

## **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 September 21, 2011, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Grace G. Kunde, Oscar H. Fogle, Arlene N. Marshall, Myrna P. McLeroy, Frank J. Pagel, Robert “Rusty” Brockman, Dennis L. Patillo, and Tommy Mathews. Director James L. Powers was absent. Also present were W. E. West, Jr., General Manager; James Lee Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; Todd Votteler, Executive Manager of Intergovernmental Relations and Policy; Bruce Wasinger, General Counsel; David Welsch, Executive Manager of Business Development and Resource Management; Gary Asbury, Project Manager; Debbie Magin, Director of Water Quality Services; Barbara Gunn, Human Resource Manager; Tommy Hill, Chief Engineer; Tommy Schulte, Regional Representative; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Manager of Communication and Education; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations Assistant; Leigh Crettenden, Web Master; Sandra Terry, Accountant; Susan Hubbert, Accountant; Jaynellen Ladd, Natural Resource Specialist; Steve Jester, Executive Director representing the Guadalupe-Blanco River Trust; Tommie Streeter-Rhoad, Executive Director representing the San Antonio Bay

Foundation; Roger Nevola, legal counsel; Jim Dublin and Rose Marie Eash representing Dublin and Associates; David Engel representing Engel and Associates; Steve Holzhauser, consultant; Mayor Bob Flocke and Don Ferguson representing the City of Wimberley; Alan Thompson representing Klotz Associates; Brandon Payne, representing the San Antonio Water System; Ramon Salazar representing Kellogg and Brown and Root; Janet Pitman and Serald Muchando representing Thompson, Williams, Biedger, Kastor, and Young; Sam Vaughn representing HDR Engineering; Trooper Smith and Mike Nichols representing Freese and Nichols; Tyson Broad representing SC; and Jennifer Ellis representing the National Wildlife Federation.

Chair Kunde called the meeting to order at 10:14 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 Pagel led the Pledge of Allegiance to the United States flag and Texas flag.

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

The Chair called for **Chair Item 1 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 2011 fall meeting October 12-14, 2011, at the Crowne Plaza Riverwalk Hotel in San Antonio, Texas.** Upon motion by Director

Fogle, seconded by Director Brockman, the Board unanimously approved expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 2011 fall meeting.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action changing the location of the October 19, 2011 Board meeting to be held at the Texas AgriLife Extension Service Calhoun County, Auditorium, 186 County Road 101 in Port Lavaca, Texas.** Upon motion by Director Fogle, seconded by Director Marshall, the Board unanimously approved changing the location of the October 19, 2011 Board meeting to be held at the Texas AgriLife Extension Service Calhoun County in Port Lavaca, Texas.

The Chair then called for **Chair Item 3 - Consideration of and possible action approving a Resolution to support a proposed Constitutional amendment for Water Financial Assistance Bonds in Texas.** General Manager West briefed the Board on the proposed Constitutional amendment for Water Financial Assistance Bonds in Texas. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously approved a Resolution supporting a proposed constitutional amendment for Water Financial Assistance Bonds in Texas. A copy of the Resolution is attached and made a part of these minutes.

The Chair called for **Consent Item 4 - Consideration of and possible action approving the August 17, 2011, Board meeting minutes; Consent Item 5 - Consideration of and possible action approving the monthly financial report for August 2011; Consent Item 6 - Consideration of and possible action approving**

**the monthly operations report for August 2011; Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers; and Consent Item 8 - Consideration of and possible action approving a Joint Funding Agreement between the United States Geological Survey and the Guadalupe-Blanco River Authority for the period October 2011 through September 2012.** Upon motion by Director Mathews, seconded by Director Brockman, the Board unanimously approved Consent Items 4, 5, 6, 7, and 8.

Next, the Chair called for **General Manager Item 9 - Discussion of the Executive Reports addressing matters relating to safety, utility operations including drought contingency notices to Luling and Lockhart, Calhoun County Regional Wastewater Study, water resource operations, engineering, coordination with the U.S. Army Corps of Engineers regarding Canyon Reservoir operations, Nueces Recharge Study, the seasonal deviation study for Canyon Reservoir and Cibolo Watershed Study, meeting with the Texas Commission on Environmental Quality regarding proposed ASR project at Luling, attendance at SB 3 BBEST and BBASC meetings, construction management including the regional raw water pipeline capacity improvements including hydraulic testing which is now complete, River Bend pump station replacement matters including easement acquisition and geotechnical investigation, Clean Rivers Program, activities including the finalization of 2012-13 Quality Assurance Project Plan, Plum Creek Project activities, Operations, Geronimo Creek Watershed Protection Plan activities, Environmental Flows Project activities, River Network Project**

activities, water quality activities, Economic and Community Development activities, events and projects, Water and Wastewater Services activities including Bulverde area regional wastewater activities, possible transfer of wastewater operations to Wimberley, Rural Utilities - Dunlap wastewater service area activities, Mid-Basin water supply, Tri-Community Water Supply Corporation water supply matters, Resource Protection activities including lake management and water safety, Lake Dunlap Dam repairs, Canyon Lake operations, implementation of water conservation measures, Plum Creek Watershed Protection, Gorge Preservation Society matters, Gonzales area flood warning matters, information technology, human resources, budget activities, accounting and finance. James Murphy briefed the Board on GBRA operation and engineering activities. Mr. Murphy also discussed Senate Bill 3 BBEST and BBASC meetings. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. Alvin Schuerg briefed the Board on finance, human resource, and information technology activities. Mr. Schuerg also briefed the Board on the financial statements executive summary for the period ending August 31, 2011.

The Chair then called for **Action Item 10 - Consideration of and possible action approving an amendment to the Calhoun County Rural Water Supply Division's Fiscal Year 2011 Work Plan and Budget in the amount of \$25,053.82 to purchase a replacement pickup truck.** The Calhoun County Rural Water Supply Division had a 2002 Ford pickup truck with 160,000 miles. The truck required over

\$12,000 in repairs over the last six years. The truck was originally budgeted to be replaced during the 2012 Fiscal Year, but was deferred to reduce expenses. The Calhoun County Rural Water Division has experienced a sizeable increase in the sale of treated water to customers due to dry weather conditions resulting in a net fund balance of over \$41,000 through July, 2011 with another good sales month anticipated in August. With the additional revenue generated from water sales, the decision was made to replace the truck during Fiscal Year 2011. Bids for a new three quarter ton truck were solicited from area dealers. Three bids were received with the lowest bidder submitting a bid of \$25,053.82. The Calhoun County Rural Water Division will still end up with a positive net fund balance at the end of the 2011 Fiscal Year. Since the purchase of the new truck was not a budgeted expense, an amendment of 2011 Fiscal Year Budget was requested. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously approved an amendment to the Calhoun County Rural Water Supply Division's Fiscal Year 2011 Work Plan and Budget in the amount of \$25,053.82 to purchase a replacement pickup truck.

The Chair called for **Action Item 11 - Consideration of and possible action approving a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority declaring a public necessity for the design, acquisition of property, construction, operation, and maintenance of an expansion of the Luling Water Treatment Plant, including a potential Aquifer Storage and Recovery System "ASR," as a part of the Guadalupe-Blanco River Authority (GBRA) Mid Basin Water Supply System to serve retail customers in the GBRA service area and**

authorizing appropriate actions by the General Manager and staff, retained attorneys, appraisers, and engineering and other consultants and staff necessary to conduct planning, studies, surveys, appraisals and acquisitions of necessary fee purchases and easements and temporary construction easements and related rights of ingress and egress, and to identify, enter upon, inspect, and survey lands; to employ consultants and independent contractors for performing geotechnical survey(s), drillings and studies, and linear survey of rights of way and for assistance in acquiring rights in property including easements, rights of way, and fee titles necessary for the Projects; to conduct title research regarding ownership of properties; to perform archaeological and environmental studies; to enter lands to determine the need for acquisitions of easements and fee properties necessary for the Projects; to design, build, construct, and operate the Projects in said County; and affirming all acts and proceedings theretofore done or initiated by employees, agents, and attorneys of GBRA to acquire such property interests, and declaring sections of the Resolution to be severable one from the other in the event any section of this Resolution is determined to be **invalid**. The Luling Water Treatment Plant expansion is one of the projects identified to provide a new water supply for the area of Hays, Caldwell, Guadalupe, and Gonzales Counties for the public purpose of water supply for retail customers. This Resolution authorizes appropriate actions by the General Manager and staff, retained attorneys, appraisers, and engineering and other consultants and staff necessary to conduct planning, studies, surveys, appraisals, and acquisitions of necessary fee purchases and

easements and temporary construction easements and related rights of ingress and egress, and to identify, enter upon, inspect, and survey lands; to employ consultants and independent contractors for performing geotechnical survey(s), drillings and studies, and linear survey of rights of way and for assistance in acquiring rights in property including easements, rights of way, and fee titles necessary for the Projects; to conduct title research regarding ownership of properties; to perform archaeological and environmental studies; to enter lands to determine the need for acquisitions of easements and fee properties necessary for the Projects; to design, build, construct and operate the Projects in said county; and affirming all acts and proceedings theretofore done or initiated by employees, agents and attorneys of GBRA to acquire such property interests. Upon motion by Director Fogle, seconded by Director Brockman, the Board unanimously approved a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority declaring a public necessity for the design, acquisition of property, construction, operation, and maintenance of an expansion of the Luling Water Treatment Plant, including a potential Aquifer Storage and Recovery System "ASR," as a part of the Guadalupe-Blanco River Authority (GBRA) Mid Basin Water Supply System to serve retail customers in the GBRA service area and authorized appropriate actions by the General Manager and staff, retained attorneys, appraisers, and engineering and other consultants and staff necessary to conduct planning, studies, surveys, appraisals and acquisitions of necessary fee purchases and easements and temporary construction easements and related rights of ingress and egress, and to identify, enter upon, inspect, and survey lands; to employ consultants and independent

contractors for performing geotechnical survey(s), drillings and studies, and linear survey of rights of way and for assistance in acquiring rights in property including easements, rights of way, and fee titles necessary for the Projects; to conduct title research regarding ownership of properties; to perform archaeological and environmental studies; to enter lands to determine the need for acquisitions of easements and fee properties necessary for the Projects; to design, build, construct, and operate the Projects in said County; and affirmed all acts and proceedings theretofore done or initiated by employees, agents, and attorneys of GBRA to acquire such property interests, and declared sections of the Resolution to be severable one from the other in the event any section of this Resolution is determined to be invalid. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Action Item 12 - Consideration of and possible action approving the Hazard Mitigation Plan update mandated by the Federal Emergency Management Agency (FEMA) under the Disaster Mitigation Act of 2000.** In May 2003 GBRA initiated the development of an All-Hazard Mitigation Action Plan for the Guadalupe Basin. All ten counties within GBRA's District were asked to participate but only seven chose to participate including Kendall, Caldwell, Gonzales, DeWitt, Victoria, Calhoun, and Refugio. All cities within these seven counties also agreed to participate. The Plan was officially approved by FEMA in late January of 2005. FEMA requires the Mitigation Plan to be updated every five (5) years. GBRA hired the firm of H2O Partner of Austin in June 2009 to assist in preparing the update. The Plan was completed in December 2010 and submitted for review first to the Texas

Department of Emergency Management and then to FEMA. GBRA received notice in August 2011 that the report had been approved. Upon motion by Director Marshall, seconded by Director Patillo, the Board unanimously approved the Hazard Mitigation Plan update mandated by the Federal Emergency Management Agency (FEMA) under the Disaster Mitigation Act of 2000. A copy of the Resolution is attached and made a part of these minutes.

The Chair then called for **Action Item 13 - Consideration of and possible action authorizing General Manager to negotiate and execute a 106 grant agreement with the Texas Commission on Environmental Quality for additional nutrient analyses in 2012.** The Texas Commission on Environmental Quality has offered GBRA grant funding to cover additional nutrient monitoring, specifically, Total Kjeldahl Nitrogen (TKN) analyses, in those months in which the analyses is not covered by Clean Rivers Program funding, through 2012. It includes TKN analyses on the quarterly samples collected by the Upper Guadalupe River Authority in 2012. The Grant Agreement is between GBRA and the Texas Commission on Environmental Quality for 2012. The Grant Agreement obligates the Texas Commission on Environmental Quality to reimburse up to \$22,000 to GBRA for actual allowable and eligible costs prescribed in the Scope of Work, which includes the purchase of one piece of equipment (block digester). The funding is federal dollars but does not require matching funds. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and execute a 106 Grant Agreement with the Texas Commission on Environmental Quality for additional

nutrient analyses in 2012. A copy of the Grant Agreement is attached and made a part of these minutes.

The Chair called for **Action Item 14 - Consideration of and possible action authorizing the General Manager to renew the sub-agreement with the Upper Guadalupe River Authority for the 2012-2013 Clean Rivers Program.** GBRA has been a partner, along with the Upper Guadalupe River Authority (UGRA), in the Clean Rivers Program since the early 1990's. GBRA administers the program for the basin. UGRA, under a sub-agreement with GBRA, is reimbursed for their participation in the program. The sub-agreement is between GBRA and UGRA for the 2012-2013 Guadalupe River Basin Clean Rivers Program. The sub-agreement obligates GBRA to reimburse up to \$18,000 per year to UGRA for actual allowable and eligible costs of performing the tasks prescribed in the Scope of Work attached to the sub-agreement. Upon motion by Director Fogle, seconded by Director Pagel, the Board unanimously authorized General Manager to enter into a sub-agreement with the Upper Guadalupe River Authority for the 2012-2013 Guadalupe River Basin Clean Rivers Program. A copy of the sub-agreement is attached and made a part of these minutes.

Next, the Chair called for **Action Item 15 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Letter of Intent between Texas Parks and Wildlife and the City of Lockhart, Caldwell County, Guadalupe-Blanco River Authority, and Bluebonnet Electric Cooperative for exploring the feasibility of cooperatively developing a new camping loop and restroom facility at Lockhart State Park.** The Texas Parks and Wildlife Department

currently owns, controls, and manages a State Park in Caldwell County known as Lockhart State Park. The Letter of Intent will allow the parties to join together in exploring the feasibility of cooperatively developing a new camping loop and restroom facility at the Park. Upon motion by Director Fogle, seconded by Director Marshall, the Board unanimously authorized the General Manager to negotiate and execute a Letter of Intent between Texas Parks and Wildlife and the City of Lockhart, Caldwell County, Guadalupe-Blanco River Authority, and Bluebonnet Electric Cooperative for exploring the feasibility of cooperatively developing a new camping loop and restroom facility at Lockhart State Park. A copy of the Letter of Intent is attached and made a part of these minutes.

The Chair then called for **Action Item 16 - Consideration of and possible action authorizing the General Manager to negotiate and execute a contract to engage the most qualified respondent to provide engineering services related to the proposed Luling Water Treatment Plant expansion and Aquifer Storage and Recovery facilities.** Staff has reviewed GBRA's surface water rights that supply the Luling Water Treatment Plant which presently serves the Cities of Luling and Lockhart. Ongoing construction of Texas 130 and expected development suggest it may be necessary to increase the treatment capacity of the plant from 2.5 million gallons per day (MGD) to 6.5 MGD. Because of limited surface water availability during drought, storage (ASR) facilities are required to bridge shortages when water rights are insufficient to meet the demand. Requests for Qualifications were solicited. Consulting Engineering firms were asked to submit documentation as to their abilities to provide

technical assessment, design, accurate cost estimation, and administration assistance for this project. Nine firms responded. The respondents were ranked and narrowed to four firms. Formal presentations were held on September 13, 2011. Upon motion by Director Mathews, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and execute a contract to engage the team of Klotz and Associates and Malcolm Pirnie, the most qualified respondent, to provide engineering services related to the proposed Luling Water Treatment Plant expansion and Aquifer Storage and Recovery facilities.

The Chair called for **Action Item 17 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Purchase and Sale Agreement between the Guadalupe-Blanco River Authority and SJW Corporation.** No discussion or action was taken on Action Item 17.

Next, 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 Recovery Implementation Program as well as meetings and activities of the Edwards Aquifer Authority. Discussion was also had regarding meetings of the South Central Texas Regional Water Advisory Committee and the Guadalupe Basin Coalition.

The Chair then called for **Discussion Item 19 - Discussion regarding the activities and transactions of the Guadalupe-Blanco River Trust, the San Antonio**

**Bay Foundation, and the Gorge Preservation Society.** Steve Jester, Executive Director of the Guadalupe-Blanco River Trust briefed the Board on Trust activities.

The Chair 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. Tommy Hill briefed the Board on the Comal Springs level, elevation of Canyon Reservoir, rainfall events, and the U. S. Drought Monitor Seasonal Outlook.

Next, the Chair called for **Discussion Item 21 - Discussion regarding local, State and national water planning and water resource issues.** General Manager West briefed the Board on the Austin-San Antonio Corridor Growth Summit, an Edwards Aquifer Legislative Oversight Committee Public Hearing that was cancelled, the upcoming League of Women Voters Water Forum, a South Central Texas Water Advisory Committee meeting, and a proposed injection well in Victoria County.

Wimberley Mayor Bob Flocke addressed the Board regarding a proposed package plant for the City of Wimberley and thanked GBRA for their work on this project.

The Chair recessed the open meeting at 11:31 a.m. The Chair closed the open meeting and convened the meeting in executive session at 11:42 a.m. The open meeting reconvened in open session at 11:50 a.m.

The Chair recessed the open meeting at 11:59 a.m. The Chair closed the open meeting and convened the meeting in executive session at 12:01 p.m. The open meeting reconvened in open session at 1:17 p.m.

Upon motion by Director Brockman, seconded by Director McLeroy, the Board unanimously authorized the General Manager to do all things necessary and proper, including the engagement of legal counsel and the filing of necessary legal and regulatory actions to ensure compliance with the terms and conditions of the agreements between GBRA and NBL 300 Group Ltd.

There being no further business to be brought before the Board, the meeting was adjourned at 1:18 p.m. subject to call by the Chair.

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Chair

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Secretary