

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 December 18, 2013, at the GBRA River Annex Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Oscar H. Fogle, Tommy Mathews, Robert “Rusty” Brockman, Kenneth Motl, Dennis L. Patillo, William R. Carbonara, Darrell McLain, and Don B. Meador. Director Grace G. Kunde was absent. Also present were W. E. West, Jr., General Manager; James Murphy, Executive Manager of Water Resources and Utility Operations; Alvin Schuerg, Executive Manager of Finance and Administration; 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; Debbie Magin, Director of Water Quality Services; Bryan Serold, Operations Manager-Lower Basin; John Smith, Operations Manager-Upper Basin; LaMarriol Smith, Chief Strategic Communications and Public Affairs Officer; Teresa Van Booven, Project and Community Representative; Cricket Dietert, Executive Assistant to the General Manager; Connie Rothe, Board Relations and Publication Specialist; Leigh Crettenden, IT Manager; Tommy Schulte, Regional Representative; Sandra Terry, Investment Manager; Susan Hubbert, Accounting Manager; Dan Alonso, Executive Director of the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; Steve Holzheuser, consultant; Pat Wagner and Mike Del Toro with Alonzo, Bacarisse, Irvine and Palmer; Humberto Ramos with Canyon Regional Water Authority;

Greg Bowen with the New Braunfels Herald Zeitung; Stefan Schuster, Bill Swanson, Nicole Conner, and Matt Saun with MWH; Tom Allen and Michael Sparks with GDF Suez; Rick Galloway with Atkins; and Adam Connor with San Antonio Water System.

Chair Fogle called the meeting to order at 10:01 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 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 - Report from the Nominating Committee and Election of Officers of the Board of Directors for calendar year 2014**. Director Patillo thanked the Nominating Committee members Directors Motl and Meador for serving on the Committee and presented the following slate of officers for calendar year 2014: **Chair – Oscar H. Fogle; Vice-Chair – Tommy Mathews; and Secretary-Treasurer – Rusty Brockman**. Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously approved by acclamation the slate of officers for calendar year 2014 as recommended by the Nominating Committee.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action appointing Directors Seats 1 and 2 to serve on the San Antonio Bay Foundation for the term of January 1, 2014 through December 31, 2014 in accordance with the**

By-Laws Article Three, Section 3.2. Upon motion by Director Motl, seconded by Director Mathews, the Board unanimously appointed Todd Votteler and Debbie Magin for Seats 1 and 2, each one (1) year terms, to serve on the Board of Directors of the San Antonio Bay Foundation.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the November 20, 2013, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for November 2013; Consent Item 5 - Consideration of and possible action approving the monthly operations report for November 2013; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Patillo, seconded by Director Brockman, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chair called for **Action Item 8 - Consideration of and possible action approving the Fiscal Year 2013 Annual Financial Audit and distribution of the Comprehensive Annual Financial Report.** LaMarriol Smith addressed the Board regarding the theme for this year's annual report and recognized Connie Rothe for the outstanding design of the report. Alvin Schuerg introduced Pat Wagner and Mike Del Toro with Alonzo, Bacarisse, Irvine and Palmer. Pat Wagner informed the Board of GBRA's receipt of the Government Finance Officers Association's *Certificate of Achievement for Excellence in Financial Reporting*. Ms. Wagner continued discussion including the Independent Auditor's Report and informed the Board that they have issued their unqualified opinion regarding GBRA's financial statements as of August 31,

2013. The audit firm has also provided their annual Management Letter in addition to a Report on Compliance on Internal Controls, which is a required report for all federal grant recipients. Alvin Schuerg recognized Susan Hubbert and Sandra Terry for compiling the Comprehensive Annual Financial Report. Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously approved the Fiscal Year 2013 annual audit and distribution of the Comprehensive Annual Financial Report.

Next, the Chair called for **Action Item 9 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Memorandum of Understanding between the Guadalupe-Blanco River Authority and GDF Suez Energy Marketing NA, Inc., relating to the Integrated Water Power Project.** GBRA has initiated an ocean desalination study referred to as the GBRA Integrated Water and Power Supply Project and GDF Suez operates a power generating facility on Coletto Creek Reservoir located in Victoria and Goliad Counties. Upon motion by Director Brockman, seconded by Director Mathews, the Board unanimously authorized the General Manager to negotiate and execute a Memorandum of Understanding between the Guadalupe-Blanco River Authority and GDF Suez Energy Marketing NA, Inc., to allow for their existing Coletto Creek generating station to be included as a potential site under the Integrated Water Power Project Feasibility Study. A copy of the Memorandum of Understanding is attached and made a part of these minutes.

The Chair then called for **General Manager Item 7 - Discussion of the Executive Report addressing various matters, including matters relating to: safety, utility operations, water resource operations, engineering, including**

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, SB1 Region L Water Planning quarterly meeting, Texas State Soil and Water Conservation Board workshop on USGS Brush Management Study, Lower Guadalupe Feasibility study, construction management including Mid-Basin Water Supply Project and Feasibility Study for the Integrated Water Power Project, Regional Laboratory activities, Clean Rivers Program activities, Plum Creek Projects, Texas Water Utilities Association Laboratory Analyst Section, Operations, Geronimo Creek Watershed Protection Plan, Environmental Flows Project including continued background data collections, BBASC meeting, Water Quality (general), TDA/TWRI Real Hog Farm VTA project, Economic and Community Development activities, events and projects, development including water and wastewater infrastructure for Johnson Ranch, Rural Utilities - Dunlap wastewater service area activities, Water Supply Project activities including evaluation and development of GBRA/Customer facility plan for the Mid-Basin Water Supply Project, water and wastewater infrastructure needs for the Cherryville Development in Caldwell County, other potential interests including GLO, Walton Development, and New Braunfels Utilities, Maxwell Water Supply Corporation water supply projects, other water activities including Western Canyon Treated Water Supply System activities, Kendall West, Lerin Hills, Esperanza and closing on the Bremer-Couser service agreements, Resource Protection activities including Guadalupe County EMC

Flood Review meeting, meeting with representatives from the area hydro lake associations regarding flood restoration efforts, working with TPWD to develop and support education and public awareness campaign regarding the Zebra Mussels issue, procedures for activation of the Weather Net-Hydro Watch system for dissemination of flow information during high rainfall events, issues relating to lake management and lake safety, continued work on lake restrictions regarding water usage on the hydro lakes, presentations regarding drought conditions and water supply matters, Gonzales area flood warning plan, Canyon Lake/Sattler Office, Gorge Preservation Society, information technology, human resources, accounting and finance. David Welsch briefed the Board on water quality, regional laboratory, economic and community development, and business development activities. James Murphy recognized Bryan Serold, GBRA's Safety Director, and shared the Texas Water Conservation Association 2013 Safety Award that was received by GBRA. James Murphy briefed the Board on GBRA operation and engineering 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 November 30, 2013.

Next, the Chair called for **Discussion Item 11 - 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.** Jeff Crosby briefed the Board on the activities of the Guadalupe-Blanco

River Trust. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation.

The Chair called for **Discussion Item 10 - Discussion regarding the activities and transactions of the Edwards Aquifer Authority, South Central Texas Water Advisory Committee, and the Guadalupe Basin Coalition.** No discussion was had on Discussion Item 10.

The Chair then called for **Discussion Item 12 - 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, 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. Mr. Hill briefed the Board on a meeting with City and County officials, the National Weather Service, and United States Geological Survey regarding the installation of additional National Weather Service forecast gage stations on the Blanco and San Marcos Rivers.

The Chair called for **Discussion Item 13 - Discussion regarding local and State water planning and water resource issues.** General Manager West briefed the Board on a petition for a watermaster on the Brazos River and various water related matters.

Next, the Chair called for **Discussion Item 14 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the

Board on the WORDA Bill, the Farm Bill, the Endangered Species Act, and the upcoming Texas Water Day in February 2014.

The Chair recessed the open meeting at 11:37 a.m. The Chair then closed the open meeting and convened the meeting in executive session at 11:46 a.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 12:19 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:20 p.m. subject to call by the Chair.

Chair

Secretary