

## **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 August 17, 2016, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Robert “Rusty” Brockman, Dennis L. Patillo, Oscar H. Fogle, Kenneth Motl, Grace G. Kunde, and Don B. Meador. Directors William R. Carbonara and Darrel McLain were absent. Also present were Kevin Patteson, General Manager/Chief Executive Officer; W. E. West, Jr., General Manager (retiring); Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Tom Bohl, General Counsel; 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; Darel Ball, Operations Manager-Upper Basin; Barbara Gunn, Human Resources Manager; Charlie Hickman, Manager of Project Engineering; Tommy Hill, Chief Engineer; John Smith, Operations Manager-Upper Basin; Michael Urrutia, Director of Water Quality Services; Teresa Van Booven, Project and Community Representative; Tricia Ramirez, Executive Assistant to the General Manager; Cricket Dietert, Executive Assistant to the General Counsel; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Jaynellen Kerr, Natural Resource Specialist; Mary Newman, Project Coordinator; Anna Daniels, Regional Representative; Tim Dusek, Grant Writer/Administrator; Sandra Terry,

Investment Manager; Denise Lyssy, Accounting Assistant; Jorge Rojas, Division Manager-Comal/Kendall; Lauren Willis, Administrative Assistant; Josie Longoria, Regional Laboratory Director; Dan Alonso, Executive Director with the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jay Howard with HillCo Partners; David Engel with Engel and Associates; Jeanne Schnuriger with Springs Hill Water Supply Corporation; Humberto Ramos with Canyon Regional Water Authority; Ryan Murdock with MWH; Lillian Taylor; Flor Sanchez; and Adam Connor with the San Antonio Water System.

In the absence of Chair Mathews, Vice Chair 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, 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 Vice Chair called for comments from the public. There were no public comments.

The Vice Chair called for **Chair Item 1 - Consideration of and possible action appointing Trustees Seats 1 and 2 to serve on the Guadalupe-Blanco River Trust for the term of September 1, 2016 through August 31, 2017 in accordance with the Articles of Incorporation and Article 9.10.B of the Texas Non-Profit Corporation**

**Act.** Todd Votteler addressed the Board regarding the appointment of Trustees to Seats 1 and 2 to serve on the Guadalupe-Blanco River Trust. The Guadalupe-Blanco River Trust is a nonprofit land trust organization that was developed to conserve land in the Guadalupe River Basin for its natural, recreational, scenic, historic and productive value. It was founded in 2001 by the Guadalupe-Blanco River Authority, a conservation and reclamation district created in 1933 by the Texas Legislature. In accordance with the Bylaws of the Guadalupe-Blanco River Trust so that the Corporation will always be operated in connection with the Guadalupe-Blanco River Authority under the provisions of §509 (a)(1) of the Internal Revenue Code of 1986, as amended, the appointment of the Trustees Seats 1 and 2 shall always be made so that the Corporation and the Guadalupe-Blanco River Authority will maintain a close and continuing relationship. Upon motion by Director Patillo, seconded by Director Motl the Board unanimously appointed Tommy Mathews and Oscar Fogle for Seats 1 and 2 to serve on the Board of Trustees for the Guadalupe-Blanco River Trust for the term of September 1, 2016 through August 31, 2017 in accordance with the Articles of Incorporation and Article 9.10.B of the Texas Non-Profit Corporation Act.

Next, the Vice Chair called for **Consent Item 2 - Consideration of and possible action approving the minutes of the July 20, 2016, Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for July 2016; Consent Item 4 - Consideration of and possible action approving the monthly operations report for July 2016; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by

Director Motl, seconded by Director Patillo, the Board unanimously approved Consent Items 2, 3, 4, and 5.

Chair Mathews joined the meeting at this time and assumed leadership of the meeting.

The Chair then called for **General Manager Item 6 - Discussion of the executive report addressing various matters relating to water resources planning, South Central Texas Regional Water Planning Group (Region L), water reuse policies, GBRA's Mid-Basin Project, Integrated Water Power Project, Lower Basin Storage Project and related regional planning and legislative issues, GBRA's Lower Basin Storage Project, Hydropower Regulatory Efficiency Act, water resources operation including engineering, construction management reports, utility operations, Water Quality Division and Regional Laboratory reports, economic and community development reports, project development reports relating to Johnson Ranch, Park Village, 4-S Ranch, Singing Hills, Lerin Hills-Miralomas, Dunlap Area Utilities, and Canyon Park Wastewater Master Plan, Emergency Watershed Protection Program, lake management, property management, the Gorge Preservation Society, public affairs reports including media reports, publications, Geographic Information Systems projects, grants, Board relations, social media and community relations, education reports, the Environmental Learning Center, information technology reports, Human Resource reports, and accounting and finance reports.** David Welsch briefed the Board on wastewater service areas relating to Certificate of Convenience; water quality

efforts and regional laboratory activities, sampling for the Clean Rivers Program, and water and wastewater activities in the Dunlap and Bulverde area. Discussion was also had on special districts relating to the operation of the Guadalupe Valley Hydroelectric dams. Mary Newman updated the Board on the Emergency Watershed Protection Program related to the 2015 Memorial Day flood event. LaMarriol Smith briefed the Board on the up-coming retirement party for General Manager W. E. West, Jr., the Pecan Fest scheduled for October 15, 2016, and registration for the up-coming Texas Water Conservation Association conference. Discussion was also had on education and grant activities. Alvin Schuerg briefed the Board on information technology, human resource, accounting and finance, and adjustments to the Fiscal Year 2017 Work Plan and Budget. Mr. Schuerg also briefed the Board on the executive financial summary for the period ending July 31, 2016.

The Chair called for **Action Item 7 - Consideration of and possible action approving the Fiscal Year 2017 Work Plan and Budget including rates and compensation tables for the Guadalupe Valley Hydroelectric Division, Shadow Creek Wastewater Reclamation System, Canyon Park Estates Wastewater Reclamation System, Dunlap Wastewater Reclamation System, Northcliffe Wastewater Reclamation System, Springs Hill Wastewater Reclamation System, Sunfield Wastewater Treatment Plant, Water Sales System, Regional Laboratory System, Calhoun Canal System, San Marcos Water Treatment Plant System, Buda Wastewater Treatment Plant System, Western Canyon Treated Water System, Cordillera Water Distribution System, Cordillera Wastewater Treatment Plant,**

**Comal Trace Water Delivery System, Johnson Ranch Water Distribution System, Johnson Ranch Wastewater Treatment System, Singing Hill Wastewater Treatment System, Park Village Wastewater Reclamation System, 4S Ranch Wastewater Reclamation System, Port Lavaca Water Treatment Plant Division, Calhoun County Rural Water Supply Division, Coletto Creek Reservoir System, Coletto Creek Recreation System, Luling Water Treatment Plant Division, Canyon Hydroelectric Division, Lockhart Wastewater Reclamation System, Lockhart Water Treatment Plant System, and General Division.** Alvin Schuerg gave an overview of the proposed Fiscal Year 2017 Work Plan and Budget, the executive summary of the Budget, divisions that will require financial/funding assistance, total operating revenue, interest income, operating expenditures, and construction in progress. The 2017 Work Plan and Budget will be withdrawing approximately \$2,821,426 from GBRA's operating reserves. Discussion was had on personnel increases and benefit costs/rate. Alvin Schuerg briefed the Board on new water supply projects, construction projects, and major program costs. Upon motion by Director Meador, seconded by Director Kunde, the Board unanimously approved the Fiscal Year 2017 Work Plan and Budget including rates and compensation tables.

Next, the Chair called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to close the Guadalupe-Blanco River Authority Flex Spending Account at American Bank of Texas for funds previously used to administer the 125 Flex Spending Account Plan (FSA).** Sandra Terry addressed the Board regarding the termination of a bank account. GBRA Board

Policy 413 – Depository Accounts requires Board of Director approval prior to the termination of bank accounts. The Flex Spending Fund was opened with American Bank on February 2010 to administer employee-elected deductions of pre-tax dollars from their paychecks, as allowed under the Section 125 of the Internal Revenue Code, for certain medical and dependent care expenses. Effective January 1, 2016, GBRA transitioned to a 3<sup>rd</sup> party provider, Boon Chapman, to administer these employee funds under the 125 Plan. With this change, the GBRA Flex Spending Fund account at American Bank of Texas is no longer needed. Upon motion by Director Patillo, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to close the GBRA Flex Spending Fund Account at American Bank of Bank for funds previously used to administer the 125 Flex Spending Account Plan (FSA).

The Chair then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to execute documents related to a bank loan or a tax-exempt equipment lease the proceeds of which will fund an emergency generator and a mobile sludge press in the Guadalupe-Blanco River Authority's Rural Utilities Division in the approximate aggregate amount of \$505,000.** Sandra Terry addressed the Board regarding the GBRA Work Plan and Budget for Fiscal Year ending August 31, 2016 that included the purchase of an emergency 500kW diesel driven Aksa generator for the Dunlap Wastewater Treatment Plant at a budgeted cost of \$100,000. The Fiscal Year 2016 Work Plan and Budget also included, in the Water Sales System, the purchase of a one-ton truck, and an Alfa Laval

AS-H belt press mounted on a mobile belt press trailer which will be used amongst GBRA's wastewater operations for a total budgeted cost of \$405,000. On April 20, 2016 the GBRA Board adopted a reimbursement resolution to protect GBRA's ability to tax-exempt finance the costs of the equipment that are incurred prior to funding. GBRA contacted the following financing institutions: CalFirst National Bank, Regions Bank, Jules and Associates, Inc., Tetra Financial Group, On-Set Financial, Inc., Wells Fargo Equipment Finance, Inc., and Provident Equipment Leasing. The terms that GBRA requested for this tax-exempt loan/lease purchase, using the purchased equipment as collateral, were not to exceed \$505,000, include a fixed rate, monthly level debt payments, and a term not to exceed ten-years. Upon motion by Director Fogle, seconded by Director Kunde, the Board unanimously authorized the General Manager/CEO to execute documents related to a bank loan with Wells Fargo or the next most cost effective tax-exempt equipment lease which will fund an emergency generator and a mobile sludge press in the Guadalupe-Blanco River Authority's Rural Utilities Division in the approximate aggregate amount of \$505,000.

The Chair called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for the Emergency Watershed Protection River Debris and Obstruction Removal/Disposal Guadalupe and San Antonio Rivers project in Refugio and Victoria Counties.** Tommy Hill addressed the Board regarding GBRA's application for a NRCS grant in August 2015 to assist Calhoun, Refugio, and Victoria Counties with disaster relief efforts using the Emergency



Watershed Protection program (EWP). The grant was approved and contracts were executed with the NRCS in June of this year. The project concentrated on the three mile stretch of the San Antonio River between river mile 6.5 and 9.5. All of the land in the reach is privately owned. Right of Entry has been obtained from the thirteen (13) property owners and Plans and Specifications have been developed. Notice of Bid was posted on July 28, 2016 for removal of the debris, interim stacking and disposal along the bank. Construction bids were opened on August 15, 2016. Upon motion by Director Patillo, seconded by Director Kunde, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder after evaluation of the contractors for the Emergency Watershed Protection River Debris and Obstruction Removal/Disposal Guadalupe and San Antonio Rivers project in Refugio and Victoria Counties. A copy of the contract is attached and made a part of these minutes.

Next, the Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for treatment plant solids dewatering and disposal services for the Western Canyon Water Treatment Plant.** Jorge Rios addressed the Board regarding the award of a contract for the Guadalupe-Blanco River Authority Western Canyon Water Treatment Plant located in Comal County. The water plant operations generate solids that require disposal in accordance to Texas Commission on Environmental Quality regulations. Approximately 800,000-1,000,000 gallons per event of liquid sludge will be generated at the treatment plant to be

dewatered during Fiscal Year 2017. This material must be disposed in a manner in keeping with the Texas Commission on Environmental Quality regulations, whether by application to land for beneficial reuse, or disposing in a municipal landfill. Due to the volume of material to be disposed, the proximity of the plant location to potential disposal sites, and to obtain the most competitive rates for our customers, this service was publicly bid as a multi-year contract. Bid documents/specifications were developed and properly advertised. The bids were publicly opened on August 2, 2016. Two bids were received from the following contractors: C&R Wastewater LLC for \$0.047 per gallon and Magna Flow for \$0.051 per gallon. Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for treatment plant solids dewatering and disposal services for the Western Canyon Water Treatment Plant. A copy of the contract is attached and made a part of these minutes.

The Chair recessed the meeting at 11:04 a.m. and reconvened the meeting at 11:17 a.m.

The Chair then called for **Discussion Item 12 - Presentation on the 2016 Texas Water Safari**. No discussion was had on Discussion Item 12. The Texas Water Safari Presentation will be on the September 2016 Board agenda.

The Chair called for **Discussion Item 13 - Presentation on the Texas Lineman's Rodeo**. Teresa Van Booven briefed the Board on the 20<sup>th</sup> annual Texas Lineman's Rodeo held at the Guadalupe-Blanco River Authority's Nolte Island on July

15-16, 2016. Mrs. Van Booven also informed the Board on the article and plaque given to W. E. West, Jr. in appreciation for his dedicated service to the Rodeo.

Next, the Chair 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.** Todd Votteler briefed the Board on activities of the Edwards Aquifer Authority and the Guadalupe Basin Coalition. Discussion was also had on the index well in the Uvalde area.

The Chair then 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.** Todd Votteler briefed the Board on the activities of the Guadalupe-Blanco River Trust including the upcoming Board meeting on September 14, 2016, the continued work on the purchase conservation agreement for the Dream Catcher Ranch, and easements in the delta area. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation including bay conditions and water temperatures. Discussion was had on the world population, threats, and educational efforts relating to the Whooping Cranes. Mr. Alonso also informed the Board on the treatment of water hyacinths, a meeting with the General Land Office, and the recent Board meeting of the San Antonio Bay Foundation. Jaynellen Kerr briefed the Board on the upcoming Moonlight in the Gorge to be held September 17, 2016.

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, rainfall events, Guadalupe River daily average flow, Canyon Reservoir elevation, the salinity reading in San Antonio and Aransas Bays, latest El Nino modeled forecast, and the U. S. Drought Monitor Seasonal Outlook.

The Chair recessed the open meeting at 11:49 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:45 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 1:50 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:52 p.m. subject to call by the Chair.

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Chair

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Secretary