

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 August 15, 2012, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Grace G. Kunde, Oscar H. Fogle, James L. Powers, Frank J. Pagel, Dennis L. Patillo, Myrna P. McLeroy, and Tommy Mathews. Director Robert "Rusty" Brockman was absent. Also present were W. E. West, Jr., General Manager; James Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Science, Intergovernmental Relations and Policy; David Welsch, Executive Manager of Business Development and Resource Management; Gary Asbury, Manager of Project Engineering; Barbara Gunn, Human Resources Manager; Debbie Magin, Director of Water Quality Services; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Chief Strategic Communications and Public Affairs Officer; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations and Publication Specialist; Leigh Crettenden, Web/Application Developer; Tommy Schulte, Regional Representative; Jaynellen Ladd, Natural Resource Specialist; Sandra Terry, Investment Manager; Steve Jester, Executive Director of the Guadalupe-Blanco River Authority; Tommie Streeter-Rhoad, Executive Director of the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin representing Dublin and Associates; David Engel representing Engel and Associates; Charles Kimbrough

representing Bickerstaff, Heath, DelGado, Acosta, LLP; Greg Bowen representing the New Braunfels Herald-Zietung; Rick Galloway representing Atkins; Steve Bereyso representing San Antonio Water System, Steve Reaneker and Shirley Ross representing Kellogg Brown and Root; Tom Hodge representing Canyon Lake Water Service Company; Humberto Ramos representing Canyon Regional Water Authority; Tim Kelley representing Piper Jaffray; and Matt Garcia representing MWH.

Chair Kunde 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 Pagel 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 at this time.

The Chair called for **Chair Item 1 - Consideration of and possible action appointing Trustees Seats 1 and 2 to serve on the Guadalupe-Blanco River Trust for the term of September 1, 2012 through August 31, 2013 in accordance with the Articles of Incorporation and Article 9.10.B of the Texas Non-Profit Corporation Act.** The Guadalupe-Blanco River Trust is a nonprofit land trust organization that was developed to conserve land in the Guadalupe River Basin for its natural, recreational, scenic, historic and productive value. The Trust was founded in 2001 by the

Guadalupe-Blanco River Authority, a conservation and reclamation district created in 1933 by the Texas Legislature. In accordance with the Bylaws of the Guadalupe-Blanco River Trust so that the Corporation will always be operated in connection with the Guadalupe-Blanco River Authority under the provisions of §509 (a)(1) of the Internal Revenue Code of 1986, as amended, the appointment of the Trustees Seats 1 and 2 shall always be made so that the Corporation and the Guadalupe-Blanco River Authority will maintain a close and continuing relationship. Upon motion by Director Patillo, seconded by Director Powers, the Board unanimously appointed Directors Oscar H. Fogle and Tommy Mathews for Seats 1 and 2 to serve on the Board of Trustees for the Guadalupe-Blanco River Trust. The Trustees appointed to Seats 1 and 2 shall serve one (1) year terms.

Next, the Chair called for **Consent Item 2 - Consideration of and possible action approving the July 18, 2012, Board meeting minutes; Consent Item 3 - Consideration of and possible action approving the monthly financial report for July 2012; Consent Item 4 - Consideration of and possible action approving the monthly operations report for July 2012; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Patillo, seconded by Director Fogle, the Board unanimously approved Consent Items 2, 3, 4, and 5

The Chair called for **Consent Item 6 - Consideration of and possible action approving disposal of equipment listed above in accordance with GBRA Board Policy 411-Capital Assets.** Upon motion by Director Mathews, seconded by Director

Fogle, the Board unanimously approved Consent Item 6. A list of the disposed capital assets is attached and made a part of these minutes.

The Chair then called for **General Manager Item 7 - Discussion of the Executive Reports addressing matters relating to safety, utility operations, water resource operations, engineering, coordination with the U.S. Army Corps of Engineers regarding Canyon Reservoir operations, Nueces Recharge Study, the seasonal deviation study for Canyon Reservoir and Cibolo Watershed Study, construction management including the Luling Water Treatment Plant Expansion and ASR Facilities, River Bend pump station replacement matters including bid evaluation, Mid-Basin Project, Clean Rivers Program activities, Plum Creek Projects, Geronimo Creek Watershed Protection Plan, Environmental Flows Project, River Network Project, water quality general, San Antonio Bay Foundation, Economic and Community Development activities, events and projects, Business Development including water and wastewater services activities, Bulverde area wastewater, Rural Utilities - Dunlap wastewater service area activities, Mid-Basin Water Supply, Project activities, Resource Protection activities including lake management and water safety, implementation of water conservation measures, water strategies, Gorge Preservation Society, information technology, human resources, budget activities, accounting and finance.** James Murphy briefed the Board on GBRA operation and engineering activities. David Welsch briefed the Board on water quality, regional laboratory, and economic development activities. Alvin Schuerg briefed the Board on finance, human

resource, and information technology activities. Mr. Schuerg also briefed the Board on the financial statements executive summary for the period ending July 31, 2012.

The Chair called for **Action Item 8 - Consideration of and possible action approving the Fiscal Year 2013 Work Plan and Budget including rates, compensation tables, and employee compensation agreements as discussed in executive session for the: Guadalupe Valley Hydroelectric Division, Shadow Creek Wastewater Reclamation System, Canyon Park Estates Wastewater Reclamation System, Dunlap Wastewater Reclamation System, Northcliffe Wastewater Reclamation System, Springs Hill Wastewater Reclamation System, Sunfield Wastewater Treatment Plant, Water Sales System, Regional Laboratory System, Calhoun Canal System, San Marcos Water Treatment Plant System, Buda Wastewater Treatment Plant System, Western Canyon Treated Water System, Cordillera Water Distribution System, Comal Trace Water Delivery System, Cordillera Wastewater Treatment Plant, Johnson Ranch Water Distribution System, Johnson Ranch Wastewater Treatment System, Port Lavaca Water Treatment Plant Division, Calhoun County Rural Water Supply Division, Coletto Creek Reservoir System, Coletto Creek Recreation System, Luling Water Treatment Plant Division, Canyon Hydroelectric Division, Lockhart Wastewater Reclamation System, Lockhart Water Treatment Plant System, and General Division.** Upon motion by Director Patillo, seconded by Director Pagel, the Board unanimously approved the Fiscal Year 2013 Work Plan and Budget including rates, compensation tables, and employee compensation agreements.

The Chair recessed the open meeting at 10:55 a.m. The open meeting reconvened in open session at 11:00 a.m.

Next, the Chair called for **Action Item 9 - Consideration of and possible authorizing the General Manager to reject all bids or negotiate and execute a contract with the most qualified respondent for replacement of the River Bend Pump Station.** The existing sanitary sewer pump station serving the River Bend Subdivision has been in service since the mid 1970's. It is located in the floodway of Lake Dunlap and has reached the end of its service life. The proposed replacement station will be located outside the 100 year flood plain. It will utilize submersible pumps that are more efficient and require less maintenance. Plans and specifications were developed and the project was properly advertised. Bids were opened August 1, 2012, and five bids were received. Upon motion by Director Fogle, seconded by Director Powers, the Board unanimously authorized the General Manager to negotiate and execute a contract with the most qualified respondent for replacement of the River Bend Pump Station.

The Chair then called for **Action Item 10 - Consideration of and possible action approving a Memorandum of Understanding between Guadalupe-Blanco River Authority, Upper Guadalupe-Blanco River Authority, Kendall County, Kerr County, Kendall County Water Control and Improvement District Number 1, Headwaters Groundwater Conservation District, and Cow Creek Groundwater Conservation District.** This Memorandum of Understanding is to set forth the general understanding of the Parties pursuant to which they shall work cooperatively to make

application and pursue funding from the Texas Water Development Board for a Regional Water Supply Facilities Planning Study for eastern Kerr and western Kendall counties. Upon motion by Director Mathews, seconded by Director Pagel, the Board unanimously approved a Memorandum of Understanding between Guadalupe-Blanco River Authority, Upper Guadalupe-Blanco River Authority, Kendall County, Kerr County, Kendall County Water Control and Improvement District Number 1, Headwaters Groundwater Conservation District, and Cow Creek Groundwater Conservation District. A copy of the Memorandum of Understanding is attached and made a part of these minutes.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a settlement agreement with EBL, Inc., Defined Benefit Pension Plan and Trust, Edmund M. Longcope, Trustee.** No discussion or action was had at this time on Action Item 11.

Next, the Chair called for **Discussion Item 12 - 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 and water levels of the Edwards Aquifer.

The Chair then called for **Discussion Item 13 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, and the Gorge Preservation Society.** Tommie Streeter-Rhoad briefed the Board on the activities of the San Antonio Bay Foundation and informed the

Board of her upcoming retirement date of February 1, 2013. Jaynellen Ladd briefed the Board on the activities of the Gorge Preservation Society.

The Chair called for **Discussion Item 14 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** The reports were discussed with the Board. James Murphy briefed the Board on the Comal Springs level, elevation of Canyon Reservoir, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

Next, the Chair called for **Discussion Item 15 Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on the National Water Resources Association Western Water Seminar held in Idaho and activities of the South Central Texas Regional Water Planning Group Region L.

The Chair recessed the open meeting at 11:39 p.m. The Chair closed the open meeting and convened the meeting in executive session pursuant to Chapter 551, Texas Government Code at 12:14 p.m. The open meeting reconvened in open session at 1:00 p.m.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a settlement agreement with EBL, Inc., Defined Benefit Pension Plan and Trust, Edmund M. Longcope, Trustee.** Upon motion by Director Fogle, seconded by Director McLeroy, the Board unanimously authorized the General Manager to negotiate and execute a settlement agreement with EBL, Inc., Defined Benefit Pension Plan and Trust, Edmund

M. Longcope, Trustee. A copy of the Settlement Agreement is attached and made a part of these minutes.

There being no further business to be brought before the Board, the meeting was adjourned at 1:11 p.m. subject to call by the Chair.

Chair

Secretary