

## **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 March 15, 2017, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Robert “Rusty” Brockman, Dennis L. Patillo, Don B. Meador, William R. Carbonara, Oscar H. Fogle, Ronald J. Hermes, Tommy Mathews, and Kenneth Motl. 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 Water Resources and Utility Operations; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/CFO; 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; Tommy Hill, Chief Engineer; Charlie Hickman, Manager of Project Engineering; Roger Nevola, legal counsel; Richard “Dicky” Maxwell, Electrical/Instrumentation Technician and GBRA Retiree; Gayle Burnett, sister of Richard Maxwell; David Geaslin with the Gonzales Cannon; Mary Putnam-Lee, Dale Schellenberg, Joe Solansky, Landra Solansky, Kim Stewart, and Bubba Ehrig from Gonzales.

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

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

The Chairman called for **Chairman Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2017 retiree Richard “Dicky” Maxwell.** Chairman Brockman recognized Dicky Maxwell for his 41 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Brockman also welcomed Gayle Burnett. Chairman Brockman read a Resolution honoring Dicky Maxwell. Upon motion by Director Fogle, seconded by Director Patillo, the Board unanimously approved a Resolution honoring GBRA 2017 retiree Richard “Dicky” Maxwell. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Discussion Item 9 - Briefing and discussion regarding the engineering feasibility study for the gate replacement and rehabilitation program for the Guadalupe Valley Hydroelectric System.** Chairman Brockman made a statement reflecting the failure of the H-5 dam gate and the process for moving forward with potential solutions to the replacement process to the Lake

Wood H-5 dam. General Manager/CEO Patteson addressed the Board regarding the process for the gate replacement and also for the rehabilitation program for the Guadalupe Valley Hydroelectric System including costs, financing options, and stakeholder partnerships. Charlie Hickman briefed the Board on the engineering feasibility study for the gate replacement and for the rehabilitation program for the Guadalupe Valley Hydroelectric System. Mr. Hickman briefed the Board on various matters including the age of the Guadalupe Valley Hydroelectric System, the operation of the bear trap gates, the process of generating electricity, the probable cause of the gate failure at H-5 dam, the progress of repairs to the existing gates at other dams within the Guadalupe Valley Hydroelectric System, and evaluation of the best solution for replacing the damaged gate at H-5. Dale Schellenberg, Joe Solansky, Landra Solansky, David Geaslin, Mary Putman-Lee, and Bubba Ehrig each addressed the Board regarding the status of repairs to the Guadalupe Valley Hydroelectric System H-5 Dam in Gonzales, Texas, and their concerns related to the loss of water in Lake Wood during the period until repairs will be made. Chairman Brockman thanked the speakers for their comments. General Manager/CEO Patteson informed the Board that the GBRA staff is researching funding options and will continue to have open dialogue with landowners, and that there are two parallel paths of focus -- funding and implementing a solution for replacement of the Lake Wood H-5 dam gate and repairing the spill gates located at the remaining Guadalupe Valley Hydroelectric System dams.

The Chairman then called for **Consent Item 2 - Consideration of and possible action approving the minutes of the February 15, 2017, Board meeting; Consent**

**Item 3 - Consideration of and possible action approving the monthly financial report for February 2017; Consent Item 4 - Consideration of and possible action approving the monthly operations report for February 2017; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Meador, seconded by Director Patillo, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chairman called for **General Manager/CEO Item 6 - 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 Strategic Planning; Water Resources and other Project Planning; Water Resources Operations activities; Water Quality Division and GBRA Laboratory activities; Community and Economic Development activities; Communications and Public Affairs activities; Finance and Administrative Services activities (including Information Technology, Human Resources, and Accounting and Finance); weather and climate; river flows and other scientific issues; endangered species issues; and activities of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, the Gorge Preservation Society, the Guadalupe River Foundation, and the Guadalupe Basin Coalition.** No discussion was had on General Manager/CEO Item 6. The next quarterly report will be May 2017. Tommy Hill introduced Ashley Freidberg, GBRA's new engineer.

Next, the Chairman called for **Action Item 7 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2017 Work Plan and**

**Budget to establish wastewater connection fees and monthly wastewater rates for the Park Village and 4S Ranch developments as per previous agreement with**

**Comal County WCID No. 6.** Cindy Demers briefed the Board on the amendment to the Fiscal Year 2017 Work Plan and Budget. The proposed amendment of the Fiscal Year 2017 GBRA Annual Work Plan and Budget is associated with establishing wastewater connection fees and monthly rates for two new developments, Park Village and 4S Ranch, in the Western Canyon Division. The various GBRA customer rates are set annually by the GBRA Board of Directors and are included in the “Rate and Rate Structures” schedule which is a component of the adopted Fiscal Year 2017 Annual Work Plan and Budget. These new systems were contemplated during the Fiscal Year 2017 budget process, but there was not enough information at that time to establish the connection fees and monthly rates. GBRA has previously entered into contracts with Comal County WCID No. 6 (District) to provide retail wastewater services to Park Village and 4S Ranch in the Western Canyon Division. These areas have been under development and are nearing construction of the first homes. Per the contracts with the District, GBRA is to establish the wastewater rates, which may be changed by the GBRA Board “at any time and from time to time”. In addition, the agreements provide for a 10 year true up period requiring the District to pay for any year-end budget to actual deficiency. As a result, utilizing a rate structure as used in similar nearby developments will be appropriate until there is sufficient operating experience. To establish the initial wastewater rates for Park Village and 4S Ranch, staff recommended utilizing the rate structure for a similar GBRA operation in the area, Johnson Ranch.

These rates are \$550 per connection and \$45 per LUE per month. Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously approved an amendment to the GBRA Fiscal Year 2017 Work Plan and Budget to establish wastewater connection fees of \$550 per connection and monthly wastewater rates of \$45 per month per LUE for the Park Village and 4S Ranch developments.

The Chairman then called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract for professional services for the Port Lavaca Water Treatment Plant Project.**

Charlie Hickman briefed the Board on the Port Lavaca Water Treatment Plant Project. The Port Lavaca Water Treatment Plant was put into service in 1970 and was expanded in 1992. Certain elements of the facility have reached the end of their useful life and staff is currently evaluating capital improvements that are necessary for current and future use of the facility. Staff is requesting the services of a consulting engineering firm to develop a preliminary engineering report to determine the level of capital improvements necessary for the current and future use of the facility. The selected firm will develop a Preliminary Engineering Report outlining the necessary capital improvements, which may involve improvements to the current facility or replacement with a new facility. The selected firm may also be utilized to develop plans and specifications for the improvements identified in the Preliminary Engineering Report. Staff issued a Request for Qualifications in February and interested firms were required to respond by Friday, March 10, 2017. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to

negotiate and execute a contract for professional services for the Port Lavaca Water Treatment Plant Project.

The Chairman called for **Discussion Item 10 - Discussion regarding Base Flow Report, Water Quality Index, and condition of the Guadalupe Basin.** Tommy Hill briefed the Board on the Base Flow Report, Water Quality Index, and 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 Nino and La Nina modeled forecast.

The Chairman recessed the open meeting at 11:31 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:43 a.m. pursuant to Chapter 551, Texas Government Code.

The Chairman reconvened the meeting in open session at 12:06 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:06 p.m. subject to call by the Chairman.

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Chairman

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Secretary