

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 15, 2012, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Oscar H. Fogle, Arlene N. Marshall, James L. Powers, Frank J. Pagel, Dennis L. Patillo, Tommy Mathews, and Robert "Rusty" Brockman. Directors Grace G. Kunde and Myrna P. McLeroy were absent. 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 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; Debbie Magin, Director of Water Quality Services; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Manager of Communication and Education; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations and Publication Specialist; Leigh Crettenden, Web Master; Tommy Schulte, Regional Representative; Cinde Thomas-Jimenez, Environmental Education Administrator; Sandra Terry, Accountant; Susan Hubbert,

Accountant; Darel Ball, Division Manager, Hays-Caldwell; Jaynellen Ladd, Natural Resource Specialist; Steve Jester, Executive Director representing the Guadalupe-Blanco River Trust; Tommie Streeter-Rhoad, Executive Director representing the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin representing Dublin and Associates; Jay Howard, consultant; Steve Holzheuser, consultant; David Engel representing Engel and Associates; Calvin Finch representing the San Antonio Water System; Alan Thompson representing Klotz Associates; Mike Nichols and Mike Morrison representing Freese and Nichols; Craig Hines and Humberto Ramos representing Canyon Regional Water Authority; Dan Laroe, Jr. a Lake Dunlap resident; Michael McElhaney, Robert Jackson, and Cassie Jo Garner representing Jackson McElhaney Architects; Drew Patterson representing Drew Patterson Studios; Jan Green, Paul Bower, Josie Broadway, and Sherry Reel representing the Gorge Preservation Society; Judy Gardner of Seguin; David Ferrill representing Southwest Research Institute; Susan Bogle and Roxanna Deane representing TPML; Tyson Brenn representing SC; and Ramon Salazar representing KBR.

In the absence of Chair Kunde, Vice Chair Fogle assumed the Chair of the meeting.

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

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

The Chair called for **Chair Item 1 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 68th Annual Convention March 7-9, 2012, at the Sheraton Dallas Hotel in Dallas, Texas.** Upon motion by Director Mathews, seconded by Director Pagel, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 68th Annual Convention in Dallas, Texas.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the 3rd Annual Texas Water Law Conference March 22-23, 2012, at the Westin La Cantera in San Antonio, Texas.** Upon motion by Director Marshall, seconded by Director Patillo, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the Texas Water Law Conference in San Antonio, Texas.

The Chair then called for **Chair Item 3 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the National Water Resources Association 2012 Federal Water Seminar, March 26-28, 2012, at the Washington Court Hotel in Washington, D.C.** Upon motion by Director Patillo, seconded by Director Powers, the Board unanimously authorized the expenditure of

funds for Directors and staff to attend the National Water Resources Association 2012 Federal Water Seminar in Washington, D.C.

The Chair called for **Consent Item 4 - Consideration of and possible action approving the January 18, 2012, Board meeting minutes; Consent Item 5 - Consideration of and possible action approving the monthly financial report for January 2012; Consent Item 6 - Consideration of and possible action approving the monthly operations report for January 2012; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved Consent Items 4, 5, 6, and 7.

Next, the Chair called for **General Manager Item 8 - Discussion of the Executive Reports addressing matters relating to safety, utility operations, water resource operations, including meeting with DOW Chemical representatives regarding water supply matters, participating in a tour of Calhoun Canal System regarding Exelon's early site permit application and participating in a tour of Coletto Creek Reservoir and Park operations with owners of Coletto Creek Power Station, 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 lift station replacement matters including easement acquisition and geotechnical investigation, Clean Rivers Program activities, water**

quality activities, Economic and Community Development activities, events and projects, Water and Wastewater Services activities including Bulverde area regional wastewater activities, Rural Utilities - Dunlap wastewater service area activities, Mid-Basin water supply, Gonzales County groundwater project activities; Tri-Community Water Supply Corporation water supply matters, Resource Protection activities including lake management and water safety, Plum Creek Watershed Protection, implementation of water conservation measures, Gorge Preservation Society matters, Gonzales area flood warning matters, 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. Debbie Magin informed the Board that an employment offer has been made for the Watershed Coordinator for the Plum Creek Project. Dan Laroe addressed the Board regarding the “no wake zone” on a portion of Lake Dunlap and supports GBRA’s action for safety and habitat concerns. 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 January 31, 2012.

The Chair then called for **Action Item 9 - Consideration of and possible action approving a Resolution authorizing and approving the execution of all documents and agreements relating to obtaining a loan to finance extensions and improvements to the Dunlap Wastewater Treatment System and refinance**

outstanding debt related to such System. During the early 1970's, GBRA constructed four small wastewater treatment systems in Guadalupe and Comal Counties. These systems were constructed to provide environmentally sensitive wastewater treatment services to subdivisions beyond the reach of the nearest municipal system. One of these four systems was the Dunlap Wastewater Treatment System located west of Lake Dunlap and just south of the City of New Braunfels. Due to expected growth in the area (primarily the Legends Pond Subdivision), GBRA expanded the Dunlap Wastewater Treatment Plant in 2004-2005 to a capacity of 950,000 gallons per day. The cost of that expansion totaled \$4.4 million and was funded by a loan from Wells Fargo Bank. GBRA has recently completed a Preliminary Engineering Report/Master Plan for the Dunlap Wastewater Treatment System. The results of the Preliminary Engineering Report were the Treatment Plant was in good operational condition and had plenty of capacity for growth, the original River Bend Lift Station needed to be replaced and relocated, a new Regional Lift Station was needed to alleviate operational issues related to the south end of the sewershed and to prepare for additional growth in the area, and several new or replacement sewer mains were needed for operational efficiencies and to prepare for additional growth. The GBRA Board of Directors reviewed the Dunlap Preliminary Engineering Report during their April 2011 meeting and subsequently authorized the General Manager to approve construction bids approximating \$2.6 million during their November 2011 meeting. In order to finance the \$2.6 million construction project, GBRA has solicited loan terms from six banks. Due to the requirements of the existing \$4.4 million Dunlap Wastewater

Treatment loan procured in 2004, GBRA has also solicited loan terms to refund the existing 2004 debt. Since the refunding must occur on March 15, 2012, GBRA has requested loan terms and a subsequent loan closing on or before March 15, 2012. Because that date precedes the next GBRA Board meeting date, GBRA staff requested Board authorization for the General Manager and Executive Manager of Finance to approve final loan terms. Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved a Resolution authorizing and approving the execution of all documents and agreements relating to obtaining a loan to finance extensions and improvements to the Dunlap Wastewater Treatment System and refinance outstanding debt related to such System. A copy of the Resolution 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 a Purchase and Sale Agreement between the Guadalupe-Blanco River Authority and SJW Corporation.**

No discussion or action was taken on Action Item 10.

Next, the Chair called for **Discussion Item 11 - Discussion regarding the design of the Environmental Learning Center at the Canyon Lake Gorge.**

LaMarriol Smith gave the Board an overview on the history of creating an Environmental Learning Center at the Canyon Lake Gorge. Ms. Smith introduced the architectural firm Jackson McElhaney Architects who prepared the Master Plan for the Environmental Learning Center at the Canyon Lake Gorge. Michael McElhaney and Drew Patterson made a presentation to the Board on the proposed Master Plan for the Environmental

Learning Center. The presentation included the GBRA site location, site plan, conceptual site plan, floor plan, and various education areas.

The Chair recessed the meeting at 11:21 a.m. The meeting reconvened in open session at 11:30 a.m.

The Chair then called for **Discussion Item 12 - Discussion regarding United States Geological Survey's report entitled *Effects of Brush Management on the Hydrologic Budget and Water Quality In and Adjacent to Honey Creek State Natural Area, Comal County, Texas, 2001-10***. General Manager West discussed the report with the Board.

The Chair called for **Discussion Item 13 - Discussion regarding potential wastewater planning and operations by the Guadalupe-Blanco River Authority (GBRA) to provide service to DJL Ventures, Inc., and Comal County Water Control Improvement District No. 6**. David Welsch gave an overview on wastewater planning and operations. GBRA is the holder of a wastewater Certificate of Convenience and Necessity (CCN) to provide wastewater services to certain areas in the Bulverde Area of Comal County. GBRA has been working to develop wastewater planning and operations in the area.

Next, the Chair 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 Chair then called for **Discussion Item 15 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, and the Gorge Preservation Society.** Steve Jester briefed the Board on the activities of the Guadalupe-Blanco River Trust. Tommie Rhoad briefed the Board on the activities of the San Antonio Bay Foundation.

The Chair called for **Discussion Item 16 - 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, elevation of Canyon Reservoir, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

Next, the Chair called for **Discussion Item 17 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on the Texas Water Development Board 2012 Texas State Water Plan, Interim Senate charges, Texas Water Day 2012 activities, a listing of potential endangered species, the City of Luling Zedler Mill dam, and various water news articles.

The Chair recessed the open meeting at 12:20 p.m. The Chair closed the open meeting and convened the meeting in executive session at 12:37 p.m. The open meeting reconvened in open session at 1:34 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:35 p.m. subject to call by the Chair.

Chair

Secretary