

## **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 14, 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, Tommy Mathews, Kenneth Motl, Ronald J. Hermes, and Steven B. Ehrig. 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; Vanessa Guerrero, Executive Manager of Administration; Nathan Pence, Executive Manager of Environmental Science and Community Affairs; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Courtney Kerr-Moore, Associate General Counsel; Ernie Granville, Associate General Counsel; Charlie Hickman, Manager of Project Engineering; and David Harris, Deputy Executive Manager of Operations.

Chairman Brockman called the meeting to order at 10:02 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 Mathews led the Pledge of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Public Comment Item 1 - Comments from the public.** There were no public comments.

Next, the Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the October 17, 2018, Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for September and October 2018; Consent Item 4 - Consideration of and possible action approving the monthly operations report for October 2018; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Consent Item 3 – Consideration of and possible action approving the monthly financial report for September and October 2018 was pulled from the agenda and no action taken on Consent Item 3. Upon motion by Director Carbonara, seconded by Director Mathews, the Board unanimously approved Consent Items 2, 4, and 5.

The Chairman then called for **General Manager/CEO Item 6 - 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: GBRA water and sewer utility operations, hydroelectric operations, GBRA facilities management including plants and dams, safety, water resources planning and operation, construction management, economic and community development, project development, accounting and finance, records management, grants and financial assistance, human resources, information technology,**

**communications, social media, education programs, resource protection, weather and climate, river flows and other scientific issues, non-profit entities partnering with GBRA, water quality services, community affairs, environmental programs, and stewardship.** Tom Bohl introduced Ernie Granville, GBRA's new Associate General Counsel. Darel Ball briefed the Board on operations, water quality and safety including GBRA's receipt of TWCA's Risk Management Fund *Outstanding Safety Record in Worker's Compensation*, confirmation that there were no lost time accidents in FY 2018, and an update on accidents and incidents in Fiscal Year 2019. Mr. Ball also provided information regarding releases from Canyon Reservoir, hydroelectric generation, spilling water at various hydroelectric dams, and release of water at Coletto Creek. The Board was briefed about Canyon Hydroelectric and Western Canyon Water Treatment Plant Operations. Mr. Ball discussed the pump and haul sewer service operations at Park Village which is part of the Western Canyon operations. An update was provided regarding the Calhoun Canal System's INEOS raw water line repair, the Coletto Creek Park electric system upgrade in the campsite area, and the cleaning of the Lockhart groundwater storage tank. Charlie Hickman briefed the Board on the Carrizo Groundwater Supply Project, the design concept for the New Braunfels office complex, the Western Canyon Water Treatment Plant aeration system, and the Cordillera-Boerne Independent School District pipeline project. The Board was also briefed on upcoming milestones for the next quarter including the Dunlap Wastewater System Master Plan, the Calhoun County Rural Water System Master Plan and the Dietz Wastewater System Master Plan. Randy Staats briefed the Board on completion of the Fiscal Year 2018 audit

and preparation of financial statements, submission of training hours to the Pension Review Board, operational review and internal controls evaluation, and the awarding of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year 2017 to GBRA. This was GBRA's 44th consecutive year to have received such award. The Board was updated on the financial system upgrade, the filling of the Purchasing Manager position, and purchase of the contract management software. Mr. Staats also briefed the Board on GBRA's retirement plan transition, the collaboration with operations to implement credit card payment options, funding for the Carrizo Groundwater Supply Project, and future funding needs for various projects. Vanessa Guerrero briefed the Board on human resource activities including employee benefit renewal, open enrollment for GBRA employees, benefit administration software transition, and GBRA's Employee Recognition Week and Wellness Fair. Discussion continued on education activities including the Texas Commission on Environmental Quality Irma Lewis Seguin Outdoor Learning Center Grant and outdoor classroom outreach at the Canyon Lake Gorge. Ms. Guerrero also briefed the Board on GBRA IT department activities including installation of the WAN radio and networking, mobile device use of GBRA's website, Communication Department activities including the launch of GBRA monthly employee newsletter, participation in the Zebra Mussel Awareness Campaign, and GBRA's annual Pecan Fest. Next quarter focus includes revision of GBRA's employee handbook, review of existing job descriptions, publication of the River Run to include GBRA's 85<sup>th</sup> Anniversary, GBRA website redesign, Canyon Hydroelectric PLC upgrade, and development of interactive online maps for

rainfall/streamflow data. Nathan Pence briefed the Board on community affairs activities including attendance at the Texas Commission on Environmental Quality Edwards Aquifer Protection Program, tracking of municipal Council meeting and County Court meetings, and a collaborative meeting with GBRA's communications department. Mr. Pence updated the board on the community events held throughout GBRA's basin and the activities of the Guadalupe-Blanco River Trust including strategic planning efforts and site visits to various landowners. The Board was briefed on activities at the Canyon Lake Gorge including a ribbon cutting for the new access, entry point, and driveway; construction of the self-guided North Rim Trail; the proposed Environmental Learning Center; the annual Moonlight in the Gorge Gala; and the annual appreciation dinner for volunteers at the Canyon Lake Gorge. Mr. Pence briefed the Board on water quality activities including water sampling, the Plum Creek Cleanup, participation in the Texas Hill Country Alliance symposium, the potential endangered species listing of a mussel in the Guadalupe River System, and an update on the Whooping Crane bird count and population.

The Chairman called for **Action Item 7 - Consideration of and possible action approving the January 1, 2018, Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the recommended Plan contribution of \$1,128,049 included therein.** Randy Staats briefed the Board on the Actuarial Valuation for the Retirement Plan. One of the three basic retirement programs for GBRA employees is the defined benefit pension plan. It is funded by GBRA each year utilizing the annual actuarial valuation. An Actuarial Valuation is prepared each year and

among other calculations, the amount of the annual Plan contribution is determined. The Retirement and Benefit Committee of GBRA met on October 17, 2018 to review the Actuarial Valuation and the annual contribution. For calendar year 2018, the Retirement and Benefit Committee Actuarial Valuation recommends a Plan contribution of \$1,128,049. The funds are allocated in the Fiscal Year 2019 Work Plan and Budget. Upon motion by Director Fogle, seconded by Director Mathews, the Board unanimously approved the January 1, 2018, Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the recommended Plan contribution of \$1,128,049.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2019 Work Plan and Budget to establish rates for the Carrizo Groundwater Supply Project and the Canyon Lake Gorge.** Randy Staats briefed the Board on the proposed budget amendment. This proposed amendment to the Fiscal Year 2019 GBRA Work Plan and Budget establishes rates for the Carrizo Groundwater Supply Project and the Canyon Lake Gorge. Beginning in January 2019, the customers of the Carrizo Groundwater Supply Project (City of Lockhart, Goforth Special Utility District, and New Braunfels Utilities) will be invoiced for costs related to the project including groundwater lease payments and groundwater district fees. The proposed water rate is \$70 per acre-foot per year. This rate will be adjusted annually based on changes in costs of the project. Each of these entities are aware of these charges and payment terms. The proposed rates for field trips at the Canyon Lake Gorge is \$5.00 per student and per parent to assist

in covering costs and expanding opportunities within the Gorge. The proposed rates are currently being charged for such field trips as of August 2018. In prior years, student groups have participated in such trips at no charge. Upon motion by Director Hermes, seconded by Director Meador, the Board unanimously approved an amendment to the GBRA Fiscal Year 2019 Work Plan and Budget to establish rates for the Carrizo Groundwater Supply Project and the Canyon Lake Gorge.

The Board then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to seek bids and to negotiate and execute contracts for sludge dewatering, hauling and disposal for Western Canyon Water Treatment Facility.** David Harris briefed the Board on the sludge dewatering, hauling and disposal for the Western Canyon Water Treatment Plant. The Western Canyon Water Treatment Plant produces about 1½ to 2 million gallons of aluminum chloro-hydrate sludge annually. The sludge is generated during the membrane filter backwash process and transferred into one of two sludge holding lagoons where the solids settle and the resulting water is recycled to the head of the treatment plant. Sludge collected in the lagoons is dewatered and disposed of at least twice a year. Sludge processing and disposal is performed under contract since GBRA does not have the necessary equipment. The proposed contract is for two years with two, 1-year extensions available at GBRA option. Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to seek bids and to negotiate and execute contracts for sludge dewatering, hauling and disposal for Western Canyon Water Treatment Facility.

The Chairman called for **Action Item 10 - Consideration of and possible action to authorize the General Manager/CEO to negotiate and execute a settlement in the contested case relating to GBRA's application to amend Certificate of Adjudication No. 18-3863 (the "Womack" Water Right)**. No discussion was had on Action Item 10.

The Chairman recessed the meeting at 11:25 a.m. and reconvened in open meeting at 11:38 a.m.

Next, the Chairman called for **Discussion Item 11 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin**. Charlie Hickman briefed the Board on the Basin hydrologic condition, the Base Flow Report, Water Quality Index, 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, Edwards Aquifer recharge zone, Edwards Aquifer J-17 index level, salinity levels in San Antonio and Aransas Bay, and latest El Niño modeled forecast.

The Chairman recessed the open meeting at 11:49 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:51 p.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:22 p.m.

The Chairman called for **Action Item 10 - Consideration of and possible action to authorize the General Manager/CEO to negotiate and execute a settlement in the contested case relating to GBRA's application to amend Certificate of Adjudication**

**No. 18-3863 (the “Womack” Water Right).** Tom Bohl briefed the Board on a proposed settlement in the contested case relating to GBRA’s application to amend Certificate of Adjudication No. 18-3863 (the “Womack” Water Right) with the City of Victoria. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to negotiate and execute a settlement in the contested case relating to GBRA’s application to amend Certificate of Adjudication No. 18-3863 (the “Womack” Water Right) with the City of Victoria.

There being no further business to be brought before the Board, the Chairman adjourned the meeting at 12:24 p.m.

---

Chairman

---

Secretary