

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 October 19, 2016, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Tommy Mathews, Robert “Rusty” Brockman, Dennis L. Patillo, Oscar H. Fogle, Kenneth Motl, Don B. Meador, William R. Carbonara, and Ronald J. Hermes. Director Darrell McLain was absent. 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 Water Resources and Utility Operations; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/CFO; 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; 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; Cricket Dietert, Executive Assistant to the General Counsel; Tricia Ramirez, Executive Assistant to the General Manager; Leigh Crettenden, IT Manager; Carl Westergard, Web Master; Mary Newman, Project Coordinator; Anna Daniels, Regional Representative; Tim Dusek, Grant

Writer/Administrator; Sandra Terry; Investment Manager; Lauren Willis, Administrative Assistant; Edward Montana, Lockhart Operations Manager; Josie Longoria, Regional Laboratory Director; Dan Alonso, Executive Director with the San Antonio Bay Foundation; Roger Nevola, legal counsel; David Engel representing Engel and Associates; Felix Arambula with the San Antonio Water System; Jeanne Schnuriger with Springs Hill Water Supply Corporation; Robert Crull with Citizens United for Lake Placid; and Humberto Ramos with Canyon Regional Water Authority.

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 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:

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

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

The Chair called for **Chair Item 1 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the National Water Resources Association Annual Conference, November 14-16, 2016, at the Hotel del Coronado in Coronado, California.** No Board members or staff will be attending the National Water Resources Association Annual Conference and no action was taken on Chair Item 1.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action approving a Resolution honoring 2016 Guadalupe-Blanco River Authority retiree John Cecil Smith for his thirty-five (35) years of meritorious and faithful service.** Chair Mathews and General Manager Patteson introduced and recognized John Smith for his thirty-five (35) years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chair Mathews read a Resolution honoring John Smith. Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved a Resolution honoring GBRA 2016 retiree John Cecil Smith. A copy of the Resolution is attached and made a part of these minutes.

The Chair then called for **Chair Item 3 - Consideration of and possible action approving a Resolution honoring 2016 Guadalupe-Blanco River Authority retiree Michael Glynn Tompkins for his thirty-eight (38) years of meritorious and faithful service.** Michael Tompkins was unable to attend the Board meeting. Chair Mathews read a Resolution recognizing Michael Tompkins for his thirty-eight (38) years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved a Resolution honoring GBRA 2016 retiree Michael Glynn Tompkins. 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 minutes of the September 21, 2016, Board meeting; and Consent Item 5 - Consideration of and possible action approving the monthly operations**

report for September 2016. Upon motion by Director Brockman, seconded by Director Carbonara, the Board unanimously approved Consent Items 4 and 5.

Next, the Chair called for **General Manager Item 6 - Discussion of the executive report addressing various matters relating to WATER RESOURCES PLANNING including GBRA's Mid Basin Project (Groundwater and Surface Water); GBRA's Integrated Water-Power Project and Seawater Desalination, GBRA's Lower Basin Surface Water Project, the Hydropower Regulatory Efficiency Act; meetings related to the Hydropower Regulatory Efficiency Act; Water Resources Operations including Engineering activities and meetings; Construction Management in the Guadalupe Basin, including without limitation, dams, plants, pipelines and highway construction involving or impacting GBRA facilities or operations; Safety; Utilities Operations; WATER QUALITY DIVISION AND REGIONAL LABORATORY ACTIVITIES including Regional Laboratory meetings and activities; Water Quality meetings and activities including watershed protection programs, debris removal, lake and property management; Community and Economic Development including public meetings, Gorge Preservation Society activities; Project Development; Resource Projection; COMMUNICATIONS AND PUBLIC AFFAIRS including Media and Public Affairs, Publications, Geographic Information Systems, and Special Projects, Social Media and Community Relations, Board Relations and Events, Grants, Education and the Environmental Learning Center; FINANCE AND ADMINISTRATION including information technology reports, Human Resource reports, and**

accounting and finance reports. Chair Mathews informed the Board that the General Manager's report will be presented on a quarterly basis beginning November 2016. No discussion was had on General Manager Item 6.

The Chair then called for **Action Item 7 - Consideration of and possible action authorizing the General Manager/CEO to close the Guadalupe-Blanco River Authority Mid-Basin Account at Frost Bank for funds from the \$4,400,000 Guadalupe-Blanco River Authority General Improvement Bonds, Series 2012 (Mid-Basin Water Infrastructure Fund Study Project).** Sandra Terry briefed the Board on the closing of the GBRA Mid-Basin Account at Frost Bank. GBRA Board Policy 413 – Depository Accounts requires Board of Director approval prior to the termination of bank accounts. On April 4, 2012 the Texas Water Development Board issued \$4,400,000 into an escrow account maintained by Bank of Texas from the sale of GBRA General Improvement Bonds, Series 2012 (Mid-Basin Water Infrastructure Fund Study Project). Disbursements were made from the Bank of Texas escrow account into the GBRA Mid-Basin Account at Frost Bank. All the funds in the escrow account and in the GBRA Mid-Basin Account have been expended and the account is longer needed. Upon motion by Director Patillo, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to close the GBRA Mid-Basin Account at Frost Bank for funds from the \$4,400,000 GBRA General Improvement Bonds, Series 2012 (Mid-Basin Water Infrastructure Fund Study Project).

The Chair called for **Action Item 8 - Consideration of and possible action approving an updated list of sources to provide investment training for**

Guadalupe-Blanco River Authority Investment Officers as required by the Texas Public Funds Investment Act and the Texas Water Code. Cindy Demers briefed the Board on the Public Funds Investment Act and the Texas Water Code that requires GBRA's Investment Officers to attend not later than the first anniversary of the date the officer takes office or assumes the officer's duties a six (6) hour training session relating to investment responsibilities under the Public Funds Investment Act. Each officer is required to attend at least four (4) hours of investment training within each two-year period after the first year. The training must be from an independent source approved by the Board. The list of investment training sources includes Texas Water Conservation Association, County Treasurers' Association, Texas Society of CPA's, Texas Municipal League, TEXPOOL, Government Finance Officers Association, University of North Texas, Texas State University, Government Treasurers' Organization of Texas, and Texas Higher Education Coordinating Board. The quarterly investment report was also provided to the Board. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously approved the updated list of sources to provide investment training for Guadalupe-Blanco River Authority Investment Officers as required by the Texas Public Investment Act and the Texas Water Code.

Next, the Chair called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Interlocal Cooperation Contract between the Texas Water Development Board and Guadalupe-Blanco River Authority for the development of a water quality model for the lower Guadalupe River.** Tommy Hill briefed the Board on the need for

the development of a water quality model for the lower Guadalupe River, which will assist in the Texas Instream Flow Program. The purpose of the Texas Instream Flow Program is to perform scientific studies and develop appropriate methodologies for determining flow conditions necessary to support a sound ecological environment in the rivers and streams of Texas. The Guadalupe River is presently being studied and the goal is to complete the effort by December 2017. The study participants include the Texas Commission on Environmental Quality, the Texas Water Development Board, the Texas Park and Wildlife Department, and GBRA. The goal is to complete the model by the end of October 2017. The Texas Water Development Board grant of \$35,000 should cover all costs to hire a modeling expert. Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Interlocal Cooperation Contract between the Texas Water Development Board and Guadalupe-Blanco River Authority for the development of a water quality model for the lower Guadalupe River. A copy of the Interlocal Cooperative Contract is attached and made a part of these minutes.

The Chair then called for **Action Item 10 - Consideration of and possible action ratifying the General Manager/CEO's negotiation and execution of an Interlocal Agreement with Gonzales County for the construction of a temporary crossing over a canal located at Lake Wood and to obtain reimbursement from GBRA for costs incurred.** Darel Ball briefed the Board on the Interlocal Agreement with Gonzales County. The age and condition of the current road crossing over a canal located on property owned by GBRA near Lake Wood in Gonzales County made it

necessary to construct a temporary road crossing over the canal on property owned by GBRA. Both the County and GBRA have statutory authority to enter into the Agreement to construct a crossing. The County used its personnel and equipment to construct a temporary crossing over the canal located approximately 400 feet upstream of the existing crossing. GBRA will be responsible for placing barricades and/or blocking traffic across the existing crossing over the canal. GBRA will pay for, or reimburse the County for the costs for base material incurred by the County on this project. Upon motion by Director Patillo, seconded by Director Hermes, the Board unanimously ratified the General Manager/CEO's negotiation and execution of an Interlocal Agreement with Gonzales County for the construction of a temporary crossing over a canal located at Lake Wood and to obtain reimbursement from GBRA for certain costs incurred. A copy of the Interlocal Agreement is attached and made a part of these minutes.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a sale of GBRA's interest in the Springs Hill Wastewater Treatment Plant to the City of Seguin and to negotiate and execute changes to GBRA's existing Operating Agreement with the City of Seguin as deemed necessary by the General Manager/CEO in connection with the sale of GBRA's interest in the Plant.** No action was taken on Action Item 11 at this time.

Next, the Chair called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO: (a) to sign a Letter of Intent with the U. S. Army Corps of Engineers to increase GBRA's financial commitment to**

the Lower Guadalupe Basin Flood Study, contingent on Resolutions of financial support from participating communities; (b) to negotiate and execute one or more Interlocal Agreements with Comal County, Hays County, the City of San Marcos, and other potential participants for financial support for the Study; and (c) to negotiate and execute an amendment to the Feasibility Cost Sharing Agreement between GBRA and the U. S. Army Corps of Engineers for additional tasks based on financial support from the contracting local governments. Charlie Hickman briefed the Board on the 2011 Feasibility Cost Sharing Agreement with U. S. Army Corps of Engineers to evaluate areas of the Guadalupe River Basin that qualify for federal participation in flood mitigation projects. The Agreement was modified in 2013 to allow for additional participation from local communities in the Basin. The evaluation has identified three areas in the Guadalupe River Basin with potential for federal interest, but additional time and funding are required to get to a final recommendation. Several local entities that would benefit from the evaluation of mitigation projects have expressed an interest in providing funding to complete this effort. Continuation of the Study will require an amendment to the Feasibility Cost Sharing Agreement between GBRA and the U. S. Army Corps of Engineers. The U. S. Army Corps of Engineers has requested that GBRA provide a Letter of Intent expressing willingness to provide the local cost share required for that amendment. GBRA will provide in kind contributions and will execute Interlocal Agreements with the participating communities to secure funding for the local fifty percent (50%) cost share required for the project. The U. S. Army Corps of Engineers anticipates thirty-three (33) months and approximately

\$815,750 in local funding will be required to complete this study. Hays County, the City of San Marcos, and Comal County have expressed interest in contributing to the local cost share, but other communities may also participate. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to sign a Letter of Intent with the U. S. Army Corps of Engineers to increase GBRA's financial commitment to the Lower Guadalupe Basin Flood Study, contingent on Resolutions of financial support from participating communities; to negotiate and execute one or more Interlocal Agreements with Comal County, Hays County, the City of San Marcos, and other potential participants for financial support for the Study; and to negotiate and execute an amendment to the Feasibility Cost Sharing Agreement between GBRA and the U. S. Army Corps of Engineers for additional tasks based on financial support from the contracting local governments.

The Chair then called for **Discussion Item 13 - 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 current level of the Edwards Aquifer. Discussion was had regarding the Guadalupe Basin Coalition and the upcoming Texas Hill Country Water Summit to be held in New Braunfels.

The Chair called for **Discussion Item 14 - 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 status of a conservation easement on the Dream Catcher Ranch. Discussion was also had on a draft of a Memorandum of Understanding between GBRA and the Guadalupe-Blanco River Trust to assist with the long-term administrative funding needs for the Trust. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation including issues relating to Traylor's Cut, potential new Board members, the current meter study with the Texas Water Development Board, water hyacinth treatment in conjunction with the weed control management program, and the National Estuary Research Preserve clean-up effort. The Board was briefed on the arrival of the Whooping Cranes and educational initiatives. Discussion was had on the Rookery Island Project, shoreline erosion, and the upcoming San Antonio Bay Foundation Board meeting in October.

Next, the Chair called for **Discussion Item 15 - 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 rainfall deficits, Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other reservoirs, salinity levels in San Antonio and Aransas Bay, the latest El Nino and La Nina modeled forecast, and the U. S. Drought Monitor Seasonal Outlook.

The Chair recessed the open meeting at 11:01 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 11:16 a.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 12:24 p.m.

The Chair called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a sale of GBRA's interest in the Springs Hill Wastewater Treatment Plant to the City of Seguin and to negotiate and execute changes to GBRA's existing Operating Agreement with the City of Seguin as deemed necessary by the General Manager/CEO in connection with the sale of GBRA's interest in the Plant.** Darrell Nichols briefed the Board on the negotiations for the sale of GBRA's interest in the Springs Hill Wastewater Treatment Plant to the City of Seguin and changes to the existing Operating Agreement with the City of Seguin. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute the sale of GBRA's interest in the Springs Hill Wastewater Treatment Plant to the City of Seguin and to negotiate and execute changes to GBRA's existing Operating Agreement with the City of Seguin as deemed necessary by the General Manager/CEO in connection with the sale of GBRA's interest in the Plant.

There being no further business to be brought before the Board, the meeting was adjourned at 12:25 p.m. subject to call by the Chair.

Chair

Secretary