

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 18, 2009, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were T. L. Walker, Clifton L. Thomas, Jr., Grace G. Kunde, Margaret M. Grier, Myrna P. McLeroy, Frank J. Pagel, Oscar H. Fogle, James L. Powers, and Arlene N. Marshall. Also present were W. E. West, Jr., General Manager; James Lee Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Intergovernmental Relations and Policy; Bruce Wasinger, General Counsel; David Welsch, Executive Manager of Business Development and Resource Management; Gary Asbury, Project Development Manager; Barbara Gunn, Human Resources Manager; Tommy Hill, Chief Engineer; Debbie Magin, Director of Water Quality Services; Tommie Streeter-Rhoad, Economic Development Manager; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Manager of Communications and Education; Cricket Dietert, Executive Assistant to the General Manager; Tammy Beutnagel, Public Communications Assistant; Leigh Crettenden, Web Master; Roger Nevola, legal counsel; Jim Dublin and Rose Marie Eash representing Dublin and Associates, Inc.; David P. Engel representing Engel and Associates; Michael Schultz of Fair Oaks Ranch, Texas; Joel Greenberg; and Mary Carter representing Blackburn Carter.

Chair Walker called the meeting to order at 10:10 a.m., and took note of the certifications presented by the General Manager 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 Government Code. A quorum being present, the following proceedings were had:

Director Kunde led the Pledge of Allegiance to the United States and Texas flags.

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

The Chair called for **Items from the Chair 1 - Recognition and presentation to Myrna P. McLeroy for her dedication and service as Chair of the Board of Directors of the Guadalupe-Blanco River Authority.** Chair Walker and General Manager West presented Director McLeroy a plaque and gavel and thanked her for her dedicated service as Chair of the Board of Directors.

Next, the Chair called for **Items from the Chair 2 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the National Water Resources Association 2009 Federal Water Seminar March 30, 2009 through April 1, 2009 at the Washington Court Hotel in Washington, D.C.** Upon motion by Director Grier, seconded by Director Marshall, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the National Water Resources Association 2009 Federal Water Seminar.

The Chair then called for **Items from the Chair 3 - Consideration of and possible action authorizing a Special Joint Meeting of the Guadalupe-Blanco**

River Authority Board of Directors and the San Antonio River Authority Board of Directors to be held on Wednesday, March 25, 2009 at the GBRA River Annex in Seguin, Texas, regarding the draft report of “Linking Freshwater Inflows and Marsh Community Dynamics in San Antonio Bay to Whooping Cranes”, research being conducted by Texas A&M University Professors R. Douglas Slack, William E. Grant, and Stephen E. Davis, III. General Manager West gave an overview of the project. Upon motion by Director Powers, seconded by Director Thomas, the Board unanimously authorized the joint Board meeting with the San Antonio River Authority to be held on March 25, 2009 in Seguin, Texas.

The Chair called for **Consent Items 4 - Consideration of and possible action approving the January 21, 2009 Board meeting minutes; 5 - Consideration of and possible action approving the monthly financial report for January 2009; 6 - Consideration of and possible action approving the monthly operations report for January 2009; and 7 - Consideration of and possible action approving Directors’ expense vouchers.** Upon motion by Director Thomas, seconded by Director Fogle, the Board unanimously approved Consent Items 4, 5, 6, and 7.

Next, the Chair called for **Items from the General Manager 8 - Discussion of the Executive Report addressing matters relating to safety; utility operations; Victoria Wastewater Treatment Plant transition; 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; FEMA remapping projects; construction management including the regional raw water pump**

station, Centerpoint Road booster pump station and IH-35 transmission main improvements; regional laboratory; Plum Creek Partnership activities; Geronimo Creek Watershed Protection Plan; water quality (general); economic development activities, events and projects; recent activities relating to the Western Canyon Project, temporary water service agreement with Johnson Ranch; close the asset transfer regarding Bulverde CCN retail water service; Springs Hill Water Supply Corporation agreement; Luling water and wastewater easements; resource protection, property rights matters; lake management; information technology; human resources; and accounting and finance. General Manager West briefed the Board on operations and activities of GBRA. Alvin Schuerg briefed the Board on the financial statements executive summary for the period ending January 31, 2009.

The Chair then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager to negotiate and enter into a contract with the best evaluated bidder or to reject all bids for the lease or purchase of a package wastewater treatment plant for the City of Wimberley, Texas.** Bid documents and specifications were developed and properly advertised. Two bids were received and publicly opened February 5, 2009 from Southwest Fluid Products, Inc. of Weatherford, Texas in the amount of \$217,905.00 and Smith and Loveless, Inc. of Lehexa, Kansas in the amount of \$280,333.00. Upon motion by Director Powers, seconded by Director Marshall, the Board unanimously authorized the General Manager to enter into a contract for \$217,905.00 with Southwest Fluid Products, Inc. of Weatherford, Texas, the best evaluated bidder to purchase equipment for the Wimberley wastewater treatment plant and approved a five percent (5%) contingency fee (\$10,895.25) to be utilized by

staff for unknown items that may occur during construction. Total authorization is for \$228,800.25.

The Chair called for **Action Item 10 - Consideration of and possible action authorizing the engagement of a firm for predictive maintenance and instrumentation program services.** The predictive maintenance and instrumentation program consist of infrared thermography, motor circuit analysis, vibration analysis, oil analysis and instrument calibrations. A request for proposal was mailed to twenty firms. The firms were requested to submit their qualifications, ability to conform to the specifications, references and cost information. The requests for proposal are to be effective for two years and renewable each year for three additional years, for a total of five years. A pre-proposal meeting was held on December 18, 2008 with four firms present. The lowest evaluated proposal was determined to be from the existing provider Instrumentation Services, Inc. (ISI) of Charlotte, North Carolina. Upon motion by Director Kunde, seconded by Director Fogle, the Board unanimously authorized the engagement of Instrumentation Services, Inc. (ISI) of Charlotte, North Carolina, for a two-year period, in the amount of \$26,388 per year for the predictive maintenance and instrumentation program services.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to enter into a contract with the Texas AgriLife Extension Service for services associated with the development of the Watershed Protection Plan for Geronimo and Alligator Creeks.** GBRA has received funding from the Texas State Soil and Water Conservation Board to facilitate the development of a Watershed Protection Plan (WPP) for Geronimo Creek and its

tributary, Alligator Creek. A WPP is a proactive, voluntary strategy for protecting and improving water quality. Geronimo Creek has been designated as impaired due to elevated *E. coli* bacteria and shows concerns for nutrients due to elevated nitrate-nitrogen. The WPP process will bring together stakeholders in the watershed which lies in Guadalupe and Comal Counties and the cities of Seguin and New Braunfels. The WPP will identify activities that could be implemented to reduce or eliminate the impairment and improve the water quality in the stream. The Texas AgriLife Extension Service will assist in the development of the plan. Additionally, Texas AgriLife will be responsible for engaging and managing consulting services for the modeling of the watershed for flow and nutrients and bacteria loads. The grant agreement between GBRA and Texas State Soil and Water Conservation Board obligates Texas State Soil and Water Conservation Board to reimburse up to \$472,398 to GBRA for actual allowable and eligible costs. GBRA, the Texas AgriLife Extension Service and stakeholders will provide a non-federal match of \$320,115 over the three years. GBRA will negotiate a scope of work with the Texas AgriLife Extension Service and subcontract for an amount not to exceed \$422,398. Upon motion by Director Kunde, seconded by Director Grier, the Board unanimously authorized the General Manager to enter into a sub-agreement with the Texas AgriLife Extension Service for the completion of the scope of work associated with the project entitled "Development of a Watershed Protection Plan for Geronimo Creek". A copy of the sub-agreement is attached and made a part of these minutes.

The Chair then called for **Action Item 12 - Consideration of and possible action appointing a GBRA Representative for the Bay and Basin Area Stakeholder**

Committee for the Guadalupe, San Antonio, Mission and Aransas Rivers and Mission, Copano, Aransas and San Antonio Bays. The 80th Session of the Texas Legislature, through Senate Bill 3, created the *Environmental Flows Advisory Group* in recognition of the importance that the ecological soundness of the State's riverine, bay, and estuary systems and riparian lands has on the economy, health and well being of the state. The members of the Environmental Flows Advisory Group appointed by Governor Rick Perry were Karen Hixon, Texas Parks and Wildlife Commission; Bryan Shaw, Texas Commission on Environmental Quality; and Joe Crutcher, Texas Water Development Board. Members appointed by the Speaker of the House Tom Craddick were Texas State Representative Robert Puente, D-San Antonio; Texas State Representative Jodie Laubenberg, R-Rockwall; and Texas State Representative Mike "Tuffy" Hamilton, R-Mauriceville. Members appointed by Lt. Governor, David Dewhurst were Texas Senator Kip Averitt, R-Waco; Texas Senator Glenn Hegar, R-Katy; and Texas Senator Kim Brimer, R-Fort Worth. The Environmental Flows Advisory Group was directed to establish the *Texas Environmental Flows Science Advisory Committee* and appoint members thereto, to serve as an objective scientific body to advise and make recommendations to the Environmental Flows Advisory Group on issues relating to the science of environmental flow protection and develop recommendations to help provide overall direction, coordination, and consistency relating to environmental flow methodologies for bay and estuary studies and instream flow studies, environmental flow programs at the Texas Commission on Environmental Quality, Texas Water Development Board, and the Texas Parks and Wildlife Department, and the work of the basin and bay expert science teams. The Environmental Flows Advisory Group was

also tasked to appoint *basin and bay area stakeholder committees* for river basin and bay systems in the following order: 1. *By August 1, 2008*, the river basin and bay system consisting of the Trinity and San Jacinto Rivers and Galveston Bay and the river basin and bay system consisting of the Sabine and Neches Rivers and Sabine Lake; 2. *By June 1, 2009*, the river basin and bay system consisting of the Colorado and Lavaca Rivers and Matagorda and Lavaca Bays and the river basin and bay system consisting of the Guadalupe, San Antonio, Mission, and Aransas Rivers and Mission, Copano, Aransas, and San Antonio Bays; and 3. *By June 1, 2010*, the river basin and bay system consisting of the Nueces River and Corpus Christi and Baffin Bays, the river basin and bay system consisting of the Rio Grande, the Rio Grande estuary and the Lower Laguna Madre and the river basin and bay system consisting of the Brazos River and its associated bay and estuary system. The Environmental Flows Advisory Group has asked for GBRA to recommend a nominee to the Basin and Bay Area Stakeholder Committee for the Guadalupe River. Upon motion by Director Powers, seconded by Director Kunde, the Board unanimously authorized the appointment of James Lee Murphy as the GBRA Representative for the Bay and Basin Area Stakeholder Committee for the Guadalupe, San Antonio, Mission and Aransas Rivers and Mission, Copano, Aransas and San Antonio Bays.

The Chair called for **Action Item 13 Consideration of and possible action adopting a Resolution on Bay and Basin flows on behalf of the South Central Texas Regional Planning Group in support of the proposed “Option 1” to amend the Lower Guadalupe Regional Project contained in the 2006 South Central Texas Regional Plan.** The 80th Session of Texas Legislature enacted House Bill 3776, with

an effective date of June 15, 2007, relating to the authority of the Texas Water Development Board to approve the Regional Water Plan for Region L and include that plan in the State Water Plan. This legislation provides that the Regional Water Plan requires freshwater inflows in an amount sufficient to meet the Texas Parks and Wildlife Department, Texas Commission on Environmental Quality, and Texas Water Development Board's environmental consensus criteria for the San Antonio Bay, and to identify and include such inflows in the Lower Guadalupe Water Supply Project. The San Antonio River Authority, the San Antonio Water System and the Guadalupe-Blanco River Authority have requested that the 2006 Plan referenced by House Bill 3776 be amended to adopt the Scenario One alternative to the Lower Guadalupe Water Supply Project, and in order to make that amendment acceptable to the South Central Texas Regional Water Planning Group members, the foregoing parties have agreed in principle to the Resolution associated with this Agenda Item. The Guadalupe-Blanco River Authority is committed to amending the Regional Plan in conformity with the environmental consensus criteria subject to the present lack of certainty in scientific opinion regarding freshwater inflows necessary to sustain San Antonio Bay as well as the legal uncertainty regarding surface water rights in the Guadalupe Basin, including but not limited to the status of reclaimed water, the relationship between senior and junior surface water right holders, and the nature and extent of the property right associated with surface and ground water rights. Upon motion by Director Fogle, seconded by Director Thomas, the Board unanimously approved a Resolution that supports the amendment of the Lower Guadalupe Water Supply Project currently in the Region L Plan, provided that the commitment is subject to and governed by the

environmental flows process outlined in Senate Bill 3; as enacted by the 80th Session of the Texas, relating to the development, management, and preservation of the water resources of the state and providing penalties. A copy of the Resolution is attached and made a part of these minutes.

Next, 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. Tommy Hill briefed the Board on the rainfall averages and the U. S. Drought Monitor Seasonal Outlook.

The Chair then called for **Items from the General Manager 15 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on Texas Senate Committees, Speaker of the House of Representatives staff members, a new sunset bill introduced by Senator Estes, the Endangered Species Act, eminent domain, an audit bill filed by Senator Fraser, the Texas House of Representative Committees, the stimulus bill, appointments to river authorities and other agencies being made by the Governor, and various legislation of interest to GBRA.

The Chair called for **Items from the General Manager 16 - 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.

Next, the Chair called for **Items from the General Manager 17 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust.** Todd Votteler briefed the Board on Trust activities.

The Chair recessed the open meeting at 11:40 a.m. The Chairman closed the open meeting and convened the meeting in executive session at 11:45 a.m. The meeting reconvened in open session at 12:34 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:35 p.m. subject to call by the Chair.

Chair

Secretary