

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 July 18, 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, Tommy Mathews, Kenneth Motl, Ronald J. Hermes, and Steven B. Ehrig. 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; Vanessa Guerrero, Executive Manager of Administration; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Courtney Kerr-Moore, Associate General Counsel; Lauren Willis, Water Quality Project Coordinator; and Tim Dusek, Grant Writer/Administrator.

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

The Chairman called for **Chairman Item 1 - Welcome new and re-appointed Directors and administer the *Oath of Office* to Stephen B. “Steve” Ehrig; Robert E. “Rusty” Brockman, Jr.; Oscar H. Fogle; and Kenneth A. Motl, D.V.M.** Vice Chairman Patillo administered the *Oath of Office* to Robert E. “Rusty” Brockman. Chairman Brockman administered the *Oath of Office* to Stephen B. “Steve” Ehrig, Jr.; Oscar H. Fogle; and Kenneth A. Motl, D.V.M.

Next, the Chairman called for **Public Comment Item 2 - Comments from the public.** There were no public comments.

The Chairman then called **Consent Item 3 - Consideration of and possible action approving the minutes of the June 20, 2018, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for June 2018; Consent Item 5 - Consideration of and possible action approving the monthly operations report for June 2018; and Consent Item 6 - Consideration of and possible action approving Directors’ expense vouchers.** Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chairman called for **General Manager/CEO 7 - 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. Quarterly reports were not discussed this month. General Manager/CEO Patteson updated the Board on the status of repairs on the Guadalupe Valley Hydroelectric System Dams – Nolte, Placid, and McQueeney. The Board was informed that Alliance Regional Water Authority unanimously approved the agreement with GBRA relating to the Carrizo Groundwater Supply Project and the status for SWIFT funding from the Texas Water Development Board for this project.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to pay taxes owed to the Gonzales County Tax Office for certain Lake Wood lots which were in arrears when the GBRA lease program was terminated on December 31, 2017.** No discussion or action was taken on Action Item 8.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for rehabilitation of the Southbank lift station in the Dunlap wastewater system.** Darel Ball briefed the Board on the rehabilitation of the Southbank lift station. Based upon the estimates developed in May 2017, \$172,303 was

budgeted for the Southbank sewer lift station rehabilitation project. The project scope was reviewed during April/May 2018 and additional repairs and upgrades were identified. These additions were included in the plans and specifications that were released to bid. The Southbank lift station was constructed in 1986, serves 316 connections in the Southbank subdivision, and pumps approximately 60,000 gallons per day of sewage to the Dunlap wastewater treatment facility, near Lake Dunlap in Guadalupe County. After 32 years of continuous service, the station is in need of major repairs. The initial estimate included new submersible pumps and guide rails, new access hatch to include current safety features, a means to connect a portable pump to evacuate the wetwell in event of an extended power failure, repairs to the concrete wetwell and coating the interior of the wetwell with a corrosion resistant system to extend the life of the concrete. Also included in the estimate are the additional costs for pumping sewage around the lift station during construction. Bids were received on June 7, 2018. The lowest responsible bid is in the amount of \$240,825.79 (\$68,522.79 more than the original estimate). Discussion with GBRA staff and contractors familiar with this type of work indicates the bid is reasonable due to the additions to the scope, current construction costs, size of the project, and demand for work. It is anticipated this project will start with the review of submittals beginning in August and construction during November/December, 2018. Upon motion by Director Mathews, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for rehabilitation of the Southbank lift station in the Dunlap wastewater system.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to execute the grant contract: Geronimo and Alligator Creek Watershed Protection Plan Implementation – Environmental Education and Bacteria Source Tracking with the Texas Commission on Environmental Quality.** Lauren Willis briefed the Board on the Texas Commission on Environmental Quality Geronimo and Alligator Creek Water Protection Plan. The Geronimo and Alligator Creek Watershed Protection Plan was approved by the EPA in 2012. This project will address the bacteria impairment and nutrient concerns in the watershed through education and outreach activities and Bacterial Source Tracking monitoring. This project will also provide a part-time environmental education site coordinator for the Irma Lewis Seguin Outdoor Learning Center. The coordinator will develop school-age activities and outdoor classroom experiences that will correlate with the state-mandated Texas Essential Knowledge and Skills (TEKS). Bacteria source tracking sampling will be performed to assist the stakeholders in locating the sources of bacteria leading to the creek. The total authorized reimbursed amount from the Texas Commission on Environmental Quality is \$127,755. The following items will be funded: (1) part-time environmental education site coordinator for 3 years at the Irma Lewis Seguin Outdoor Learning Center, (2) materials to support education activities such as lab books, water testing kits, chemicals, and probes, (3) stream table trailer, and (4) bacterial source tracking analysis. Upon motion by Director Patillo, seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to execute the grant contract: Geronimo and Alligator Creek Watershed Protection Plan Implementation –

Environmental Education and Bacteria Source Tracking with the Texas Commission on Environmental Quality.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2018 Work Plan and Budget to establish a wastewater connection fee for the Dietz Wastewater System.**

Randy Staats briefed the Board on the proposed budget amendment for the Dietz Wastewater System. This proposed amendment to the Fiscal Year 2018 GBRA Annual Work Plan and Budget is associated with establishing wastewater connection fees for the Dietz Wastewater System which is a new system to be constructed in the Rural Utilities Division. The area to be served by this system is in the general vicinity of State Highway 46 east of Lake Dunlap between New Braunfels and Seguin. 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 2018 Annual Work Plan and Budget. The Dietz Wastewater System will initially serve approximately 2,083 living unit equivalents in an area poised for high growth and development. GBRA will construct the collection system for this area with wastewater transported for treatment to the nearby McKenzie Water Reclamation Facility operated by New Braunfels Utilities. To establish the initial wastewater connection fees for the Dietz Wastewater System, staff recommends setting a rate of \$6,800 per connection. Monthly service rates will be set at a later time when construction is completed. Upon motion by Director Patillo, seconded by Director Carbonara, the Board unanimously approved an amendment to the GBRA

Fiscal Year 2018 Work Plan and Budget to establish a wastewater connection fee for the Dietz Wastewater System.

The Chairman then called for **Action Item 12 - Consideration of and possible action approving a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager/CEO or his designee to be the representative(s) of GBRA for the purpose of furnishing information and executing documents as may be required in connection with the preparation and submission of applications to the Texas Water Development Board in regards to the Flood Protection Grants Program.** Tim Dusek briefed the Board on the application to the Texas Water Development Board for the Flood Protection Grants Program. Guadalupe-Blanco River Authority staff proposes to file applications with the Texas Water Development Board to secure financial assistance for the purchase of rainfall gauges in Kendall and Caldwell Counties; a warning siren in the City of Comfort; and a video monitoring network at hydroelectric dams in Guadalupe and Gonzales Counties, and at the Salt Water Barrier in Calhoun County. The Texas Water Development Board has established grant funding opportunities for flood protection planning, flood early warning systems, or the implementation of local strategies for alerting and responding to floods. GBRA proposes to expand the current rainfall telemetry network with seven (7) rainfall gauges in Caldwell and Guadalupe Counties and five (5) in Kerr and Kendall Counties. A warning siren would also be installed in the City of Comfort. The video monitoring network would be expanded to lakes Placid, Wood, and Gonzales, and to the Salt Water Barrier in Calhoun County. Total requested funds are as follows: \$50,000 for the rainfall

gauges in Caldwell and Guadalupe Counties; \$61,724 for the rainfall gauges and warning siren in Kendall County; and \$72,588 for the video monitoring network. Applicants must provide 50% of the total project costs through cash or in-kind contributions. GBRA's total cash contributions are \$63,537, and total in-kind contributions of staff time, fringe benefits, administration/general and mileage are \$122,224. Grants are projected to be awarded in September 2018, and projects must be completed before August 31, 2021. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager/CEO or his designee to be the representative(s) of GBRA for the purpose of furnishing information and executing documents as may be required in connection with the preparation and submission of applications to the Texas Water Development Board in regards to the Flood Protection Grants Program. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Discussion Item 13 - Discussion and presentation of the Fiscal Year 2019 proposed Guadalupe-Blanco River Authority Work Plan and Budget.** Randy Staats briefed the Board on the proposed Fiscal Year 2019 Work Plan and Budget. Susan Hubbert and the accounting team were recognized for their achievement of receiving the "Transparency Star". The presentation included the definition of a budget and a zero based budget. Mr. Staats continued discussion on the consolidated budget summary comparison; net other sources and uses; GBRA's operating systems; future operating systems; the consolidated revenue; revenue highlights; consolidated revenue comparison; consolidated expenses; expenses for 2019

capital improvement program; 2019 fleet program; consolidated expenses comparison; staffing additions and changes; financial reserves, and the Fiscal Year 2019 budget schedule. Darel Ball, the operations staff, Sandra Terry, and Denise Lyssy were recognized for their outstanding work preparing the proposed budget.

Next, the Chairman called for **Discussion Item 14 - 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 11:03 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:11 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 11:41 a.m.

There being no further business to be brought before the Board, the meeting was adjourned at 11:41 a.m. subject to call by the Chairman.

Chairman

Secretary