Item 12 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Tommy Hill briefed the Board on the Basin hydrologic condition, the Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin including rainfall percentages, events and totals, the U. S. Drought Monitor Seasonal Outlook, Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other Texas reservoirs, salinity levels in San Antonio and Aransas Bay, and latest El Niño and La Niña modeled forecast.

The Chairman recessed the open meeting at 11:20 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:32 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 11:50 a.m.

There being no further business to be brought before the Board, the meeting was adjourned at 11:51 a.m. subject to call by the Chairman.

Chairman

Secretary