

## **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 15, 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, and William R. Carbonara. Director Darrell McLain was absent. 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; 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; 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; Jaynellen Ladd, Natural Resource Specialist; Jerry Rodriguez, Park Ranger-Lakewood Recreation; Steven Maricle, Maintenance Crew-Guadalupe Valley Hydroelectric Division; Fred Hernandez, Operator-Buda Wastewater Treatment Plant; Norma Harvey, Accounting Assistant; Susan Hubbert, Accounting Manager;

Christopher Lewis, Technical Consultant; Jerry Sharp, Plant Manager-San Marcos Water Treatment Plant; Eric Mendez, Operator-Lockhart Wastewater Treatment Plant; Billy Imhoff, Facilities Technician; Sandra Terry, Investment Manager; David Maltony, Purchasing and Inventory Coordinator-Guadalupe Valley Hydroelectric Division; Darel Ball, Division Manager-Hays/Caldwell; Jim Wyatt, SCADA Administrator; Richard Maxwell, Electrical Instrumentation Technician-Guadalupe Valley Hydroelectric Division; Kyle Gudgell, Quality Assurance Officer-Seguin Regional Laboratory; Jeff Crosby with the Guadalupe-Blanco River Trust; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Jeanne Schnuriger and Atilano Aguen with Springs Hill Water Supply Corporation; and Adam Connor with San Antonio Water System.

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 were no public comments. Chair Mathews welcomed and recognized GBRA employees Steven Maricle, Fred Hernandez, and Brent Howard receiving five (5) year service awards; Norma Harvey,

Susan Hubbert, and Christopher Lewis receiving ten (10) year service awards; Gary Asbury, Todd Votteler, Jerry Sharp, Ryan Boedeker, and Eric Mendez receiving fifteen (15) year service awards; Billy Imhoff, Sandra Terry, and David Maltony receiving twenty (20) year service awards; James King, Darel Ball, Mark Henneke, Jim Wyatt, Herb Wittliff, and Wilfred Korth receiving thirty-five (35) year service awards; Cricket Dietert and Richard Maxwell receiving forty (40) year service awards; and Jerry Rodriguez.

The Chair called for **Consent Item 1 - Consideration of and possible action approving the minutes of the March 18, 2015, Board meeting; Consent Item 2 - Consideration of and possible action approving the monthly financial report for March 2015; Consent Item 3 - Consideration of and possible action approving the monthly operations report for March 2015; Consent Item 4 - Consideration of and possible action approving Directors' expense vouchers; and Consent Item 5 - 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 3-9, 2015.** Upon motion by Director Fogle, seconded by Director Patillo, the Board unanimously approved Consent Items 1, 2, 3, 4, and 5. A copy of the Resolutions is attached and made a part of these minutes.

Next, the Chair called for **General Manager Item 6 - Discussion of the executive report addressing various matters relating to water resources planning including reports on Regional L Water Planning group activities, State funding issues, water reuse issues, GBRA's Mid-Basin Project (Groundwater and Surface**

Water components), Integrated Water Power Project, Lower Basin Storage Project and related regional planning issues, Hydropower Regulatory Act issues, water resources operation including engineering issues and engineering related meetings, regional planning, U. S. Army Corps of Engineers Dam Safety Table Top Exercise for Canyon Dam, construction management reports relating to GBRA projects and to the FM 110 Bypass in San Marcos, FM 150 near Kyle, U.S. 183 near Lockhart and other projects, safety issues, utility operations and drought contingency plan implementation, Water Quality Division and Regional Laboratory reports, reports on the activities of GBRA's Regional Laboratory, sampling and other water quality-related activities, economic and community development reports including the River Heritage Tour Project, reports on various community meetings, community outreach activities in the Guadalupe Basin, Texas Water Safari planning, project development reports relating to Johnson Ranch, Bulverde, Park Village and 4-S Ranch, Dunlap Area Utilities, Point Comfort, Port Lavaca, water and wastewater agreements and services provided in various communities throughout the Guadalupe Basin, property management reports, water supply studies in the Basin, Western Canyon reports, water supply studies in the middle Guadalupe Basin, resource protection issues, lake management, Zebra Mussels, flood management, island lots on H-5 Lake, reports from the Canyon Lake/Sattler office and the Gorge Preservation Society, public affairs reports including media reports, public outreach and social media,

**education reports, reports on the activities of the Environmental Learning Center, publications, Geographic Information Systems projects, special projects, reports on marketing efforts, grants, Board relations and public events, administrative reports, information technology reports, Human Resource reports, accounting, and finance reports, water supply and wastewater treatment contract activities.**

James Murphy briefed the Board on activities of the South Central Texas Regional Water Planning Group Region L and legislative issues. Mr. Murphy briefed the Board on GBRA water resources planning, 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 March 31, 2015.

The Chair then called for **Action Item 7 - Consideration of and possible action approving a Resolution authorizing the issuance of Guadalupe-Blanco River Authority Combination Contract Revenue and Subordinate Lien Water Resources Division Revenue Bonds, Series 2015A and Taxable Series 2015B (Lower Basin Storage Project); authorizing the sale thereof; authorizing the General Manager and the Executive Manager of Finance and Administration to approve all final terms of the Bonds; authorizing the preparation and distribution of an Official Statement; authorizing the execution of a Purchase Contract, a**

**Paying Agent/Registrar Agreement, and Continuing Disclosure Agreement, as necessary; and containing other provisions relating to the subject; and consideration of and possible further action authorizing the General Manager to take any and all actions he deems necessary or desirable concerning such Bonds and/or such Project including, without limitation, seeking a court declaration or initiating or participating in any other judicial or administrative proceeding relating to such Bonds and/or such Project, including seeking a declaration relating to the authority of GBRA to issue the Bonds, the legality and validity of each public security authorization relating to the Bonds (including the boundaries of GBRA, the imposition of an assessment, the execution or proposed execution of a contract; the imposition of a rate, fee, charge, or toll or the enforcement of a remedy relating to the imposition of that rate, fee, charge, or toll; and the pledge or encumbrance of revenue, receipts, or property to secure the Bonds), the legality and validity of each expenditure or proposed expenditure of money relating to the Bonds, and the legality and validity of the Bonds themselves.** This Resolution will authorize the issuance of up to \$100,000,000 in tax-exempt and taxable contract revenue bonds (“Series 2015 Bonds”), the proceeds of which will be used to fund the Lower Basin Storage Project including the construction of an off-channel reservoir(s) and associated equipment as well as to fund the related financing costs. On April 14, 2014, the Board of Directors adopted a resolution substantially identical to this Resolution which delegated authority to the General Manager and/or the Executive Manager of Finance and Administration of GBRA to approve all final terms of the

"Series 2014 Bonds" authorized under such resolution; however, in order to comply with a requirement of the Public Finance Division of the Attorney General of Texas, Section 1(d) of the 2014 Resolution provided that the authority delegated to the General Manager and/or the Executive Manager of Finance and Administration of GBRA would expire on April 16, 2015. Because GBRA has not yet issued the Series 2014 Bonds, it is necessary and appropriate to essentially reauthorize the issuance of the Series 2014 Bonds contemplated in and approved by the 2014 Resolution by adopting this Resolution, which will authorize the issuance of the Series 2015 Bonds on virtually identical terms and for virtually identical purposes as set forth in the 2014 Resolution with respect to the Series 2014 Bonds. Upon motion by Director Patillo, seconded by Director Motl, the Board unanimously approved a Resolution authorizing the issuance of Guadalupe-Blanco River Authority Combination Contract Revenue and Subordinate Lien Water Resources Division Revenue Bonds, Series 2015A and Taxable Series 2015B (Lower Basin Storage Project); authorized the sale thereof; authorized the General Manager and the Executive Manager of Finance and Administration to approve all final terms of the Bonds; authorizing the preparation and distribution of an Official Statement; authorized the execution of a Purchase Contract, a Paying Agent/Registrar Agreement, and Continuing Disclosure Agreement, as necessary; and containing other provisions relating to the subject; and further authorized the General Manager to take any and all actions he deems necessary or desirable concerning such Bonds and/or such Project including, without limitation, seeking a court declaration or initiating or participating in any other judicial or administrative proceeding relating to such Bonds

and/or such Project, including seeking a declaration relating to the authority of GBRA to issue the Bonds, the legality and validity of each public security authorization relating to the Bonds (including the boundaries of GBRA, the imposition of an assessment, the execution or proposed execution of a contract; the imposition of a rate, fee, charge, or toll or the enforcement of a remedy relating to the imposition of that rate, fee, charge, or toll; and the pledge or encumbrance of revenue, receipts, or property to secure the Bonds), the legality and validity of each expenditure or proposed expenditure of money relating to the Bonds, and the legality and validity of the Bonds themselves. A copy of the Bond Resolution is attached and made a part of these minutes.

The Chair called for **Action Item 8 - Consideration of and possible action authorizing the General Manager to negotiate and execute a contract with the lowest qualified bidder for emergency generator preventive maintenance services.** The Guadalupe-Blanco River Authority maintains standby generators at various water, wastewater, and communication facilities within the District. To insure generators operate properly when needed, periodic preventive maintenance is required which is more efficiently provided as contracted services. To encompass all levels of recommended preventive maintenance a three year contract proposal was requested from qualified service providers. Standby generators fill a vital role in providing high quality uninterrupted service to water and wastewater customers. GBRA relies on generators at several locations throughout the basin to provide emergency power to water and wastewater treatment plants, wastewater lift stations, and communications centers during local and regional electrical power outages. Preventive maintenance



requirements have become more complex as diesel engines and generators become more advanced. Proper servicing requires specialized diagnostics tools and software and extends well beyond routine oil and filter changes. This multi-year contract allows the same service company to provide maintenance needs that are scheduled quarterly, annually, bi-annually, and tri-annually to insure the generators operate reliably when needed. Upon motion by Director Brockman, seconded by Director Carbonara, the Board unanimously authorized the General Manager to enter into a contract with the lowest qualified bidder, L. J. Power Generators from Austin, Texas, for emergency generator preventive maintenance services in the amount of \$118,000.

The Chair then called for **Discussion Item 9 - Discussion regarding the Management Plan for H-5 island lots.** Tommy Schulte briefed the Board on the proposed “GBRA Lake and Land Management – Lake Wood (H-5) Status Up Date” including history, project description, goals, analysis, mechanical options, and future use options.

Next, the Chair called for **Discussion Item 10 - Discussion regarding the activities and transactions of the Edwards Aquifer Authority, South Central Texas Water Advisory Committee, and the Guadalupe Basin Coalition.** No discussion was had on Discussion Item 10.

The Chair then called for **Discussion Item 11 - 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.** Jeff Crosby briefed the Board on the activities of the Guadalupe-Blanco River Trust.

The Chair called for **Discussion Item 12 - 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, 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.

Next, the Chair called for **Discussion Item 13 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on activities of the South Central Texas Regional Planning Group Region L. The Board was also briefed on a Texas Marker Dedication “German Americans in Texas” held at Canyon Dam Overlook Park reflecting German pioneers in Texas. General Manager West briefed the Board on the 49<sup>th</sup> Annual Texas Legislative Conference held in New Braunfels. Discussion was also had on activities of the 83rd Legislative Session.

The Chair then called for **Discussion Item 14 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on the National Water Resources Association Federal Water Issues Conference. The Board was also briefed on an event in Kerrville sponsored by Congressman Lamar Smith.

The Chair recessed the open meeting at 11:44 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:35 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:21 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:22 p.m. subject to call by the Chair.

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Chair

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Secretary