

## **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 January 21, 2015, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Robert “Rusty” Brockman, Dennis L. Patillo, Oscar H. Fogle, Grace G. Kunde, Kenneth Motl, 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; Barbara Gunn, Human Resources Manager; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; Michael Urrutia, Director of Water Quality Services; Teresa Van Booven, Project and Community Representative; Tommy Schulte, Regional Representative; Cricket Dietert, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Connie Rothe, Board Relations and Publication Specialist; Charlie Hickman, Engineer; Jaynellen Ladd, Natural Resource Specialist; Sandra Terry, Investment Manager; Cecil Holliday, Distribution Plant Operator-Western Canyon Water Treatment Plant; Paulette Cowey, Utility Accounts Assistant; Yolanda Pierce, Operations Assistant; Marella Dalme, Records Manager;

Gynna Hernandez, Records Clerk; Jeannine Herrmann, Accounting Assistant; Cinde Thomas-Jimenez, Environmental Education Administrator; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Alan Thompson with LVN; Emily Rogers with Bickerstaff, Heath, Delgado, Acosta, LLP; Stefan Schuster with MWH Global; Adam Conner with San Antonio Water System; Jennifer Sparks; and Ashley Davison, Laura Gavigan, and Catherine Land with Iniosante.

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:

Chair Mathews 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 Mathews welcomed and recognized GBRA employees Cecil Holliday, Paulette Cowey, Yolanda Pierce, Marella Dalme, Gynna Hernandez, and Jeannine Herrmann.

The Chair called for **Chair Item1 - Recognition and presentation to Oscar H. Fogle for his dedication and service as Chair of the Board of Directors of the Guadalupe-Blanco River Authority.** Chair Mathews and General Manager West

presented Director Fogle a gavel and thanked him for his dedicated service as Chair of the Board of Directors.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action authorizing the expenditure of funds for staff to attend the 11<sup>th</sup> Annual Texas Water Conservation Association Texas Water Day in Washington, D.C. on February 3-5, 2015.** Upon motion by Director Meador, seconded by Director Patillo, the Board unanimously authorized expenditure of funds for Directors and staff to attend Texas Water Day in Washington, D.C.

The Chair then called for **Action Item 3 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 71<sup>st</sup> Annual Convention March 4-6, 2015, at the Sheraton Austin Hotel at the Capitol, Austin, Texas.** Upon motion by Director Fogle, seconded by Director Carbonara, the Board unanimously authorized expenditure of funds for Directors and staff to attend the 71<sup>st</sup> Annual Convention of the Texas Water Conservation Association.

The Chair called for **Chair Item 4 - Consideration of and possible action accepting Board of Directors' Committee assignments.** Upon motion by Director Meador, seconded by Director Brockman, the Board unanimously accepted the Committee assignments. A copy of the Committee assignments is attached and made a part of these minutes.

Next, the Chair called for **Consent Item 5 - Consideration of and possible action approving the minutes of the December 17, 2014 Board meeting; Consent**

**Item 6 - Consideration of and possible action approving the monthly financial report for December 2014; Consent Item 7 - Consideration of and possible action approving the monthly operations report for December 2014; and Consent Item 8 - Consideration of and possible action approving Directors' expense vouchers.**

Upon motion by Director Kunde, seconded by Director Brockman, the Board unanimously approved Consent Items 5, 6, 7, and 8.

The Chair then called for **General Manager Item 9 - 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, meeting of the Basin and Bay Area Stakeholder Committee for the Guadalupe and related Basins, 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 and other construction related matters, Water Quality Division and Regional Laboratory reports, matters relating to the Regional Laboratory, Clean Rivers Program, Plum Creek Projects, monitoring activities, sampling activities and community outreach, operations related matters including public meetings, activities related to the Port Lavaca Water Treatment Plant, permit renewals, reports on Geronimo Creek Watershed Protection Plan, Environmental Flows Project, Vegetation and Invasive Species, Water Quality (general), economic and community development matters, River Heritage Tour Project, Gorge**

**Preservation Society, reports on public meetings attended, reports on Project Development, water and wastewater services relating to Johnson Ranch, City of Bulverde, Park Village/4-S Ranch, Dunlap Utilities, Canyon Park Estates, Point Comfort, Port Lavaca, general property manage matters, Water Supply Studies and other water-related activities, resource protection including Lake Management, Gonzales Area Flood Warning project, and Canyon Lake/Sattler office activities, Strategic Communications and Public Affairs reports including current and completed projects relating to Media, Social Media, Education and the Environmental Learning Center, publications, Geographic Information Systems, special projects, marketing, grants, public events and Board outreach events, administrative issues including information technology reports, human resource reports, accounting and finance reports.** James Murphy briefed the Board on GBRA operation and engineering activities. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. LaMarriol Smith briefed the Board on media, education, publications, marketing, and grant 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 December 31, 2014

The Chair called for **Action Item 10 - Consideration of and possible action approving the 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. The equipment up for disposal is no longer being used by GBRA and/or is not functional. Upon motion by Director Patillo, seconded by Director Kunde, the Board unanimously approved disposal of equipment in accordance with GBRA Board Policy 411-Capital Assets. A copy of the disposable equipment is attached and made a part of these minutes.

Next, the Chair called for **Action Item 11 - Consideration of and possible action approving the Investment Portfolio Review for Fiscal Year ending August 31, 2014, as prepared by First Southwest Asset Management in accordance with GBRA Board Policy 403-Investment Policy.** Section 403.304 of the GBRA Investment Policy requires that an investment portfolio review be performed at least every two years. GBRA engaged Scott McIntyre, a Senior Portfolio Manager and Certified Financial Analyst with First Southwest Asset Management, Inc. to perform the review. Following the review, First Southwest provided GBRA a report of its findings. The report summary basically states that all held securities are AAA or United States Treasuries or government agency bonds, credit exposure is minimal, the portfolio is very liquid, the portfolio appears to earn a competitive rate of interest without incurring undue risk, and the portfolio adheres to GBRA's investment policy and the Texas Public Funds Investment Act. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved and accepted the GBRA Biennial Investment Policy and Portfolio Review.

The Chair then called for **Action Item 12 - Consideration of and possible action approving a Guadalupe-Blanco River Authority Board Resolution in support of the Texas Water Development Board Flood Protection Planning Grant Application for Phase 3 of the Lower Guadalupe River Basin Feasibility Study.** To date GBRA has been successful in obtaining two grants through the Texas Water Development Board for Phase 1 and Phase 2 of the Lower Guadalupe River Basin Feasibility Study. Due to the success of the program, Hays County, the City of Wimberley, and the City of Kyle have requested that GBRA apply for another round of grant funding on their behalf. The Texas Water Development Board Flood Protection Planning Grant will cover fifty-percent (50%) of the total \$325,400 Phase 3 study. GBRA will serve as the grant applicant and the local sponsor for the project should the grant be awarded. GBRA will not participate in Phase 3 financially and will execute Inter-local Agreements with the participating communities to secure the local fifty-percent (50%) cost share required for the project. Upon motion by Director Kunde, seconded by Director Brockman, the Board unanimously approved a Board Resolution in support of the Texas Water Development Board Flood Protection Planning Grant Application for Phase 3 of the Lower Guadalupe River Basin Feasibility Study. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Action Item 13 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Cooperating Technical Partners Partnership Agreement between the Guadalupe-Blanco River Authority and the Federal Emergency Management Agency (FEMA).** The

Cooperating Technical Partner program was created to increase local involvement in floodplain management and in the development of floodplain hazard information. The Partnership Agreement indicates that GBRA and FEMA will collaborate on activities, but does not obligate either party to any work or funding. The Partnership Agreement is the first step in entering into the Cooperating Technical Partner program through FEMA. Enrolling in the Cooperating Technical Partner program will give GBRA the opportunity to access FEMA funding to conduct flood hazard identification studies and mapping activities within the Guadalupe River Basin. The Partnership Agreement does not obligate either party to funding or to perform any activities, additional agreements will be required for any future activities under the Cooperating Technical Partner program. Upon motion by Director Fogle, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and execute a Cooperating Technical Partners Partnership Agreement between the Guadalupe-Blanco River Authority and the Federal Emergency Management Agency (FEMA). A copy of the Cooperating Technical Partners Partnership Agreement is attached and made a part of these minutes.

The Chair then called for **Action Item 14 - 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.** Upon completion of construction, the City of Bulverde will assume ownership of the Singing Hills wastewater



treatment facility consisting of a wastewater treatment plant and sanitary sewer collection system. The system is located at the Singing Hills development near the junction of Hwy. 281 and State Hwy. 46 in Bulverde, Texas. GBRA is involved in a number of wastewater initiatives in the area, including Johnson Ranch, Cordillera Ranch, 4-S Ranch, and Park Village. Recently the City issued a Request for Qualifications for operating services for the Singing Hills Wastewater Treatment Plant. GBRA responded to the Request and was selected as the most qualified. No action was taken on Action Item 14 at this time.

The Chair called for **Action Item 15 - Consideration of and possible action approving a Guadalupe-Blanco River Authority Board Resolution in recognition of New Braunfels Utilities Water Loss Prevention.** The water pipelines, distribution systems, and other utility infrastructure in the State of Texas have begun to age and require repair. The New Braunfels Utilities' 88-square-mile distribution service territory is comprised of more than 490 miles of water mains located in Comal County within the Guadalupe-Blanco River Authority's statutory district. Several years ago New Braunfels Utilities made water loss prevention on its infrastructure a targeted performance measure to increase efficiencies and improve reliability throughout its systems. The New Braunfels Utilities' Water Operations and Maintenance Division successfully reduced water loss on the New Braunfels Utilities system by fifty percent in five years, saving more than 254 million gallons per year. New Braunfels Utilities' efforts in water loss prevention have been recognized by industry professionals such as the Texas Section of the American Water Works Association with its Blue Legacy Award. New

Braunfels Utilities leadership in innovative conservation and water resource management has benefited its own constituents as well as all citizens of the Guadalupe River Basin. Upon motion by Director Brockman, seconded by Director Kunde, the Board unanimously approved a Resolution in recognition of New Braunfels Utilities Water Loss Prevention. A copy of the Resolution is attached and made a part of these minutes.

The Chair recessed the meeting at 11:10 a.m. The Chair reconvened the meeting at 11:18 a.m.

Next, the Chair called for **Discussion Item 16 - Quarterly status report on grant activities.** LaMarriol Smith briefed the Board on GBRA grant activities under the General Manager's report. Stefan Schuster briefed the Board on amendments to the State Water Plan including inclusion of seawater desalination for GBRA's Integrated Water Power Project. Discussion was had regarding submission of a grant application to the Texas Water Development Board for possible SWIFT funds for implementation of the Integrated Water Power Project.

The Chair then called for **Discussion Item 17 - Update and presentation on the Guadalupe-Blanco River Authority River Heritage Tour.** Teresa Van Booven and Tommy Schulte briefed the Board on the GBRA Heritage Tour and introduced representatives from Ashley Davison, Laura Gavigan, and Catherine Land with Iniosante. A video of the GBRA River Heritage Tour was viewed. Projected completion and release of the GBRA Heritage Tour is the Spring of 2016.

The Chair called for **Discussion Item 18 - 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 Board was also briefed on the Texas Water Journal Forum “History of the Edwards Aquifer Dispute – A View from the Trenches” held January 20, 2015.

Next, the Chair called for **Discussion Item 19 - 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 and the San Antonio Bay Foundation.

The Chair then called for **Discussion Item 20 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** The reports were discussed with the Board. Charlie Hickman 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 called for **Discussion Item 21 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on an overview of topics for the 84<sup>th</sup> Legislative Session and legislative activities. Discussion was also had on Trinity well drilling activities.

Next, the Chair called for **Discussion Item 22 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on the upcoming Texas Water Day in Washington, D.C. The Board was briefed on the Natural Resources Committee activities.

The Chair recessed the open meeting at 12:01 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:39 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:26 p.m.

The Chair re-called for **Action Item 14 - 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.** Upon motion by Director Kunde, seconded by Director Meador, the Board unanimously authorized 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. A copy of the Cooperative Agreement is attached and made a part of these minutes.

There being no further business to be brought before the Board, the meeting was adjourned at 1:28 p.m. subject to call by the Chair.

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Chair

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Secretary