

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 May 20, 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, Oscar H. Fogle, Grace G. Kunde, Kenneth Motl, Don B. Meador, Darrell McLain, and William R. Carbonara. 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; Connie Rothe, Board Relations and Publication Specialist; Jaynellen Ladd, Natural Resource Specialist; Charlie Hickman, Engineer; Sandra Terry, Investment Manager; Susan Hubbert, Accounting Manager; Carrie Kasnicka, Grant Writer/Administrator; Jerry Sharp, Plant Manager-San Marcos

Water Treatment Plant; Jim Wyatt, SCADA Administrator; David Garcia, Maintenance Technician-Port Lavaca Water Treatment Plant; Mary Newman, Project Coordinator; Cinde Thomas-Jimenez, Environmental Education Administrator; Michael Gerdes, Operator-Rural Utilities Division and 2015 GBRA Retiree; Jeff Crosby with the Guadalupe-Blanco River Trust; Dan Alonso with the San Antonio Bay Foundation; Roger Nevola, legal counsel; Jim Dublin with Dublin and Associates; David Engel with Engel and Associates; Hattie Gerdes; Sarah Hakimuddin graduate from Byron P. Steele High School; Sohmer Paige Peterson graduate from Navarro High School; Brittany Walker graduate from Gonzales High School; Sara Guice graduate from Calhoun County High School; Thomas Jimenez graduate from Seguin High School; Rodney, Robin and Lou Guice; Richard and Wilhelmina Walker; Lanny Peterson; Tina and Ray Powers; Fred Thomas; Stefan Schuster with MWH; Augusto Villalon with Freese and Nichols; Rick Menchaca with BOSC, Inc.; Jennifer Sparks; and Adam Connor and Felix Arambula with San Antonio Water System.

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 Kunde 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. Chair Mathews welcomed and recognized GBRA employees Connie Rothe, Barbara Gunn, Tommy Schulte, Teresa Van Booven, Michael Urrutia, Tommy Hill, Bryan Serold, John Smith, Jeff Crosby, Dan Alonso, Jaynellen Ladd, Leigh Crettenden, Cinde Thomas-Jimenez, Charlie Hickman, and Mary Newman.

The Chair called for **Chair Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2015 retiree Michael E. Gerdes.** Chair Mathews and General Manager West introduced and recognized Michael Gerdes for his 38 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chair Mathews read a Resolution honoring Michael Gerdes. Upon motion by Director Brockman, seconded by Director Kunde, the Board unanimously approved a Resolution honoring GBRA 2015 retiree Michael Gerdes. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chair called for **Chair Item 2 - Consideration of and possible action authorizing the expenditure of funds for Directors and staff to attend the Texas Water Conservation Association 2015 Mid-Year Conference June 17-19, 2015, at Moody Gardens Hotel, Galveston, Texas.** Upon motion by Director Fogle, seconded by Director Brockman, the Board unanimously authorized the expenditure of funds for Directors and staff to attend the Texas Water Conservation 2015 Mid-Year Conference in Galveston, Texas.

The Chair then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the April 15, 2015, Board meeting; Consent Item**

4 - Consideration of and possible action approving the monthly financial report for April 2015; Consent Item 5 - Consideration of and possible action approving the monthly operations report for April 2015; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers. Upon motion by Director Meador, seconded by Director Brockman, the Board unanimously approved Consent Items 3, 4, 5, and 6.

The Chair called for **General Manager Item 7 - 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 issues, GBRA's Mid-Basin Project (Groundwater and Surface Water components), Integrated Water Power Project, Lower Basin Storage Project and related regional planning 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 the River Heritage Tour Project, 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, Texas Water Safari planning, project development reports relating to Johnson Ranch, Bulverde, Park Village and 4-S Ranch, Dunlap Area Utilities, Point Comfort, Port Lavaca, water and wastewater agreements and services provided in various communities throughout the Guadalupe Basin, 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, island lots on H-5 Lake, reports from the Canyon Lake/Sattler office and the Gorge Preservation Society, public affairs reports including media reports, public outreach and social media, 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 7.

Next, the Chair called for **Action Item 8 - Consideration of and possible action authorizing the General Manager to continue the engagement of Specialized Public Finance as GBRA's Financial Advisory firm.** The staff recommended that the GBRA Board approve the continued use of Specialized Public Finance as GBRA's Financial Advisory firm under the same terms as the 2010 agreement. Upon motion by Director Brockman, seconded by Director Patillo, the Board unanimously authorized the General Manager to continue the engagement of Specialized Public Finance as GBRA's Financial Advisory firm. A copy of the engagement agreement is attached and made a part of these minutes.

The Chair then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager to continue the engagement of McCall, Parkhurst and Horton as GBRA's Bond Counsel firm.** The staff recommended that the GBRA Board approve the continued use of McCall, Parkhurst and Horton as GBRA's Bond Counsel firm. Upon motion by Director Brockman, seconded by Director Patillo, the Board unanimously authorized the General Manager to continue the engagement of McCall, Parkhurst and Horton as GBRA's Bond Counsel firm. A copy of the engagement agreement is attached and made a part of these minutes.

The Chair called for **Action Item 10 - Consideration of and possible action authorizing the General Manager to negotiate and execute a purchase of Guadalupe River water rights and a release of contract water rights, both located in Guadalupe County, Texas, from Gary Dittmar and action amending the 2015 Fiscal Year Work Plan and Budget to fund the transaction.** Gary Dittmar is the

record holder of 61 acre-feet per year of water rights in the Guadalupe River located near Lake Dunlap Dam. He also holds contract rights for the delivery of 5 additional acre-feet of water per year from GBRA. Mr. Dittmar wants to sell the water right and release the contract rights to GBRA. Mr. Dittmar holds his water rights under Certificate of Adjudication No. 18-3833 which has priority dates of April 19, 1912 (56 acre-feet) and June 30, 1914 (5 acre-feet). The water rights and the additional 5 acre-feet of contract water are currently under lease to Canyon Regional Water Authority. However, one of the conditions for GBRA's purchase is that Canyon Regional releases all its leasehold rights to the water. Canyon Regional's Board has authorized its General Manager to execute the release at closing between GBRA and Gary Dittmar. The water rights will be severed from the irrigated land at closing. The expected purchase price is \$550,000.00. Upon motion by Director Patillo, seconded by Director Kunde, the Board unanimously authorized the General Manager to negotiate and execute a purchase of Guadalupe River water rights and a release of contract water rights, both located in Guadalupe County, Texas, from Gary Dittmar and amend the 2015 Fiscal Year Work Plan and Budget to fund the transaction. A copy of the agreements 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 to negotiate and execute a purchase of Guadalupe River water rights and a release of contract water rights, both located in Guadalupe County, Texas, from Ray E. Dittmar and Ruth V. Dittmar and action amending the 2015 Fiscal Year Work Plan and Budget to fund the transaction.**

Ray Dittmar is the record holder of 44 acre-feet per year of water rights in the Guadalupe River located near Lake Dunlap Dam. He also holds contract rights for the delivery of 5 additional acre-feet of water per year from GBRA. He wants to sell the water right and release the contract rights to GBRA. Mr. Dittmar holds these water rights under Certificate of Adjudication No. 18-3832 which has a priority date of April 19, 1912. They are currently under lease to Canyon Regional Water Authority. However, one of the conditions for GBRA's purchase is that Canyon Regional releases all its leasehold rights to the water. Canyon Regional's Board has authorized its General Manager to execute the release at closing between GBRA and Ray Dittmar. The water rights will be severed from the irrigated land at closing. Mr. Dittmar asserts that the water rights are his separate property, inherited from his uncle. Mr. Dittmar's wife would join in the conveyance in order to address any community claims she may have to the contract water rights. The expected purchase price is \$378,400.00. Upon motion by Director Kunde, seconded by Director Patillo, the Board unanimously authorized the General Manager to negotiate and execute a purchase of Guadalupe River water rights and a release of contract water rights, both located in Guadalupe County, Texas, from Ray E. Dittmar and Ruth V. Dittmar and amend the 2015 Fiscal Year Work Plan and Budget to fund the transaction. A copy of the agreements is attached and made a part of these minutes.

The Chair then called for **Discussion Item 12 - Quarterly status report on grant activities.** Carrie Kasnicka briefed the Board on various grants.

The Chair called for **Discussion Item 13 - Presentation on GBRA's 2015 "Our Day to Shine" project.** Connie Rothe gave a presentation on GBRA's 2015 "Our Day to Shine" project. This year's project was the McMahan Women's Club Community Center which is located in Caldwell County at the approximate geographical center of the Cities of Luling, Lockhart, and Bastrop. The original structure was constructed in 1928 and has served the community for 87 years. Mrs. Rothe introduced Jerry Sharp, David Garcia, and Jim Wyatt, GBRA's Our Day to Shine Committee members.

Next, the Chair called for **Discussion Item 14 - Discussion regarding the vehicle accident at Canyon Dam.** Charlie Hickman briefed the Board on a vehicle accident at Canyon Dam on April 17, 2015. No casualties were reported in the incident.

The Chair then called for **Discussion Item 15 - Discussion regarding the State Water Implementation Fund for Texas (SWIFT) application with the Texas Water Development Board.** James Murphy briefed the Board on the application submitted to the Texas Water Development Board.

The Chair called for **Discussion Item 16 - Discussion regarding the log jam(s) on the Guadalupe and San Antonio Rivers.** Bryan Serold briefed the Board on the status and work on the log jams on the Guadalupe and San Antonio Rivers. General Manager West also briefed the Board on both short-term and long-term plans for removal of log jams.

The Chair recessed the open meeting at 11:03 a.m. and reconvened the open meeting at 11:12 a.m.

Next, the Chair called for **Discussion Item 17 - 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, the Guadalupe Basin Coalition, and the South Central Texas Water Advisory Committee.

The Chair then called for **Discussion Item 18 - 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 informed the Board that he has taken a position as Executive Director of the Colorado River Land Trust in Austin, Texas, and expressed his appreciation for the opportunity to serve the Guadalupe-Blanco River Trust. A search for a new Executive Director is underway. Dan Alonso briefed the Board on the activities of the San Antonio Bay Foundation.

The Chair called for the **Presentation of 2015 annual GBRA Scholarships.** Connie Rothe introduced the 2015 GBRA Scholarship recipients Sarah Hakimuddin, Sohmer Paige Peterson, Brittany Walker, Sara Guice, and Thomas Jimenez.

The Chair called for **Discussion Item 19 - 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.

Next, the Chair called for **Discussion Item 20 - Discussion regarding local and State water planning and water resource issues.** Todd Votteler briefed the Board on legislative activities and various bills. General Manager West briefed the Board on House Resolution 2799 honoring Leroy Goodson, retiring General Manager of the Texas Water Conservation Association and former GBRA employee.

The Chair then called for **Discussion Item 21 - Discussion regarding national water planning and water resource issues.** General Manager West briefed the Board on various national water issues including ESA changes proposed by the National Endangered Species Act Reform Coalition (NESARC) and the definition of “Waters of the United States”.

The Chair recessed the open meeting at 12:01 p.m. The Chair then closed the open meeting and convened the meeting in executive session at 12:39 p.m. pursuant to Chapter 551, Texas Government Code. The Chair reconvened the meeting in open session at 2:42 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 2:43 p.m. subject to call by the Chair.

Chair

Secretary