

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 20, 2019, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis L. Patillo, Don B. Meador, Kenneth Motl, Robert “Rusty” Brockman, Oscar H. Fogle, Ronald J. Hermes, and Steven B. Ehrig. Directors William R. Carbonara and Tommy Mathews were absent. 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; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; 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; Charlie Hickman, Manager of Project Engineering; Michael Urrutia, Deputy Executive Manager of Operations; Jeff McKee, Deputy Division Manager; Lucas Webb, Construction Inspector; Misty Downing, GIS Administrator; and Allen Ognoskie, GBRA 2019 Retiree.

Chairman Patillo 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:

Director Motl led the Pledge of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Chairman Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2019 retiree Allen L. Ognoskie.** Chairman Patillo recognized Allen Ognoskie for his 34 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Patillo read a Resolution honoring Allen Ognoskie. Upon motion by Director Motl, seconded by Director Brockman, the Board unanimously approved a Resolution honoring GBRA 2019 retiree Allen L. Ognoskie. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Public Comment Item 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 16, 2019, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for January 2019; Consent Item 5 - Consideration of and possible action approving the monthly operations report for January 2019; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by

Director Meador, seconded by Director Brockman, 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: 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.** Darel Ball briefed the Board on the Canyon Hydroelectric Division operations, Canyon Reservoir releases, and tours in the Seguin laboratory. The Board was also informed on operation activities for the Rural Utilities Division, Shadow Creek Wastewater Treatment Plant, Lockhart Water Treatment Plant, Western Canyon Water Treatment Plant, Coletto Creek Reservoir and Park, and the Guadalupe Valley Hydroelectric Division Lake Wood substation. Mr. Ball also gave a safety report for GBRA's operations. Tommy Hill briefed the Board on water and wastewater items including a Kendall County Regional Wastewater Feasibility Study, a New Braunfels Utilities Water Supply ASR project, and the Mid-Basin Project-Phase II ASR. Charlie

Hickman briefed the Board on construction projects. Mr. Hickman introduced GBRA's new Construction Inspector Lucas Webb. Mr. Hickman briefed the Board on the Cordillera/Boerne Independent School District pipeline project, the Vista Ridge project crossing the Dunlap Canal, the Lower Colorado River Authority electric power line project at the Dunlap Canal, and the Master Plan for the Dunlap Regional Wastewater System service area. The Board was briefed on the next quarter milestones including the Western Canyon aeration system project, the Guadalupe Valley Hydroelectric System H-5 spillgate replacements, the Hog Bayou control structure relocation, GBRA's New Braunfels office construction project, the Carrizo Groundwater Supply Project, and the Dietz Wastewater System construction project. Randy Staats briefed the Board on purchasing activities, the Carrizo Groundwater Supply Project lease holder payments, grant activities, financial system upgrade, contract management software, implementation of Texas County and District Retirement System, implementation of customer credit card payments software, Board Policy revisions, preparations for the 2020 Work Plan and Budget, and development plans for funding of various projects. Vanessa Guerrero briefed the Board on Human Resources activities including administration of the 2019 health benefits, implementation of the Texas County and District Retirement System, transition/closing of the Defined Contribution and Defined Benefit Plans; recruitment for various GBRA positions, and the winter luncheon for GBRA employees held in Victoria. Ms. Guerrero briefed the Board on education activities including the Texas Parks and Wildlife Department COOP Grant, the Canyon Gorge outdoor classroom events, and the NEPRIS virtual field trip of the Lockhart Wastewater

Treatment Plant. The briefing continued with an update on the IT Department's activities including completion of the Lockhart SCADA upgrade and the upgrade/replacement of equipment in Server Room. Ms. Guerrero introduced Misty Downing, GBRA's new GIS Administrator. The Board was briefed on the Communication Department's activities including publication of GBRA's 85th Anniversary River Run and the annual financial report. Next quarter's focus will be on completing the online model for recruitment, a Request for Proposal for benefit broker services, implementation of Canyon Hydro PLC upgrade, employee security awareness training, implementation of the Hydroelectric Data Collection project, updating marketing materials for the Canyon Lake Gorge, website redesign, Spring school programs, and GBRA's Scholarship Program and Composition Challenge. Nathan Pence briefed the Board on Science and Community Affairs activities including attending Chamber banquets, GBRA and the Gorge Preservation Society's receipt of Non-Profit of the Year from the Canyon Lake Area Chamber of Commerce, GBRA's partnership with Texas Parks and Wildlife Department to conduct research on zebra mussels, the U.S. Water Alliance "One Water Summit 2019" upcoming event in September, participation by GBRA and the Guadalupe-Blanco River Trust in the Texas Parks and Wildlife Department Crab Trap pickup, and a tour of the CEMEX Balcones Quarry. The Board was informed on environmental planning items to be presented at the March Board meeting including an update on the Whooping Cranes by the U. S. Fish and Wildlife Service, an update on freshwater mussels, an overview of on-going environmental programs, and discussion of future GBRA environmental stewardship.

Chairman Patillo recessed the open meeting at 11:31 a.m. and reconvened the open meeting at 11:45 a.m.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract for web-based Safety Data Sheet management and research.** Darel Ball briefed the Board on the Contract. GBRA currently subscribes to a web-based service that manages Safety Data Sheets (SDS) for chemicals used in all aspects of our operations. The system is available to employees and managers to review and research SDS for safety related needs. Employees can access SDS by computer or mobile devices from any location that allows access to the internet. The current contract began April 11, 2016 and expires April 11, 2019. The annual management fee paid to MSDSONline is \$4,100.00 and the amount is allocated to 19 divisions of the Authority. The new contract will also be for a three-year term at an annual cost \$4,950.00. Upon motion by Director Meador, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Contract for web-based Safety Data Sheet management and research.

The Chairman then called for **Action Item 9 - Consideration of and possible action approving a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing membership in the Texas SmartBuy program.** Randy Staats briefed the Board on the Texas SmartBuy program. Guadalupe-Blanco River Authority seeks membership in the Texas Smart Buy program in order to provide additional procurement options. GBRA is required to meet certain legal requirements in the

procurement of goods and services. One method allowable through statute is through participation in cooperative purchasing arrangements. The Texas SmartBuy program, administered through the Texas Comptroller of Public Accounts, is one such program that provides a valuable procurement tool by gaining access to the purchasing power of the state of Texas. The Texas Smart Buy program ensures compliance with all existing procurement laws and provides for the potential of reduced costs for goods and services. Membership requires adoption of a resolution by the Board of Directors and a nominal annual fee. Upon motion by Director Motl, seconded by Director Hermes, the Board unanimously approved a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing membership in the Texas SmartBuy program. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest, responsible bidder for the removal and disposal of trash/debris at Lake Wood.** Jeff McKee briefed the Board on the removal and disposal of trash and debris at Lake Wood. The Guadalupe-Blanco River Authority (GBRA) is in the process of completing the removal and disposal of 38 structures, trash and debris from the islands located on Lake Wood. Sealed bids will be solicited in accordance with Texas Water Code §49.273. The trash/debris removal that will be conducted under this contract is a prerequisite to completion of removing all the structures still remaining from Lake Wood lessees. There will be no hazardous waste material disposal under this contract. Staff projects 70-90 roll off dumpsters (30 cubic yards each) will be required for complete

removal of structures, trash, and debris. Upon motion by Director Motl, seconded by Director Brockman, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest, responsible bidder for the removal and disposal of trash/debris at Lake Wood.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to execute Amendment Number 1 to the June 2017, Memorandum of Understanding (MOU) between the Guadalupe-Blanco River Authority (GBRA) and Texas State University, for testing of environmental flows under the Texas Environmental Flows Initiative.** Nathan Pence briefed the Board on the Memorandum of Understanding with Texas State University. In June 2017, GBRA entered in to a Memorandum of Understanding with Texas State University, agreeing to mutually collaborate on environmental flow concepts for the Guadalupe Delta and San Antonio Bay. In 2017 and 2018, GBRA attended brainstorming and planning meetings with the Texas Environmental Flows working group. As of February 2019, the Texas Environmental Flows Initiative has proposed scenarios for testing environmental flows to the Guadalupe Delta and San Antonio Bay. Amendment Number 1 to the Memorandum of Understanding, commits GBRA to participating in the testing of environmental flows, so long as water is available and can be conveyed utilizing current infrastructure. Upon execution of Amendment Number 1, GBRA is only committed to participation, so long as logistics allow. This is a significant signal of GBRA's commitment to environmental stewardship through collaborative partnerships. Environmental flows have long been discussed as one potential way to protect coastal

environments and have been highlighted as a tool that GBRA could consider. To date, very little validation testing has been conducted to establish if feasible amounts of available acre feet of environmental flows could actually impact salinity levels to the benefit of bay species or validation of delivery locations where environmental flows would be most efficient. This Memorandum of Understanding is specifically to collect data and establish if environmental flows can make a positive difference in the Guadalupe Delta and San Antonio Bay. The information produced through this Amendment to the Memorandum of Understanding could be crucial for establishing future stewardship or mitigation strategies. Additionally, participation in this project will provide information useful in fulfilling elements of the GBRA-TAP Agreement. Upon motion by Director Hermes, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to execute Amendment Number 1 to the June 2017, Memorandum of Understanding between the Guadalupe-Blanco River Authority and Texas State University, for testing of environmental flows under the Texas Environmental Flows Initiative.

The Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute contracts with the lowest responsible bidders for the removal, repair, and reinstallation of a raw water pump at the Western Canyon Water Treatment Plant raw water pump station.** Darel Ball briefed the Board on the Western Canyon Water Treatment Plant raw water pump station. Damage to the pump shaft water lubrication line requires a raw water pump to be removed for repairs. The raw water pumps are located in a building on the

south shore of Canyon Reservoir in Comal Park. The pump station has the capacity to provide 15 MGD of raw water to the Western Canyon Water Treatment Plant with one pump out of service. Currently, the water plant treats 10 MGD to meet the demand of the customers of the system. System customers include the cities of Boerne and Fair Oaks Ranch, Canyon Lake Water Service Corporation, Kendall West Utilities, Miralomas Municipal Utility District, Johnson Ranch Municipal Utility District, Cordillera, and San Antonio Water System. During a recent inspection of the pump station, it was found that a lubrication line separated from the pump shaft column of one of the four pumps. The lubrication line is necessary to provide cooling and lubrication water to bearings during pump startup. The pump must be removed from the pump station to facilitate the repair of the lubrication line. The removal and reinstallation requires the use of a 175-ton hydraulic crane and mechanics skilled in large water pump assembly. The pump has been in service for 13 years without an overhaul. Once removed from the pump station, it will be transported to a service shop for inspection and additional repairs as necessary. Funds are available in the Fiscal Year 2019 budget to cover the expected cost of the project. Upon motion by Director Meador, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute contracts with the lowest responsible bidders for the removal, repair, and reinstallation of a raw water pump at the Western Canyon Water Treatment Plant raw water pump station.

The Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute the purchase of two motor vehicles.** Randy Staats briefed the Board on the purchase of two motor

vehicles for GBRA's Construction Inspectors. Upon motion by Director Ehrig, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute the purchase of two motor vehicles.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for emergency repair or replacement of filters at the San Marcos Water Treatment Plant.** Michael Urrutia briefed the Board on the emergency repair at the San Marcos Water Treatment Plant. The Guadalupe-Blanco River Authority operates and manages the San Marcos Water Treatment Plant that provides drinking water to the City of San Marcos, Kyle, Buda, Goforth Special Utility District, Monarch Utilities and Sunfield Municipal District. A vital part of the water treatment process includes filtration using mixed media filter beds. During a recent inspection of filters number 7 and number 8, it was discovered that these filters are damaged and in need of repair or replacement. This work will include the removal of the existing media and underdrain system, installation and grouting of new underdrains and media. Upon motion by Director Brockman, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for emergency repair or replacement of filters at the San Marcos Water Treatment Plant.

The Chairman recessed the open session at 12:05 p.m. and reconvened the open meeting at 12:25 p.m.

The Chairman then called for **Discussion Item 15 - 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, 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 re-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: 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.** Jonathan Stinson briefed the Board on the Texas Legislative Session including legislation that has been filed, Bill filing deadline, and the number of days left in this Legislative Session. The Board was briefed on Bills of interest to GBRA.

The Chairman recessed the open meeting at 12:42 p.m. The Chairman then closed the open meeting and convened the meeting in executive session at 12:45 p.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 1:06 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:06 p.m. subject to call by the Chairman.

Chairman

Secretary