

BOARD OF MANAGERS MEETING
CANYON REGIONAL WATER AUTHORITY
10:00 A.M. Wednesday, August 27, 2014

The Canyon Regional Water Authority Board of Managers will hold an open meeting at 10:00 A.M., Wednesday, August 27, 2014 at the Administrative Office located at 850 Lakeside Pass, New Braunfels, Texas. For more information please call (830) 609-0543.

Item 1. Open Meeting and approval of minutes

Item 2. Operations Report – Charlie Powell

Item 3. Report from Staff on various meetings regarding Wells Ranch, GBRA, Gonzales and Guadalupe Groundwater Districts, and the Hays Caldwell PUA.

Item 4. Discussion/Report on recommendations regarding the 2014-2015 budget.

Item 5. Discussion/Report on lease agreements for future Brackish Wilcox project.

Item 6. Report on and Discussion/Action on treatment techniques and water quality improvements at Lake Dunlap and Hays Caldwell WTPs.

Item 7. Discussion/Report on Region L and the current planning process.

Item 8. Report on the Regional Water Alliance

Item 9. Items for the next Board of Managers meeting or the Board of Trustees Meeting

**MINUTES
CANYON REGIONAL WATER AUTHORITY
BOARD OF MANAGERS**

A regular meeting of the Canyon Regional Water Authority Board of Managers was held Wednesday, July 23, 2014. The following individuals attended the meeting:

BOARD OF MANAGERS

Albert Strzelczyk
Daniel Heideman
Pat Allen
Jeanne Schnuriger
Steve Byone

Tim Fousse
Randy Schwenn
Herb Williams
Tom Hodge

CRWA STAFF

David Davenport, General Manager
Humberto Ramos, Director of Water Resources
Joan Wilkinson, Finance Administrator

Charlie Powell, Operations Manager
Craig Hines, Wells Ranch Project Coordinator
Ritzie Watkins, Administrative Assistant

BOARD OF TRUSTEES/OTHERS

Brandon Payne
David Weikel
Alan Thompson

Pat Lackey
Ken Holt
Josh Mills

Item 1. Open Meeting and approval of minutes.

Mr. Davenport opened the meeting at approximately 10:05 a.m.

Item 2. Operations Report – Charlie Powell

Mr. Powell provided a handout of the operations report for the month of June.

Item 3. Report from Staff on various meetings regarding Wells Ranch, GBRA, Gonzales and Guadalupe Groundwater Districts and the Hays Caldwell PUA.

Mr. Hines reported that the Gonzales County Groundwater Conservation District is still working on the rule change process. There will be a workshop next Tuesday at 10:00 AM. He will be meeting with a board member to go through the comments submitted to help understand them. The GCGCD is going through their budget and it will have some effect on our budget. We have some questions about the spreadsheet they sent out on making the numbers add the same.

The GCGCD manager informed Mr. Hines the water development board wants to send their people out to run water quality tests on Carrizo Wells in the district that had not been tested. He let them take samples from a well his family owns. The new Carrizo Well at Wells Ranch is operating and doing well. He went to the Lost Pines Groundwater District meeting last week. Four Star is having controversial issues with Lost Pines. They were asking for a variance to the rules on drilling. Four Star had requested permitting for 45,000 acre feet and 10 wells. The Groundwater District gave them the 10 wells but only 12,000 acre feet of water permits. They had a set amount of time to drill the 10 wells. They drilled 3 wells and say they can very easily draw their 12,000 acre feet from those wells. They want to maintain

the other 7 well permits for future use but they need an extension on the time to drill them. They were turned down which adds to the controversy between them.

Mr. Ramos attended the GBRA meeting. They are increasing their rates 4% which equals \$130 per acre feet. The Whooping Cranes Lawsuit was explained by our lawyer at the meeting. HCPUA is still discussing a possible partnership with TWA. Plum Creek is trying to get more water. We completed two test wells. At the HCPUA meeting today we will be discussing the plumbing plan which is bringing the southern sector towards CRWA and to make the northern sectors go to San Marcos/Kyle. The discussion will cover the route and the cost. There are 14 applications for the General Manager position. They will sort them out and pick 3-4 applicants for interviews and hire someone by August for HCPUA. We are meeting with entities to discuss the contracts between HCPUA and CRWA. We are working on solidifying the contracts. Our entities show interest except for Maxwell. They do not want to sign a contract. The City of Converse is looking for a short term contract of 500 acre feet for 1 year in a letter they sent July 15. The requested term would begin September 2014 ending in December 2015. After December 2015 they want 1000 acre feet. We sent pricing in regards to what we believe water will be. They are interested in the cost of chlorine. They also indicated they are interested in a possible long term commitment with CRWA through Wells Ranch Phase II and would also like to be a part of the CRWA Board. We told them it would be up to the board. We can continue to discuss Phase II and other items that do not include being part of the board. We have met entities to see if they have water available and are willing to allow Converse to use 500 acre feet short term then 1000 acre feet for 5 years after 2015. They also requested we work with them for 120 days with the contracts, look at Wells Ranch, and being part of the board which we said we would.

Mr. Davenport reported on a workshop with Hays County yesterday laying out the story on the history and development of the project. He and Graham Moore met with the manager of West Travis County PUA located in the City of Bee Cave. They serve a good part of Travis County into Dripping Springs. LCRA wanted to divest the system so they put this entity together to buy out that piece. It was built fairly quickly to compare to a CRWA wholesale type entity that is trying to supply to various retail entities.

Item 4. Discussion/Report on Recommendations regarding the 2014-2015 budget and application of the rate methodologies.

Mr. Schwenn reported that the Budget Committee met last Monday. They discussed changes in the methodology on fixed income and they agree to discuss this throughout the year to address changes in the future. There will be a budget meeting on August 18 at 10:00 AM at CRWA. They also discussed the bond payments and having 4 months in reserve. GBRA has increased 4% which equals \$130 acre feet. This will adjust raw water lease payments. Springs Hill will stay at \$22.07. Power costs have increased an average of 14%, chemicals stayed the about the same. Mr. Powell indicated at the budget meeting two tanks will need work such as re-doing the liners at \$250 each and approximately \$83,000 worth of painting. Plate separators at Hays County will be \$49,000 as well as painting there. There will be replacement costs for membranes. Wells Ranch will need one to two employees as well as the wage increases.

Item 5. Discussion/Report on lease agreements for future Brackish Wilcox Project.

Mr. Davenport reported that SSLCD gave up first right of refusal on the Blumberg Lease. It doesn't appear to be in writing but we hope to move forward when it is confirmed. The Construction Committee has an issue with permits coming up in November for the original wells in Gonzales County. If the contiguous rule is changed, we have enough leases in holding so we will not have to acquire more leases for the loss of water in the Wells Ranch property from 2 acre feet to 1 acre foot. We are trying to get it resolved with district. We need to acquire some leases along the Blumberg boundary in Guadalupe County. Mr. Blumberg has been pressing for rule changes in the Wilcox. We need to create a clear plan on moving forward with acquiring more leases along the Wilcox and Carrizo Aquifers.

Item 6. Report on improvements to Wells Ranch Project Phase I and implementing Wells Ranch Phase II.

Mr. Thompson stated they met with SAWS on July 10 to understand their water needs and how they might participate with CRWA. They are still very interested in the Lake Dunlap disinfection. Their decisions will depend upon the

process and cost. At one time they were interested in Wells Ranch but Vista Ridge has put a kink in that plan. It appears Vista Ridge will be all the water they will need. We talked about the Vista Ridge pipeline and how it will run in the middle of CRWA service area and HCPUA. We discussed joint usage of the pipeline. This could be a cost reduction for SAWS. There is interest in this pipeline by several other entities as well. Mr. Davenport stated the route appears to follow the IH35 corridor. They are looking at a delivery point of Hwy 281 and 1604.

Mr. Weikel gave an update with slides on the parcels acquired on the Santa Clara and Crystal Clear Projects. They have been turning them in to the land right of way group as they are acquired.

Mr. Lackey provided slides on the updates of Payton Construction. The three projects are the Leissner Booster Pump Station, the Chicken House Well #8 and the Wells Ranch Water Treatment Plant. At Leissner the electric should be installed and running in the next couple of weeks. At Wells Ranch Well #8 Payton is responsible for connecting the pipe. They still have painting and final site work to complete. They are focused on making it operational. At the Water Treatment Plant the Tonka Filters were delivered onto a trolley system and set on pads. Piping is being worked on now. Their next project is the plate separator at Hays Caldwell. They are due to arrive at the end of August. They want them to complete Leissner first then start this in September.

Item 7. Report on and Discussion/Action on treatment techniques and water quality improvements at Lake Dunlap and Hays Caldwell WTPs.

Mr. Lackey explained they are in a 24/7 test mode on the optimization study. We have been running smoothly for about 3 weeks. We are taking tests on a 2 week cycle. Our purpose is to see how the systems operate on a long term basis and the organic loading on the carbon columns and the resin columns to see what their life cycle is. He provided slides on the costs and procedures to install systems.

Item 8. Discussion/Report on on Region L and the current planning process.

Region L will meet on August 7.

Item 9. Report on the Regional Water Alliance

Mr. Allen reported that the meeting was mainly a briefing on Region L. The next meeting is August 12, 2014. The meeting will recap the SARA meeting.

Item 10. Items for the next Board of Managers Meeting or the Board of Trustees Meeting.

With nothing more to discuss the meeting was adjourned at approximately 11:52 p.m.