

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 May 16, 2018, 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 Operations and Water Quality; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/Chief Financial Officer; Vanessa Guerrero, Executive Manager of Administration; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; Courtney Kerr-Moore, Associate General Counsel; Charlie Hickman, Manager of Project Engineering; Jaynellen Kerr, Natural Resource Specialist; and Landra and Joe Solansky 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 the Texas flag.

The Chairman called for **Public Comment Item1 - Comments from the public.** The Chairman called Landra Solansky to address the Board. Ms. Solansky commented on the length of time that has passed since the spillgate failed at GBRA's H-5 Dam near Gonzales, Texas, and questioned why the spillgate has not been repaired. Ms. Solansky requested no action be taken on Action Item 10 and that no funds be used for the proposed new GBRA office building in New Braunfels until the spillgate at H-5 Dam is repaired/replaced. Chairman Brockman called Joe Solansky to address the Board. Mr. Solansky informed the Board of the existence of a petition with over 1,000 signatures which supports the repair/replacement of the spillgate at H-5 Dam. Mr. Solansky requested GBRA to get on track and serve the people. Mr. Solansky asked that GBRA stop making empty promises regarding the repair/replacement of the spillgate at H-5 Dam which was promised, under previous leadership, to be completed in nine months and put a hold on the new office building until the spillgate at H-5 Dam is repaired/replaced.

Next, the Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the April 18, 2018, Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for April 2018; Consent Item 4 - Consideration of and possible action approving the monthly operations report for April 2018; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.**

Upon motion by Director Meador, seconded by Director Mathews, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chairman then 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: utility operations, GBRA Lab, water quality, safety, water resources planning and operation, construction management, economic and community development, project development, resource protection, weather and climate, river flows and other scientific issues, education programs, social media and community relations, media and public affairs, Board relations and events, publications, policy and stewardship, endangered species issues, information technology, human resources, accounting, finance, records management, grants and financial assistance.** Darel Ball briefed the Board on operations, water quality and safety for the last quarter. The Board was briefed on several accidents and the cause mapping process used for investigating an incident or accident. Mr. Ball briefed the Board on operations in the Guadalupe Valley Hydroelectric System, the Buda Wastewater Treatment Plant, the Shadow Creek Wastewater System, the Lockhart Wastewater Treatment Plant, the Calhoun Canal Division, and the Coletto Creek Reservoir and Recreation Division. Discussion continued regarding water quality activities including invasive vegetation control and a presentation at the Texas Water 2018 event. Tommy Hill briefed the Board on Calhoun Canal Division diversion and canal system including historical information and the purpose and use of the diversion system. GBRA is currently

researching possible grants to assist with repairs and maintenance of the system. Charlie Hickman briefed the Board on the Guadalupe Valley Hydroelectric System spillgate repairs including locking bar and tie bar replacement, structural steel replacement, and timber removal and replacement. Mr. Hickman informed the Board on the continued progress regarding the replacement of the failed Bear-Trap spillgate at H-5 Dam near Gonzales. GBRA staff and consultants have been reviewing the Obermeyer Gate and the Hydraulic Crest Gate as a potential option for replacement of the H-5 spillgate. The preferred gate replacement is the Hydraulic Crest Gate. A Request for Qualifications has been sent out, firms will be interviewed, and the selected firm will prepare a Scope of Work for replacement of spillgates in the Guadalupe Valley Hydroelectric System. Cindy Demers briefed the Board on finance and administration quarterly focus including the 2019 fiscal year budget development process; continued implementation of financial software; the drafting of a Request for Proposals for depository, treasury management and procurement card services; the selection of new external auditors; continued implementation of the Human Resources information system; selection of Contract Management Software; hiring of a Purchasing Manager; development of a supervisory training curriculum; and implementation of AV upgrades to the River Annex building. Other highlights included submittal of GBRA's transparency page to the State Comptroller's office for recognition under the Texas Transparency Stars Program; submittal of the full application to the Texas Water Development Board's SWIFT program for the Gonzales Carrizo Groundwater Project financing; the Port Lavaca operations have transitioned from T1 to fiber communications lines; all GBRA computer workstations have

been upgrade to Windows 10 and Office 365; approximately half of all GBRA e-mail accounts are under the new 90 day retention policy; and education activities. The Board thanked Cindy Demers for her service to GBRA and wished her well in her new adventure. General Manager/CEO Patteson informed the Board that Vanessa Guerrero has been promoted to a new role as GBRA's Executive Manager of Administration.

The Chairman recessed the meeting at 10:44 a.m. and reconvened in open session at 10:52 a.m.

The Chairman called for **Action Item 7 - Consideration of and possible action authorizing the General Manager/CEO to implement a permanent process, fee structure, and permit application related to GBRA's permitting of the construction and modification of docks and other structures on GBRA's hydroelectric lakes.** Courtney Kerr-Moore briefed the Board on meetings with City and County officials, homeowners, and contractors regarding implementation of a permanent process, fee structure, and permit application for construction and modification of docks and other structures on GBRA hydroelectric lakes. Discussion was had on changes that will become effective upon Board approval of the Permanent Construction Permit for structures on GBRA hydroelectric lakes including the submittal of plans and other required documents to State or local entities, an annual inspection of structures, an annual renewal fee, and grandfathered permittees. Upon motion by Director Meador, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to implement a permanent process, fee structure, and permit application related to GBRA's permitting of the construction and modification of docks and other

structures on GBRA's hydroelectric lakes. A copy of the new Application and Construction Permit is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action approving and adopting a subcommittee report presented by GBRA's Non-Profit Committee.** Jonathan Stinson presented the GBRA Non-Profit Committee Report to the Board. The Report included GBRA's historical financial support to the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation and the Gorge Preservation Society. Mr. Stinson briefed the Board on the Texas Sunset Commission's findings of GBRA's relationships with associated non-profits. The Texas Sunset Commission's recommends GBRA clarify and better manage its relationship with the associated non-profits; consolidate funds provided to the Guadalupe-Blanco River Trust and the San Antonio Bay Foundation to one organization and clearly define expectations tied to the funding; create clear boundaries and reporting structures between GBRA staff and associated non-profits; evaluate whether the Gorge Preservation Society's narrow mission justifies GBRA support or whether its activities could be performed internally; and evaluate the continuing need for relationships with any non-profits every five years to ensure the non-profits are achieving shared goals. Mr. Stinson presented the GBRA Non-Profit Committee's Report recommendations to the Board which included working with the independent Boards of the Guadalupe-Blanco River Trust, the San Antonio Bay Foundation, and the Gorge Preservation Society to improve efficiencies and outcomes. Recommendations included consolidating GBRA's support to the Guadalupe-Blanco River Trust and the San Antonio Bay Foundation. GBRA will work with the Guadalupe-

Blanco River Trust to develop and implement a plan that defines financial independence, financial reporting, goals and objectives, representation, and staff reporting. Committee recommendations for the Gorge Preservation Society is that GBRA fully manage access and operations by the year 2021; develop a new Memorandum of Understanding with the Gorge Preservation Society to define goals and expectations; work with the Gorge Preservation Society to implement infrastructure and expanded operations at the Gorge as identified in the 2007 Master Plan; and continue to utilize the Gorge Preservation Society volunteers and expertise to accomplish conservation and education activities. Director Meador recused himself and abstained from any discussion and vote on Action Item 8. Upon motion by Director Fogle, seconded by Director Mathews, the Board approved and adopted a subcommittee report presented by GBRA's Non-Profit Committee by following vote:

AYES: Directors Brockman, Patillo, Carbonara, Fogle, Hermes, Mathews, and Motl

NOES: None

ABSENTIONS: Director Meador

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an amendment to the Regional Water Supply Project for Portions of Comal, Kendall, and Bexar Counties: Agreement Between San Antonio Water System and Guadalupe-Blanco River Authority to allow specific lands in Kendall County to be**

served with water from the Western Canyon Project. No discussion was taken on Action Item 9 at this time.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Consulting Services Agreement to provide architectural planning and design services for a new GBRA office building in New Braunfels, Texas.** Charlie Hickman briefed the Board on planning and design services for a new facility in New Braunfels. GBRA has acquired a 5.6 acre tract located at 2251 Common Street in New Braunfels, Texas for development of a new office building. Current planning indicates approximately 12,000 to 15,000 square feet is needed to house staff that may include executive management, administrative and finance, communications, planning, engineering, legal, and operation functions of GBRA. GBRA has posted a Request for Qualifications to procure the services of an architect for the project. The selected architectural firm will assist GBRA with facilities planning and building design services. Upon motion by Director Fogle, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Consulting Services Agreement to provide architectural planning and design services for a new GBRA office building in New Braunfels, Texas.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Engineering Services Agreement to provide on-call services for the Lower Guadalupe River Diversion System and Calhoun Canal System.** Charlie Hickman

briefed the Board on several identified repairs needed in the Lower Guadalupe River Diversion System that require design services from a multi-disciplinary engineering firm. A Request for Qualifications has been issued and responses are due on May 17, 2018. The selected firm will assist with several initial tasks and will remain on-call for a two year period with a contract option to renew for another two years to assist with other unspecified projects associated with the Lower Guadalupe River Diversion System and Calhoun Canal System. The Lower Guadalupe River Diversion System is a surface water conveyance system located in the Lower Guadalupe River Delta in Calhoun County and Refugio County, Texas. The diversion system is comprised of approximately 9 miles of man-made channels interconnected with natural bayous and is used to divert surface water from the Guadalupe River. The system includes several control structures including the Saltwater Barrier Dam, Hog Bayou Control Structure, Goff Bayou Control Structure, and an inverted siphon underneath the Victoria Barge Canal. The Calhoun Canal System is a gravity system that conveys water from the diversion system to municipal, industrial, and agricultural users in Calhoun County. The canal system is comprised of approximately 60 miles of surface canals and laterals with associated check structures, siphons, and other appurtenances. The canal system provides the source water for the Port Lavaca Water Treatment Plant. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Engineering Services Agreement to provide on-call services for the Lower Guadalupe River Diversion System and Calhoun Canal System.

The Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Easement Agreement with Canyon Lake Community Library District to provide an improved entrance way into the Guadalupe-Blanco River Authority's Canyon Lake Gorge Facilities.** Jaynellen Kerr briefed the Board on GBRA's joint efforts with Canyon Lake Community Library District, owners of the Tye Preston Memorial Library, to enhance public access to The Canyon Lake Gorge Facilities and GBRA's adjacent 20 acres by adding a driveway that both entities can access. An easement agreement with Canyon Lake Community Library District is being created to improve and enhance public access to The Canyon Lake Gorge Facilities and GBRA's adjacent 20 acres. This easement agreement is needed to move forward with the development of improved parking and traffic flow. GBRA engineers and external engineers are working with architects to discuss aesthetics and other issues to develop a preliminary design for the proposed driveway. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Easement Agreement with Canyon Lake Community Library District to provide an improved entrance way into the Guadalupe-Blanco River Authority's Canyon Lake Gorge Facilities.

The Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Interlocal Agreement with Caldwell County to assume ownership, operation and maintenance of the Martindale flood sirens in Caldwell County.** Tommy Hill briefed the Board on a grant from the Texas Water Development Board for the installation of eight (8) automated

rainfall gauges for Caldwell County. The project includes the installation of two automated sirens for the Martindale area. The eight (8) rainfall gauges have been installed and are operational. GBRA staff is still working on the installation of the sirens. GBRA and Caldwell County have been in discussions regarding the best entity to operate and maintain the sirens and we have concluded that Caldwell County shall perform such functions. The Caldwell County Emergency Management Coordinator (EMC) will be the designated agent of Caldwell County who will manage all tasks associated with the sirens. Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Interlocal Agreement with Caldwell County to assume ownership, operation and maintenance of the Martindale flood sirens in Caldwell County.

Next, the Chairman called for **Discussion Item 14 - Presentation of the Texas Sunset Advisory Commission staff report.** Jonathan Stinson briefed the Board on the Texas Sunset Advisory Commission staff report including briefings with leadership, management and staff; tours of GBRA facilities; and attendance at various meetings. Discussion was had regarding the Sunset review process. The Board was briefed on issues and recommendations listed in the Sunset Advisory Commission staff report with such recommendations including development of an adequate asset management program which addresses, among other things, GBRA's aging infrastructure; enhancement of GBRA's procurement and contracting efforts as the current state lacks coordination and best practices needed to ensure adequate expertise and best value; and clarification and management regarding GBRA's relationships with associated non-

profits. GBRA staff is in the process of addressing and implementing solutions to the recommendations presented by the Texas Sunset Advisory Commission staff report. The Board was informed on important events related to the Texas Sunset Advisory Commission staff report including a public testimony hearing in Austin on May 24, 2018, a Sunset decision hearing in Austin on August 29-30, 2018, and possible legislative action to be taken during the 86th Legislative Session occurring from January to May 2019.

The Chairman then called for **Discussion Item 15 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Tommy Hill briefed the Board on the Basin hydrologic condition, the Base Flow Report, Water Quality Index, 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 Niño and La Niña modeled forecast.

The Chairman recessed the open meeting at 11:43 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:54 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:19 p.m.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an amendment to the Regional Water Supply Project for Portions of Comal, Kendall, and Bexar Counties: Agreement Between San Antonio Water System and**

Guadalupe-Blanco River Authority to allow specific lands in Kendall County to be served with water from the Western Canyon Project. Tom Bohl briefed the Board on an amendment to the Regional Water Supply Project for Portions of Comal, Kendall, and Bexar Counties with the San Antonio Water System. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to negotiate and execute an amendment to the Regional Water Supply Project for Portions of Comal, Kendall, and Bexar Counties: Agreement Between San Antonio Water System and Guadalupe-Blanco River Authority to allow specific lands in Kendall County to be served with water from the Western Canyon Project.

There being no further business to be brought before the Board, the meeting was adjourned at 12:21 p.m. subject to call by the Chairman.

Chairman

Secretary