

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 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, Grace G. Kunde, Oscar H. Fogle, Don B. Meador, Darrell McLain, and William R. Carbonara. Director Kenneth Motl 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; Todd Votteler, Executive Manager of Science, Intergovernmental Relations and Policy; 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; Jaynellen Ladd, Natural Resource Specialist; Carrie Kasnicka, Grant Writer/Administrator; Sandra Terry, Investment Manager; Denise Lyssy, Customer Service Assistant; Tricia Ramirez, Accounting Clerk; Josie

Longoria, Regional Laboratory Director; Tammy Beutnagel, Public Communications Assistant; Cinde Thomas-Jimenez, Environmental Education Administrator; Ed Boettner, Chief Operator-Shadow Creek Wastewater Reclamation System; Adrian Medrano, Operator-Lockhart Wastewater Treatment Plant; Jim Lucas, Operator-Luling Water Treatment Plant; Daniel Wilhelm, Operator-Lockhart Water Treatment Plant; Connie Rothe, 2015 GBRA Retiree; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; Jay Howard with HillCo Partners; David Engel with Engel and Associates; Stefan Schuster with MWH; Lisa Guardiola with San Antonio Water System; Jeanne Schnuriger with Springs Hill Water Supply Corporation; Craig Courter with Calpine GEC; and Jimmy Williamson, Sarah Williamson, and Mark Belcher with J&S Portable Sawmill.

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

The Chair called for comments from the public. Jimmy Williamson, Sarah Williamson, and Mark Belcher with J&S Portable Sawmill addressed the Board requesting GBRA's assistance to salvage the trees from the devastating Memorial flood

event in Wimberley. GBRA's assistance could include helping to form a group, working with FEMA, and/or other ways to salvage and return the trees to the community in various ways such as furniture and other items. Interest was also mentioned for possible salvage of beautiful large trees from log jams in the lower reaches of the Guadalupe and San Antonio Rivers. Some of the trees destroyed by this flood are several hundred years old and can be salvaged and preserved in some form for future generations.

Chair Mathews next welcomed and recognized GBRA employees Ed Boettner, Jim Lucas, Daniel Wilhelm, and Adrian Medrano.

The Chair called for **Chair Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2015 retiree Connie Rothe.** Chair Mathews and General Manager West introduced and recognized Connie Rothe for her 31 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. A framed and signed wall hanging of GBRA annual reports designed by Connie Rothe was presented to her along with a plaque and Board Resolution. Chair Mathews read a Resolution honoring Connie Rothe. Upon motion by Director Brockman, seconded by Director Patillo, the Board unanimously approved a Resolution honoring GBRA 2015 retiree Connie Rothe. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Consent Item 2 - Consideration of and possible action approving the minutes of the June 17, 2015, Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report**

for June 2015; Consent Item 4 - Consideration of and possible action approving the monthly operations report for June 2015; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers. Upon motion by Director Carbonara, seconded by Director Brockman, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chair then 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 policies, GBRA's Mid-Basin Project (Groundwater and Surface Water components), Integrated Water Power Project and project funding applications, Lower Basin Storage Project and related regional planning and legislative issues, Lower Basin Appropriation (new) Project, Hydropower Regulatory Act issues, water resources operation including engineering issues and related meetings, regional planning, consultations with the U. S. Army Corps of Engineers, 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, CR-266 in Caldwell County, safety issues, utility operations; 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 reports on the River Heritage Tour Project, Lineman's Rodeo, Moonlight in the Gorge, Texas Water Safari, reports on**

various community meetings, community outreach activities in the Guadalupe Basin, public meetings and issues related to log jams and meetings scheduled in Victoria and Calhoun County to inform the public about GBRA projects, project development reports relating to Johnson Ranch, Bulverde, Park Village and 4-S Ranch, Dunlap Area Utilities, Point Comfort, Port Lavaca, Canyon Lake wastewater master plan development, water and wastewater agreements and services provided in various communities throughout the Guadalupe Basin, GBRA's Lower Basin Project, 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 and recovery, clean-up of island lots on H-5 Lake, issues related to logjams, reports from the Canyon Lake/Sattler office and the Gorge Preservation Society, reports on Lerin Hills and other subdivisions in and around Kendall County, public affairs reports including media reports, public outreach and social media, new website development, education reports, reports on the activities of the Environmental Learning Center, publications, Geographic Information Systems projects, special projects including support for Earth Day events, outreach to various schools and presentation to students, planning for newly acquired property at Coletto Creek, reports on marketing efforts, GBRA publications, 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. No discussion was had on General Manager Item 6.

The Chair called for **Action Item 7 - Consideration of and possible action approving a supplemental contribution to the Guadalupe-Blanco River Authority Defined Benefit Pension Plan for Fiscal Year 2015.** One of three basic retirement programs for employees of GBRA is a defined benefit pension plan. It is funded by GBRA with no employee contributions. In June 2010, the GBRA Board directed the staff to aggressively reduce the Unfunded Actuarial Accrued Liability by making supplemental contributions to the Plan in addition to the Plan's "normal" annual contributions. In consideration of this directive, GBRA has made supplemental contributions of \$3,000,000 (August 2010), \$600,000 (August 2011), \$500,000 (September 2012), \$600,000 (July 2013), and \$700,000 (July 2014). During the June Retirement and Benefit Committee meeting, a discussion was held related to a Fiscal Year 2015 Defined Benefit Plan supplemental contribution. The Committee approved a recommendation to the GBRA Board of Directors to make a Fiscal Year 2015 supplemental contribution to the Plan in the amount of \$700,000. Upon motion by Director Meador, seconded by Director Kunde, the Board unanimously approved a supplemental contribution to the GBRA Defined Benefit Pension Plan for Fiscal Year 2015 in the amount of \$700,000.

Next, the Chair called for **Discussion Item 8 - Discussion regarding the Fiscal Year 2016 Work Plan and Budget.** Alvin Schuerg recognized Bryan Serold, John Smith, Jeannine Hermann, Tricia Ramirez, Sandra Terry, and Denise Lyssy for their

work on the Fiscal Year 2016 Work Plan and Budget. The Work Plan and Budget consists of twenty-eight individual budgets. Mr. Schuerg continued discussion with the Board on the 2016 Work Plan and Budget including a Quick Reference Guide, customer meetings, GBRA's operations, format of the Work Plan and Budget, consolidated budget summary, operating revenue, operating expenses, a ten year consolidated budget summary, ten year comparison of water sales and lake operations, ten year comparison of population for GBRA's statutory district, and budgeted revenue by customer county. Mr. Schuerg informed the Board of GBRA's receipt of the Government Finance Officers Association Distinguished Budget Presentation Award for GBRA's Fiscal Year 2015 Work Plan and Budget. This award has been received for seventeen consecutive years. Discussion continued on the staffing summary, wage compensation structure, financial reserve data, rates, rate structures, and debt information. Mr. Schuerg briefed the Board on several Divisions of GBRA including the General Division, Rural Utilities Division, and Water Sales Division. Mr. Schuerg briefed the Board on the executive summary of the proposed Fiscal Year 2016 Work Plan and Budget.

The Chair recessed the open meeting at 11:37 a.m. The Chair reconvened the open meeting at 11:52 a.m. pursuant to Chapter 551, Texas Government Code.

The Chair then called for **Discussion Item 9 - Presentation on the Guadalupe-Blanco River Authority River Heritage Tour.** Teresa Van Booven gave a presentation on the Guadalupe-Blanco River Authority River Heritage Tour. Board

members were informed they could view their respective areas kiosks at the conclusion of the Board meeting.

The Chair called for **Discussion Item 17 - Discussion regarding local and State water planning and water resource issues.** Jay Howard briefed the Board on the 84th Legislative Session, including GBRA's efforts with respect to the passage of HB 2031 relating to sea water desalination.

Next, the Chair called for **Discussion Item 10 -- Presentation on the 2015 Texas Water Safari.** There was no discussion on Discussion Item 10.

The Chair then called for **Discussion Item 11 - Discussion regarding the Basin Highlight Report.** There was no discussion on Discussion Item 11.

The Chair called for **Discussion Item 12 - Discussion regarding publication awards.** There was no discussion on Discussion Item 12.

Next, the Chair called for **Discussion Item 13 - Discussion regarding social media relating to the 2015 Memorial flood event.** There was no discussion on Discussion Item 13.

The Chair then called for **Discussion Item 14 - Discussion regarding the activities and transactions of the Edwards Aquifer Authority, South Central Texas Water Advisory Committee, and the Guadalupe Basin Coalition.** There was no discussion on Discussion Item 14.

The Chair called for **Discussion Item 15 - 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. There was no discussion on Discussion Item 15.

Next, the Chair called for **Discussion Item 16 - 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 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.

The Chair then called for **Discussion Item 18 - Discussion regarding national water planning and water resource issues.** There was no discussion on Discussion Item 18.

The Chair recessed the open meeting at 12:30 p.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 1:28 p.m.

Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously authorized the General Manager to request a hearing and contest Application No. 12469 of New Braunfels Utilities for authorizations, including a bed and banks authorization under Texas Water Code Section 11.042, now pending before the Texas Commission on Environmental Quality.

There being no further business to be brought before the Board, the meeting was adjourned at 1:30 p.m. subject to call by the Chair.

Chair

Secretary