

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 19, 2014, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Oscar H. Fogle, Tommy Mathews, Kenneth Motl, Robert “Rusty” Brockman, Grace G. Kunde, Dennis L. Patillo, Don B. Meador, Darrel McLain, and William R. Carbonara. Also present were W. E. West, Jr., General Manager; 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; Gary Asbury, Manager of Project Engineering; Barbara Gunn, Human Resources Manager; Tommy Hill, Chief Engineer; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Connie Rothe, Board Relations and Publication Specialist; Jaynellen Ladd, Natural Resource Specialist; Sandra Terry, Investment Manager; Reagan Ploetz, Maintenance Crewman, Guadalupe Valley Hydroelectric Division; Colten Booth, Water Quality Technician-Water Supply Division; Jeff McKee, Assistant Division Manager-Hydro/Rural Utilities; Josie Longoria, Regional Laboratory

Director; Jeff Crosby, Executive Director of the Guadalupe-Blanco River Trust; Dan Alonso, Executive Director of the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; Steve Holzheuser and Angie Cervantes, Public Affairs Consultants; David Engel with Engel and Associates; Frank Pagel former GBRA Director from Refugio County; Alan Thompson with LNV Engineering; Mark Ellison with the Governor's office; Adam Conner with San Antonio Water System; and Stefan Schuster with MWH.

Chair Fogle 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 McLain 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. Chair Fogle welcomed and recognized GBRA employees Reagan Ploetz and Colton Booth. Chair Fogle also recognized former GBRA Director Frank Pagel from Refugio County.

The Chair called for **Chair Item 1 - Appointment of a Nominating Committee for Officers of the Board of Directors for calendar year 2015.** Chair Fogle appointed Director Meador as Committee Chair with Directors Motl and McLain to serve

as members on the Nominating Committee. The Committee was instructed to present a slate of officers for calendar year 2015 at the December 2014 Board meeting.

Next, the Chair called for **Consent Item 2 - Consideration of and possible action approving the minutes of the October 15, 2014 Board meeting and October 22, 2014 Board workshop; Consent Item 3 - Consideration of and possible action approving the monthly financial report for September and October 2014; Consent Item 4 - Consideration of and possible action approving the monthly operations report for October 2014; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Patillo, seconded by Director McLain, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chair then called for **General Manager Item 6 - Discussion of the Executive Report addressing various matters relating to safety, utility operations, water resource operations, engineering, meetings with federal agencies on various Canyon Lake operations and dam safety, Region L meetings on water reuse, meetings on environmental flows, construction management, status of Mid-Basin Project, Integrated Water Power Project, Johnson Ranch Subdivision, rerouting of utility lines for FM 110 bypass in San Marcos, Regional Laboratory, Laboratory Information Management System, Clean Rivers Program activities, Plum Creek Projects reports, operations, draft permit for Dunlap Wastewater Treatment Plant, activities relating to Buda Wastewater Treatment Plant, Luling Water Plant, TCEQ Drinking Water Advisory Group meeting, Geronimo Creek**

Watershed Protection Plan activities, Environmental Flows Project activities, vegetation and invasive species activities, Water Quality activities, TDA/TWRI Real Hog Farm VTA project activities, San Antonio Bay Foundation and Partnership activities, economic and community development including various meetings attended by GBRA staff in the last month, project development, water and wastewater services, Johnson Ranch activities, City of Bulverde activities, Park Village-4-S Ranch activities, Dunlap Area Rural Utilities activities, Canyon Lake Wastewater Master Plan activities, wastewater services to Brookshire Brothers, property management issues, water supply studies and other water related activities, resource protection, lake management activities, Gonzales Area Flood Warning activities, Canyon Lake Sattler office activities, Gorge Preservation Society activities, administrative issues including information technology reports, human resource reports, accounting and finance reports.

James Murphy briefed the Board on GBRA operation and engineering activities. Mr. Murphy also discussed activities of the South Central Texas Regional Water Planning Group Region L. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development 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 October 31, 2014

The Chair called for **Action Item 7 - Consideration of and possible action approving disposal of equipment in accordance with GBRA Board Policy 411-**

Capital Assets. GBRA Board Policy 411 requires that the GBRA governing Board authorize the disposal or sale of assets with an original cost greater than \$2,000. Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously authorized the disposal or sale of assets as listed with an original cost greater than \$2,000. A copy of the assets being disposed or sold is attached and made a part of these minutes.

Next, the Chair called for **Action Item 8 - Consideration of and possible action approving the Plan Year 2014 Actuarial Valuation and annual contribution to the GBRA Defined Benefit Pension Plan.** One of three basic retirement programs for employees of GBRA is a defined benefit pension plan. It is funded by GBRA and no employee contributions are contributed. 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 June 18, 2014 to review the Actuarial Valuation and the annual contribution determined therein. For calendar year 2014, the Actuarial Valuation recommends a Plan contribution of \$984,302. The Fiscal Year 2015 GBRA budget included a pension plan contribution approximating \$1,192,000. Upon motion by Director Motl, seconded by Director Kunde, the Board unanimously approved the Guadalupe-Blanco River Authority Defined Benefit Pension Plan Actuarial Valuation dated January 1, 2014 and the recommended Plan contribution in the amount of \$984,302.

The Chair then called for **Action Item 9 - Consideration of and possible action approving amendments to the Policies and Regulations Governing Public**

Use of the Coleta Creek Park and Reservoir. Since opening the Coleta Creek Park and Reservoir to the public in 1981, the Guadalupe-Blanco River Authority has adopted rules and regulations governing the use of the reservoir and park. These regulations were adopted to insure the health and safety of the general public utilizing the reservoir and park facilities for family-oriented outdoor recreation activities. GBRA periodically conducts a review of its regulations to determine if revisions are necessary to address certain issues and changing conditions. GBRA has completed its review of the current regulations and has made necessary revisions. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously approved amendments to the Policies and Regulations Governing Public Use of the Coleta Creek Park and Reservoir. A copy of the Policies and Regulations as amended 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 amendment to the (Conformed) Water Supply Contract between the Guadalupe-Blanco River Authority and the City of Port Lavaca.** The Texas Commission on Environmental Quality representatives conducted a previous comprehensive compliance investigation of the City of Port Lavaca's water system. Based on that investigation, the Texas Commission on Environmental Quality determined that the maximum daily average purchase quantity of treated water defined in Section 2 of the (Conformed) Water Supply Contract (Contract) between the Guadalupe-Blanco River Authority and the City of Port Lavaca as amended, does not meet the Texas Commission on Environmental

Quality requirements. The current maximum average daily treated water purchase quantity in the Contract [2.5 million gallons per day (2.5 mgd)] is not sufficient to meet the City's alternative capacity requirement of 0.38 gallons per minute per customer connection. The Texas Commission on Environmental Quality revised the total number of customer connections from 4,463 to 5,390 connections at the time of their investigation. The increase was based on the Texas Commission on Environmental Quality regulations that define the total number of service connections in an apartment complex as individual apartment units (separate connections) and not one meter for an entire apartment complex. The Texas Commission on Environmental Quality has subsequently informed the City of Port Lavaca that the Contract must be amended to increase the maximum average daily quantity of water delivered to the City from 2.5 mgd to at least 2.95 mgd in order for the City of Port Lavaca to comply with the Texas Commission on Environmental Quality's regulatory requirement. Under the terms of the current Contract, the maximum average daily quantity of treated water delivered by GBRA to the City may be increased by written request from the City to GBRA. GBRA held a meeting with City staff to discuss the proposed contract amendment. During the meeting, GBRA recommended that the maximum average quantity of treated water delivered be increased from 2.5 mgd to 3.2 mgd to allow for some additional customer growth. The City concurred with this recommendation and submitted a letter to GBRA requesting that Section 2 and other applicable Sections of the current Contract be amended to reflect an increase in the maximum daily average quantity of treated water delivered from 2.5 mgd to 3.2 mgd. Upon motion by Director Motl, seconded by

Director Brockman, the Board unanimously authorized the General Manager to negotiate and execute an amendment to the (Conformed) Water Supply Contract between GBRA and the City of Port Lavaca to reflect an increase in the maximum daily average quantity of treated water delivered from 2.5 mgd to 3.2 mgd. A copy of the amended Water Supply Contract is attached and made a part of these minutes.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute an agreement between the most qualified respondent and Guadalupe-Blanco River Authority for the purchase of Laboratory Information Management System (LIMS) software.**

The Seguin Regional Laboratory currently utilizes an in-house developed LIMS which lacks features needed to improve efficiency and maintain NELAC accreditation. A commercial LIMS product is made up of software components that integrate with existing lab instruments, improving sample management and reducing data entry errors from sample handling through to reporting. A request for proposal (RFP) was properly advertised and posted on the GBRA website. Eleven firms received copies of the RFP. The firms were requested to submit their qualifications, ability to conform to the specifications, references, and cost information. Proposals were due November 16, 2014. Five proposals were received. The LIMS committee, made up of seven GBRA staff as well as a qualified consultant, reviewed the proposals and selected three firms to provide a detailed demonstration of their software to the LIMS committee. Upon motion by Director Kunde, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and execute an agreement between the

most qualified respondent, Accelerated Technology Laboratories, Inc. from West End, North Carolina, and Guadalupe-Blanco River Authority for the purchase of Laboratory Information Management System software.

The Chair then called for **Action Item 12 Consideration of and possible action authorizing the General Manager to negotiate and execute a Cooperative Agreement By and Between the City of Bulverde, Texas, and the Guadalupe-Blanco River Authority for Wastewater System Operations for the City of Bulverde at the Singing Hills development in Bulverde, Texas.** No discussion or action was had on Action Item 12.

The Chair called for **Action Item 13 - Consideration of and possible action approving a Resolution declaring a public necessity for the design, acquisition of property, construction, operation and maintenance of a lift station and wastewater and waste collection system as a part of the Guadalupe-Blanco River Authority (GBRA) Rural Utilities Canyon Park Estates Wastewater Treatment Plant to serve retail customers in Comal County, Texas.** GBRA is planning for construction of a lift station and wastewater and waste collection system in the area serviced by the Guadalupe-Blanco River Authority Rural Utilities, Canyon Park Estates Wastewater Treatment Plant to serve other retail customers in Comal County, Texas. This Resolution authorizes appropriate actions by the General Manager and staff, retained attorneys, appraisers, and engineering and other consultants and staff necessary to conduct planning, studies, surveys, appraisals and acquisitions of necessary fee purchases and easements, and to identify, enter upon, inspect, and

survey lands; to employ consultants and independent contractors for linear survey of rights of way and for assistance in acquiring rights in property including easements, rights of way, and fee titles necessary for the project; to conduct title research; to perform archaeological and environmental studies; to enter lands to determine the need for acquisitions of easements and fee properties necessary for the project; to design, build, construct and operate a lift station and wastewater and waste collection system in said county; and affirms all acts and proceedings theretofore done or initiated by employees, agents and attorneys of GBRA to acquire such property interests. Upon motion by Director Mathews, seconded by Director Kunde, the Board unanimously approved a Resolution declaring a public necessity for the design, acquisition of property, construction, operation and maintenance of a lift station and wastewater and waste collection system as a part of the Guadalupe-Blanco River Authority Rural Utilities Canyon Park Estates Wastewater Treatment Plant to serve retail customers in Comal County, Texas. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Discussion Item 14 - Presentation on the Guadalupe-Blanco River Authority River Heritage Tour**. Teresa Van Booven gave a presentation on the River Heritage Tour. The River Heritage Tour will tell a story of the respective community regarding history, economic development, tourism, and recreation. Kiosks will be located in various communities throughout the GBRA Basin.

The Chair then called for **Discussion Item 15 - 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 including the recent elections of Directors, the Guadalupe Basin Coalition, and the South Central Texas Water Advisory Committee.

The Chair called for **Discussion Item 16 - 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.** Jeff Crosby briefed the Board on the activities of the Guadalupe-Blanco River Trust including acquisition of the State Highway 130 mitigation project and acquisition of a conservation easement on 230 acres adjoining GBRA's Coleta Creek Park and Reservoir. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation. Jaynellen Ladd briefed the activities of the Gorge Preservation Society.

Next, the Chair called for **Discussion Item 17 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** The reports were discussed with the Board. Tommy Hill briefed the Board on the Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other reservoirs, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

The Chair then called for **Discussion Item 18 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on a recent South Central Texas Regional Water Planning Group

Region L meeting, an up-coming event being hosted by the Victoria Economic Development Corporation regarding desalination projects on the Texas coast, and various water related news articles.

The Chair called for **Discussion Item 19 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on the National Water Resources Association conference held in California and various national water related news articles.

The Chair recessed the open meeting at 11:59 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:38 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:04 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:08 p.m. subject to call by the Chair.

Chair

Secretary