

## **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 April 20, 2016, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Dennis L. Patillo, Oscar H. Fogle, Kenneth Motl, Grace G. Kunde, Don B. Meador, and William R. Carbonara. Directors Robert "Rusty" Brockman and Darrel McLain were absent. Also present were W. E. West, Jr., General Manager; Kevin Patteson, new General Manager and Chief Executive Officer; Tom Bohl, General Counsel; 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; Darel Ball, Operations Manager-Lower Basin; Barbara Gunn, Human Resources Manager; Tommy Hill, Chief Engineer; John Smith, Operations Manager-Upper Basin; Michael Urrutia, Director of Water Quality Services; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Jaynellen Kerr, Natural Resource Specialist; Mary Newman, Project Coordinator; Anna Daniels, Regional Representative; Tim Dusek, Grant Writer/Administrator; Charlie Hickman, Engineer; Susan Cochran, Operations Assistant; Sandra Terry, Investment Manager; Susan Hubbert, Accounting Manager; Josie Longoria, Regional Laboratory Director; Marella Dalme, Records Manager; Jeff

McKee, Assistant Division Manager-Hydro/RUD; Cinde Thomas-Jimenez, Environmental Education Administrator; Dan Alonso, San Antonio Bay Foundation Executive Director; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Steve Holzheuser, legislative consultant; Jay Howard with HillCo Partners; Bubba Ehrig, Dale Schullenberg, Viola Rheinlander, Mary Martha Ehrig, Jim Dickinson, Bryan Patterson, and Valerie Daniel with Friends of Lake Wood; Lorenzo Hernandez with the City of Gonzales; Hector Porras and Genora Young with Gonzales Economic Development Corporation; Felix Arambula and Lisa Guardiola with San Antonio Water System; Jeanne Schnuriger with Springs Hill Water Supply Corporation; Roger Biggers with New Braunfels Utilities; Alan Thompson with LNV; Barry Miller with Gonzales County Water Supply Corporation; Darrell Thornley with CB&I; Collin Kennedy with Congressman Farenthold's office; and Brendan Gibbons with the San Antonio Express-News.

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, 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 Kunde led the Pledge of Allegiance to the United States flag and Texas flag.

The Chair called for comments from the public. There was no public comment at this time.

The Chair called for **Chair Item 1 - Consideration of and possible action approving the selection and employment of a new Chief Executive Officer/General Manager for the Guadalupe-Blanco River Authority effective May 2, 2016.** No discussion or action was taken on Chair Item 1 at this time.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action approving a salary and benefit package for the new Chief Executive Officer/General Manager of the Guadalupe-Blanco River Authority effective May 2, 2016.** No discussion or action was taken on Chair Item 2 at this time.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the March 16, 2016, Board meeting and March 28, 2016, special called Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for March 2016; Consent Item 5 - Consideration of and possible action approving the monthly operations report for March 2016; Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers; and Consent Item 7 - Consideration of and possible action approving Resolutions endorsing GBRA's support of and participation in National Drinking Water Week and Water Utilities Awareness Week, May 1-7, 2016.** Upon motion by Director Patillo, seconded by Director Motl, the Board unanimously approved Consent Items 3, 4, 5, 6, and 7. A copy of the Drinking

Water Week and Water Utilities Awareness Week Resolutions are attached and made a part of these minutes.

The Chair called for **General Manager Item 8 - Discussion of the executive report addressing various matters relating to water resources planning, South Central Texas Regional Water Planning Group (Region L), water reuse policies, GBRA's Mid-Basin Project, Integrated Water Power Project, Lower Basin Storage Project and related regional planning and legislative issues, GBRA's Lower Basin Storage Project, Hydropower Regulatory Efficiency Act, water resources operation including engineering, construction management reports, utility operations, Water Quality Division and Regional Laboratory reports, economic and community development reports, project development reports relating to Johnson Ranch, Park Village, 4-S Ranch, Singing Hills, Lerin Hills-Miralomas, Dunlap Area Utilities, and Canyon Park Wastewater Master Plan, Emergency Watershed Protection Program, lake management, property management, the Gorge Preservation Society, public affairs reports including media reports, publications, Geographic Information Systems projects, grants, Board relations, social media and community relations, education reports, the Environmental Learning Center, information technology reports, Human Resource reports, and accounting and finance reports.** No discussion was had on General Manager Item 8.

Next, the Chair called for **Action Item 9 - Consideration of and possible action adopting a Resolution Expressing Official Intent to reimburse with tax-**

**exempt obligations for all costs incurred to acquire certain equipment for the Guadalupe-Blanco River Authority Dunlap Wastewater Treatment System and the Water Sales System.** The GBRA Work Plan and Budget for Fiscal Year ending August 31, 2016, includes the purchase and installation of an emergency generator for the Dunlap Wastewater Treatment System at a budgeted cost of \$132,000. The Work Plan and Budget also includes, in the Water Sales System, the purchase of a truck and mobile belt press mounted on a trailer for a total budgeted cost of \$405,000. To protect GBRA's ability to tax-exempt finance the costs of the equipment that are incurred prior to the project's funding, GBRA must declare its "Official Intent" to reimburse project costs with tax-exempt debt. Upon motion by Director Kunde, seconded by Director Fogle, the Board unanimously adopted a Resolution Expressing Official Intent to reimburse with tax-exempt obligations for all costs incurred to acquire certain equipment for the Guadalupe-Blanco River Authority Dunlap Wastewater Treatment System and the Water Sales System. A copy of the Resolution is attached and made a part of these minutes.

The Chair then called for **Action Item 10 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Water Supply Contract between Guadalupe-Blanco River Authority and City of Port Lavaca, Texas.** On February 20, 1968, GBRA executed its first water supply agreement. This agreement was with the City of Port Lavaca and provided for (1) a raw water supply, (2) the construction of a surface water treatment plant, (3) the treatment and delivery of water to the City and, (4) the eventual addition of other regional project participants.

The term of the GBRA/Port Lavaca Water Supply Agreement including extensions provided for in the Agreement's six amendments, expired on January 10, 2016, after almost 48 years. To insure that the City continued to receive a water supply for its citizens' needs during the pendency of ongoing contract discussions, the City and GBRA agreed to a 90 day "letter extension" of the agreement's provisions. GBRA and the City of Port Lavaca initiated contract renewal discussions during the early part of calendar year 2015. In these discussions, it was the intent of both the City and GBRA to continue the basic contractual relationship that had existed since 1968, including the provision of raw water up to 4,480 acre-feet per year and the treatment and delivery of that water to the City's delivery point. However, due to the considerable length of time the 1968 agreement had been in place, several provisions in that agreement were different from the water supply contract model that GBRA currently utilizes. Principal among the new or altered provisions included in the Water Supply Contract presented were: (1) Section 4(c) – Reuse, (2) Section 6(a)(ii) – Raw Water Charge, (3) Section 6(g) – New Participants Capital Recovery Fee, (4) Section 10 – City Transportation of Water, and (5) Section 15 – Mediation. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously authorized the General Manager to negotiate and execute a Water Supply Contract between Guadalupe-Blanco River Authority and City of Port Lavaca Texas. A copy of the Water Supply Contract is attached and made a part of these minutes.

The Chair called for public comments relating to Action Item 11 and 12. Bubba Ehrig expressed concerns relating to lake levels and respectfully requested GBRA's

timely repair to the H-5 Dam. Genora Young respectfully requested the GBRA Board authorize the expenditure of funds for the replacement/repair of the H-5 Dam. Mary Martha Ehrig requested the GBRA Board consider extending the Lake Wood Island lot leases for an additional one year. General Manager West read a letter from Joe and Landra Solansky expressing their gratitude to GBRA for making the repair to the H-5 Dam a priority and requested consideration to either return the 2016 Lake Wood Island lot lease fee or apply the payment to the 2017 lease fee.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the expenditure of funds for replacement/repair of one section of the Guadalupe Valley Hydroelectric System H-5 Dam in Gonzales, Texas.** During the flood event of March 11, 2016 one flood gate on the H-5 Dam was damaged and is not operable. Field inspections have revealed the existing flood gate is considered a total loss due to the amount of structural damage sustained. Full replacement of the failed gate will be necessary to restore hydroelectric and recreational operations at the H5 facility. GBRA staff has been working with consulting engineers and gate manufacturers to identify potential solutions for the gate replacement. An initial screening has demonstrated the two most cost effective options, but additional engineering must be completed before making the final recommendation. Considerable construction costs and several months to complete the replacement will be involved regardless of the final selected option. Upon motion by Director Patillo, seconded by Director Kunde, the Board authorized expenditure of funds for replacement of one section of the Guadalupe Valley Hydroelectric System H-5 Dam in Gonzales, Texas,

and instructed GBRA staff to continue evaluating all options for replacement. GBRA staff will bring back to the Board a final recommendation including cost for approval.

Next, the Chair called **Action Item 12 - Consideration of and possible action authorizing the General Manager to refund the 2016 lease permits to lessees or allow use of H-5 Lake Wood Island lots in 2017 at no charge to those lessees who paid for 2016 leases because of the damages sustained to the Guadalupe Valley Hydroelectric System H-5 Dam in Gonzales, Texas.** Due to the failure of one gate on the H-5 Dam and subsequent draining of Lake Wood, lessees are unable to access island lots, denying them recreational opportunities normally associated with the use of the properties and lake. Shoreline and island lots on Lake Wood have been leased on an annual basis to individuals and families for several years, providing recreational opportunities such as fishing and camping. Of the 66 lots, 30 are under lease. The current lease rate is \$640.00 per year. Due to safety and environmental concerns, GBRA elected to end the practice of leasing these properties effective January 1, 2018. During the flood event of March 11, 2016 one gate on the H-5 dam was damaged and is not operable. Lake Wood is currently drained pending repairs to the gate. With the lake drained, lessees do not have access to the island properties and those with shoreline lots cannot safely access the river channel. Public access to Lake Wood is restricted at this time and will remain so until the gate on H-5 Dam is repaired or replaced and the lake restored to normal conditions. As recommended by General Manager West a motion was made by Director Motl, seconded by Director Patillo, and unanimously approved the Board unanimously authorized the General Manager to



refund the 2016 lease permits to lessees and wave the lease permit fee for H-5 Lake Wood Island lots in 2017 because of the damages sustained to the Guadalupe Valley Hydroelectric System H-5 Dam in Gonzales, Texas.

The Chair called for **Chair Item 1 - Consideration of and possible action approving the selection and employment of a new Chief Executive Officer/General Manager for the Guadalupe-Blanco River Authority effective May 2, 2016.** Chair Mathews welcomed and introduced Kevin Patteson. Upon motion by Director Patillo, seconded by Director Kunde, the Board unanimously confirmed and ratified the selection and employment of Kevin Patteson as the new General Manager and Chief Executive Officer of the Guadalupe-Blanco River Authority effective May 2, 2016.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action approving a salary and benefit package for the new Chief Executive Officer/General Manager of the Guadalupe-Blanco River Authority effective May 2, 2016.** Upon motion by Director Meador, seconded by Director Patillo, the Board unanimously confirmed and ratified approval of a salary and benefit package for Kevin Patteson the new General Manager and Chief Executive Officer of the Guadalupe-Blanco River Authority effective May 2, 2016. Kevin Patteson addressed the Board and is looking forward to working with everyone at GBRA.

The Chair recessed the open meeting at 10:45 a.m. The Chair reconvened the meeting in open session at 11:01 a.m.

The Chair then called for **Action Item 13 - Consideration of and possible action approving a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager or his designee to be the representative(s) of GBRA for the purpose of furnishing information and executing documents as may be required in connection with the preparation and submission of an application to the United States Bureau of Reclamation in regards to the WaterSMART: Cooperative Watershed Management Program Grants for Fiscal Year 2016, Funding Opportunity Announcement Number R16-FOA-DO-008.** Guadalupe-Blanco River Authority staff proposed to file an application with the United States Bureau of Reclamation to secure financial assistance for the establishment of a watershed management group for the Coletto Creek Watershed. The Coletto Creek Watershed, which is located in DeWitt, Victoria, and Goliad Counties, has experienced recent increases in hydraulic fracturing and mining activities. The area does not have a watershed management group that encourages diverse stakeholders to form local solutions to address their water management needs. GBRA recognizes the importance of the Cooperative Watershed Management Program's objective to improve water quality and ecological resilience, conserve water, and reduce conflicts over water through collaborative conservation efforts in the management of local watersheds. GBRA will continue to meet with respective interests with the possibility of preparing an application for the United States Bureau of Reclamation for WaterSMART: Cooperative Watershed Management Program Grants in the future. No action was taken on Action Item 13.

The Chair then called for **Discussion Item 14 - 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, the Guadalupe Basin Coalition, and the South Central Texas Water Advisory Committee.

The Chair called for **Discussion Item 15 - 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.** Todd Votteler briefed the Board on the activities of the Guadalupe-Blanco River Trust. Jaynellen Kerr briefed the Board on the activities of the Gorge Preservation Society. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation.

Next, the Chair called for **Discussion Item 16 - 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 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 17 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on the Texas Water Conservation Association River Authority Manager's meeting, the 50<sup>th</sup> Annual Texas Legislative Conference held in New

Braunfels, the sale of Sandow Lakes Ranch which is owned by Alcoa, and a reopening celebration held at Lockhart State Park. Todd Votteler briefed the Board on a recent meeting with the Texas Commission on Environmental Quality Commissioner Toby Baker relating to GBRA's White Paper and possible funding opportunities from the RESTORE Act. General Manager West informed the Board on the upcoming Canyon Dam and Reservoir 50<sup>th</sup> Anniversary dedication scheduled for May 21, 2016 and GBRA's upcoming employee picnic scheduled for May 7, 2016.

The Chair called for **Discussion Item 18 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on the recent National Water Resources Association Federal Water Seminar held in Washington, D.C., and an article in the Water Strategies Client Report relating to the Environmental Protection Agency funding various billboard advertisements.

The Chair recessed the open meeting at 11:45 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:20 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:25 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:25 p.m. subject to call by the Chair.

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Chair

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Secretary