

## **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 March 21, 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, Ronald J. Hermes, and Tommy Mathews. Director Kenneth Motl 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 Operations and Water Quality; Tom Bohl, General Counsel; Cindy Demers, Executive Manager of Finance and Administration/Chief Financial Officer; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; Courtney Kerr-Moore, Associate General Counsel; Charlie Hickman, Manager of Project Engineering; Stephanie Shelly, Division Manager/Calhoun-Refugio Operations; Jean Barnes, Water Quality Technician; Cecil Holiday, Distribution/Plant Operator-Western Canyon Operations; Michael N. Schultze, 2018 GBRA retiree; Jan Schultze; Jim Blackburn with The Aransas Project; Ann Hamilton with the International Crane Foundation; and Nathan Pence with the Edwards Aquifer Authority Habitat Conservation Plan.

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

Chairman Brockman informed the Board that "World Water Day" is March 22, 2018 and was established in 1993.

Chairman Brockman called for **Chairman Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2018 retiree Michael N. Schultze.** Chairman Brockman recognized Michael Schultze for his 42 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Brockman also recognized Jan Schultze. Chairman Brockman read a Resolution honoring Michael Schultze. Upon motion by Director Mathews, seconded by Director Fogle, the Board unanimously approved a Resolution honoring GBRA 2018 retiree Michael N. Schultze. A copy of the Resolution is attached and made a part of these minutes.

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

The Chairman then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the February 21, 2018, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for February 2018; Consent Item 5 - Consideration of and possible action**

**approving the monthly operations report for February 2018; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.**

Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chairman called for **General Manager/CEO Item 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. Darel Ball introduced Jean Barnes, Water Quality Technician; and Cecil Holiday, Distribution/Plant Operator-Western Canyon Operations. General Manager/CEO Patteson briefed the Board on GBRA's 2018 scholarship program and an upcoming public meeting being held at GBRA regarding updated permit regulations for the construction of various shoreline structures surrounding GBRA's hydroelectric lakes.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Interlocal Agreement with Regional Water Alliance and designate a GBRA representative to**

**serve on the Alliance.** Darrell Nichols briefed the Board on Regional Water Alliance which is a group of twenty local water purveyors and regional water entities that are working together to promote and facilitate the sharing of ideas, knowledge, experience, and resources in order to seek and implement collaborative solutions to effectively meet the region's diverse water needs. Upon motion by Director Mathews, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to execute an Interlocal Agreement with Regional Water Alliance and designated Michael Urrutia as GBRA's representative to serve on the Alliance.

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 electrical energy at the GBRA Port Lavaca Water Treatment Plant and other operating locations in Calhoun County.** Darel Ball briefed the Board on GBRA's operations in Calhoun County which fall within a deregulated electrical energy market wherein consumers can select retail providers to purchase electricity. The current contract for the GBRA Port Lavaca Water Treatment Plant was procured by conventional public solicitation of bids in February 2015 and expires in June 2018. Using the reverse auction management services of EMEX, LLC, electrical power needs for operations in Calhoun County can be bid for a significant savings to the Calhoun County Canal system, GBRA Port Lavaca water treatment plant, and Calhoun County Rural Water system. EMEX, LLC is a leading energy risk management consulting firm that utilizes a reverse auction platform to streamline the procurement process for clients, provide transparency for regulators, and foster competition amongst suppliers. EMEX,

LLC, will host the auction over a span of 15 minutes, obtaining bids from several retail energy providers. After the auction closes GBRA will select and enter into a multi-year contract with the retail provider offering the most advantageous service to operations. Preliminary pricing analysis provided by EMEX indicates GBRA could save in excess of eight percent (8%) in energy costs during the life of the contract. The reverse auction service is provided by EMEX to GBRA at no cost or risk. Upon motion by Director Carbonara, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest qualified bidder for electrical energy at the GBRA Port Lavaca Water Treatment Plant and other operating locations in Calhoun County.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract for utility services with Kendall Bexar Development Coalition, LLC, and Kendall County Water Improvement District Number 3.** No discussion or action was had on Action Item 10 at this time.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with an environmental consulting firm for environmental studies in the Guadalupe Delta.** Tommy Hill briefed the Board on the Texas Commission on Environmental Quality's currently adopted environmental flow standards for the Guadalupe, San Antonio, Mission, and Aransas Rivers as well as Mission, Copano, Aransas, and San Antonio Bays. The standards are to be re-evaluated every 10 years. To facilitate the re-evaluation

process, the TWC 11.02362(p) requires the development of a “Work Plan” that outlines the needed monitoring and studies. As funding is made available, studies from the Work Plan are to be selected. For the 2018-2019 period, the 85<sup>th</sup> Texas Legislature again appropriated funding with only \$200,000 allocated to the Guadalupe Basin region. Selected study topics were requested by the TWBD, and GBRA suggested the need for the development of a seasonal ecological assessment within the Guadalupe Delta. The topic was accepted and it was recommended that GBRA manage the study with the understanding that a detail Scope of Work must first be developed. GBRA has issued a Request for Qualification (RFQ) to retain the services of an environmental consultant to develop a detailed scope and initiate the work. Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with an environmental consulting firm for environmental studies in the Guadalupe Delta.

The Chairman then called for **Discussion Item 12 - Presentation from Jim Blackburn and Ann Hamilton regarding TAP/GBRA Project Implementation.**

Jonathan Stinson introduced Jim Blackburn and Ann Hamilton. Mr. Blackburn gave a presentation on the *GBRA/TAP Agreement Stage 2: Implementation*. Mr. Blackburn briefed the Board on the timeline which began in 2011. The presentation included the shared vision for the Guadalupe River System and San Antonio Bay with four key implementation areas – expansion of Whooping Crane habitat; future of the Guadalupe River delta; refugium for the San Antonio Bay; and payment for sequestering carbon and liberating water. Partners associated with the project include the International Crane

Foundation, U. S. Fish and Wildlife Service, Texas Parks and Wildlife Department, Calhoun County, private landowners, NGO's, Harte Research Institute, Meadows Center for Water Research, SSPEED Center, SVX and Ranchers. Ann Hamilton addressed the Board and is glad to be part of the partnership in preserving the habitat for the Whooping Cranes.

The Chairman called for **Discussion Item 13 - Presentation from Nathan Pence regarding the Edwards Aquifer Habitat Conservation Plan (EAHCP)**. Jonathan Stinson introduced Nathan Pence. Mr. Pence gave a presentation on the Edwards Aquifer Habitat Conservation Plan. The presentation included the general flow paths and limitations of the Edwards Aquifer; the eight endangered species in Comal and San Marcos Springs; legal challenges; creation and implementation of the Edwards Aquifer Recovery Implementation Program and Habitat Conservation Plan; the Incidental Take Permit from the U. S. Fish and Wildlife Service; springflow biological goals; Springflow Protection Programs; conservation measure; and review of the Habitat Conservation Plan by the National Academy of Science. Mr. Pence acknowledged GBRA's participation and leadership throughout the Edwards Aquifer Recovery Implementation Program planning process and Joint Funding Agreement.

Next, the Chairman called for **Discussion Item 14 - Discussion and public comment regarding GBRA's Hazard Mitigation Action Plan to address natural disasters and hazards that can pose a risk to GBRA facilities**. Tommy Hill briefed the Board on GBRA's development of a Hazard Mitigation Action Plan ("Plan" or "HMAP") that will address natural hazards that affect GBRA facilities. The goal of the Plan is to

minimize or eliminate the long-term risk to human life and property from known hazards through effective mitigation. GBRA previously participated in the existing multi-jurisdictional HMAP for the Guadalupe-Blanco River Authority Region. In accordance with updated FEMA regulations for hazard mitigation plan development, the GBRA Plan will be prepared as a new, stand-alone plan, reflecting conditions that have changed and/or have had an impact on the GBRA facilities since the previous Plan was completed. When complete, the HMAP will comply with all applicable provisions of the Disaster Mitigation Act of 2000 (DMA 2000) and FEMA's criteria for approval of mitigation plans required in the Hazard Mitigation Assistance Unified Guidance (July 2013.) A FEMA-approved hazard mitigation plan is required for eligibility for grant funds through FEMA's Hazard Mitigation Assistance (HMA) programs, which include: Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation (PDM), and Flood Mitigation Assistance (FMA) programs. Funds from these federal grant programs may be awarded directly to all planning participants to implement mitigation projects identified in the Plan. GBRA has secured the services of a consultant team headed by H2O Partners, Inc. (H2O) to assist in the preparation of the Plan and the planning process, which involves capability assessment; hazard identification and risk analysis; mitigation strategy development; public participation; plan review; adoption; and approval.

The Chairman then called for **Discussion Item 15 - 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 11:30 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:40 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:14 p.m.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract for utility services with Kendall Bexar Development Coalition, LLC, and Kendall County Water Improvement District Number 3.** Tom Bohl briefed the Board on a contract for utility services with Kendall Bexar Development Coalition, LLC, and Kendall County Water Improvement District Number 3. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to negotiate a contract for utility services with Kendall Bexar Development Coalition, LLC, and Kendall County Water Improvement District Number 3.

There being no further business to be brought before the Board, the meeting was adjourned at 12:16 p.m. subject to call by the Chairman.

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Chairman

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Secretary