

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

**Wednesday, August 23, 2023
CRWA ADMINISTRATIVE BUILDING
850 Lakeside Pass, New Braunfels, Texas 78130**

This Notice is posted pursuant to the Texas Open Meeting Act. (TEX. REV. CIV. STAT. ANN. Chapter 551, Section 31.) The Canyon Regional Water Authority will hold an in-person meeting at **10:00 AM Wednesday, August 23, 2023**, regarding provisions of the Texas Open meetings act. Additional information can be obtained by calling: (830) 609-0543.

The Board of Managers will consider the following items and make recommendations to the Board of Trustees as appropriate:

Item

- 1 Open Meeting & Corrections to July 26, 2023, Meeting Notes**
- 2 Water Resources:**
 - A. Precipitation update ~ *Staff*
 - B. Drought and Canyon Lake update ~ *Staff*
- 3 Water Quality:**
 - A. Taste and Odor update ~ *Staff*
- 4 Treated Water Production Update:**
 - A. Current Water Treatment Operations ~ *Staff*
 - Lake Dunlap WTP
 - Wells Ranch WTP and Well Field
 - Hays Caldwell WTP and Pall Mobile Unit
 - B. Water Rights and Water Usage ~ *Staff*
 - Lake Dunlap / Wells Ranch accounting update
 - Hays Caldwell accounting update
- 5 Water Treatment Improvement Projects:**
 - A. Lake Dunlap WTP RFQ ~ *Staff*
 - B. Hays Caldwell WTP membrane replacement scope of work and cost estimate ~ *Staff and Ardurra Engineering*
 - C. Hays Caldwell WTP Improvements (outside of filter building) update ~ *Staff and Ardurra Engineering*
 - D. Wells Ranch emergency generators update ~ *Staff*
- 6 Water Transmission Improvement Projects:**
 - A. TxDOT/CRWA IH-10 (Santa Clara and Zuehl) Transmission Line Encasement Project update ~ *Staff and UEG*
 - B. TxDOT/CRWA FM 1518 Transmission Line Project update and estimated costs ~ *Staff and UEG*
 - C. Asset Management (GIS) update ~ *Staff and UEG*
 - D. CRWA Design Standards and Specifications ~ *Staff and UEG*
 - E. TxDOT/Hays County/Crystal Clear/CRWA FM 621/CR 266 Water Line Relocation Project ~ *Staff*
 - F. County Line SUD Pipeline Design ~ *Staff*
- 7 Water Development Projects:**

- A. Alliance Regional Water Authority project update ~ *Alliance*
- B. Master Plan ~ *Staff and Trihydro Engineering*
- C. Wells Ranch III Project Planning:
 - Groundwater leasing and permitting update ~ *Staff*
 - Conceptual engineering plan update ~ *Staff and Trihydro Engineering*
 - Draft water supply and treatment contract update ~ *Staff*

8 FY 2024 Budget:

- A. Draft FY 2024 budget discussion

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

10 Announcements and Adjourn

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

Regular Meeting:

The Canyon Regional Water Authority (CRWA) Board of Managers met for a regular meeting in person on Wednesday, July 26, 2023, at 10:00 a.m.

The following individuals attended the meeting:

Board of Managers:		CRWA Staff:		Board of Trustees and Others:	
Pat Allen	Jacob Parsons	John Kaufman	Humberto Ramos	Doug Schnautz	David Rabago
Cayton Germany	Jonathon Smith	David McMullen	Adam Telfer	Randy Schwenn	Daniel Smith
Justin Ivicic	Brandon Rohan	Fran Powers	Joan Wilkinson	Richard Gallegos	Yue Sun
				David Kneuper	

Item

1 Open Meeting & Corrections to June 28, 2023, Meeting Notes

- » John Kaufman opened the meeting at approximately 9:59 a.m.
- » There were no corrections to the meeting minutes.

2 Water Resources:

- A. Precipitation update ~ *Staff*
- B. Drought and Canyon Lake update ~ *Staff*

- » **Precipitation, Drought, and Canyon Lake update** ~ Adam Telfer gave a presentation on the current drought intensity in our area, 2022 vs. 2023 precipitation amounts, the water use reductions at each drought stage, and the historical trend of Canyon Lake. He reported that GBRA contacted CRWA on July 19 about a voluntary water use reduction by 5%. CRWA subsequently asked member entities to reduce their water use by 5% and enforce their drought response plans. The drought contingency plan is system wide. At present, GBRA does not anticipate a reduction in raw water deliveries to the Hays Caldwell WTP or a reduction in surface water diversions from the Guadalupe River at Lake Dunlap. CRWA's intake in the Guadalupe River at Lake Dunlap is lower than GBRA's diversion. Member entities are, nevertheless, encouraged to ask their customers to voluntarily conserve water.

3 Water Quality:

- A. Taste and Odor ~ *Staff*
- B. Complying with EPA's proposed PFAS Rule ~ *Staff*

- » **Taste and Odor** ~ Mr. Telfer gave a presentation on non-harmful naturally occurring compounds, geosmin and 2-methyl-isoborneol (MIB), which are the primary cause of the musty/earthy taste and smell in CRWAs drinking water. CRWAs goal is to eliminate future taste and odor problems associated with the drinking water at LDWTP using powdered or granulated activated carbon (GAC). Mr. Kaufman added that samples are collected from raw water and treated water weekly. The Board of Trustees asked Staff to test the water twice-weekly through the summer months to ensure that geosmin and MIB levels will remain below common detection levels.
- » **Complying with EPA's proposed PFAS Rule** ~ Mr. Kaufman gave a presentation on PFAS compounds, potential health effects, proposed rulemaking, proposed enforceable EPA limits, compliance monitoring, compliance determinations, public notification, and treatment. No action is required at this time, but Public Water Systems (PWS) are advised to start monitoring the six regulated PFAS in their finished water. The proposed new EPA rule that will require PFAS removal from drinking water is an unfunded federal mandate. A fifth Unregulated Contaminate Monitoring Rule (UCMR 5) will require public water systems to monitor 29 different PFAS

compounds (as emerging contaminants), including six PFAS compounds to be regulated under the proposed rule. TCEQ took samples at the HCWTP for the analysis of the 29 designated PFAS compounds; two of these compounds were detected in low concentrations. TCEQ is scheduled to collect similar water samples at the LDWTP in August.

4 Treated Water Production Update:

- A. Current Water Treatment Operations ~ *Staff*
 - Lake Dunlap WTP
 - Wells Ranch WTP and Well Field
 - Hays Caldwell WTP and Pall Mobile Unit
- B. Water Rights and Water Usage ~ *Staff*
 - Lake Dunlap / Wells Ranch accounting update
 - Hays Caldwell accounting update
 - Out-of-Basin water use accounting

» David McMullen and John Kaufman reported on Current Water Treatment Operations:

- ♦ Lake Dunlap WTP ~ Mr. McMullen stated water demand is increasing and the WTP produced 10.3 MDG on July 25. Once SAWS comes back online, the WTP plant will likely reach maximum capacity. Staff started refilling the Wagner tanks on July 26; the 1604 tank will be filled when SAWS decides to come back online. SAWS plans to collect water samples for BAC-T testing when the 1604 tank begins to fill.
- ♦ Wells Ranch WTP and Well Field ~ Mr. McMullen stated the plant produced 8 MGD on July 25. For Well No. 1, the contractor has equipment onsite to install the pump starting on July 30.
- ♦ Hays Caldwell WTP and Pall Membrane Trailer ~
 - Treated water production is averaging 3 MGD from the HCWTP. The Pall trailer has been producing about 1 MGD because the membrane trailer continues to experience programming and mechanical issues requiring hands-on attention by Pall technicians and Staff. The Pall trailer operated without stopping on July 24 and July 25. Operations Staff have also experienced issues with SCADA programming and treatment chemicals.
 - Mr. McMullen anticipates the Pall membrane trailer will soon produce 1.5 MGD. Once the trailer is able to run automatically, it will be in the lead and the Koch membranes will make up the additional water needed. There continues to be no increase in Koch membrane failures.

» Mr. Telfer reported on Water Rights Accounting:

- ♦ Lake Dunlap / Wells Ranch ~ Mr. Telfer presented a draft chart of water rights and water use accounting. Members have used 37% of the contract amount and 63% is still available. The two plants are trending with higher usage than last year due largely to increased demand by SAWS. Treated water production from the LDWTP continues to increase in 2023 because of better pretreatment performance.
- ♦ Hays Caldwell ~ Mr. Telfer presented a draft chart of water rights and water use accounting; overall water usage has been trending less than the previous year.

5 Water Treatment Improvement Projects:

- A. Lake Dunlap WTP RFQ ~ *Staff*
 - B. Hays Caldwell WTP membrane replacement scope of work and cost estimate ~ *Staff and Ardurra Engineering*
 - C. Hays Caldwell WTP Improvements (outside of filter building) update ~ *Staff and Ardurra Engineering*
 - D. Wells Ranch emergency generators update ~ *Staff*
- » **Lake Dunlap WTP RFQ** ~ Mr. Kaufman is reviewing comments he received on the draft RFQ. He added a scope discussion for dealing with taste and odor, PFAS treatment, and optimization of pretreatment.

- » **Hays Caldwell WTP Membrane Replacement Scope and Cost Estimate** ~ A membrane replacement scoping meeting was held on July 5. The project scope and engineering service proposal is being developed.
- » **Hays Caldwell WTP Improvements (outside of filter building update)** ~ HCWTP Improvement Project is waiting on the floodplain permit from Caldwell County to move forward. Potential funding opportunities were identified. Staff and Ardurra are seeking to have final permits in August.
- » **Hays Caldwell Ozone Project** ~ Samples were collected on July 5 for evaluation of ozonation treatment and testing is in progress.
- » **Wells Ranch emergency generator update** ~ The electrical connections are being worked on to be reconfigured to their original state; the estimated time frame is about a day.

6 Water Transmission Improvement Projects:

- A. TxDOT/CRWA IH-10 (Santa Clara and Zuehl) Transmission Line Encasement Project update ~ *Staff and UEG*
 - B. TxDOT/CRWA FM 1518 Transmission Line Project update and estimated costs ~ *Staff and UEG*
 - C. Asset Management (GIS) update ~ *Staff and UEG*
 - D. CRWA Design Standards and Specifications ~ *Staff and UEG*
 - E. TxDOT/Hays County/Crystal Clear/CRWA FM 621/CR 266 Water Line Relocation Project ~ *Staff*
 - F. County Line SUD Pipeline Design ~ *Staff*
- » **TxDOT/CRWA IH-10 (Santa Clara and Zuehl) Transmission Line Encasement Project update** ~ David Kneuper with Utility Engineering Group (UEG) stated the construction contract was completed; he received updated pricing information and he can prepare the deduct change order for the Construction Committee and Board of Trustees. He anticipates having the change order to CRWA Staff by July 28 and a pre-construction meeting around August 14. Mobilization will start in August.
 - » **TxDOT/CRWA FM 1518 Transmission Line Project Update and Estimated costs** ~ Mr. Kneuper stated he is working with Fran Powers on scheduling the bid advertisements; bids will be opened on August 29. Mr. Kneuper plans to have the bids ready for the Construction Committee and Board of Trustees to take action on in September.
 - » **Asset Management (GIS) update** ~ Debra Kirkland will be in the field on July 27 to collect data for the GIS project. Mr. Kneuper would like to have all GIS data collection complete by the end of the year.
 - » **CRWA Design Standards and Specifications** ~ Mr. Kneuper stated UEG is working on draft design standards, specifications, and encroachment agreements for the transmission main system. He anticipates having the drafts to CRWA around August 14.
 - » **TxDOT/Hays County/Crystal Clear/CRWA FM 621/CR 266 Water Line Relocation Project** ~ Mr. McMullen stated that construction started and should be completed around August 14 if the tie ins are finished. Most of CRWA's new pipes were placed; the contractor is starting to place new pipes for Crystal Clear. The contractor decided to bore beneath 621 instead of performing an open cut for the new pipe. Boring is scheduled to start the week of July 24, Cayton Germany added Crystal Clear is working on different routes to keep their customers in service while the tie-ins start.
 - » **County Line SUD Pipeline Design** ~ Mr. Gallegos reported that he is working with CRWA Staff on a scope of work. Mr. Kaufman intends to have a scope of work before the Construction Committee in a month.

7 Water Development Projects:

- A. Alliance Regional Water Authority project update ~ *Alliance*
- B. Master Plan ~ *Staff and Trihydro Engineering*
- C. Wells Ranch III Project Planning:
 - Groundwater leasing and permitting update ~ *Staff*
 - Conceptual engineering plan update ~ *Staff and Trihydro Engineering*
 - Draft water supply and treatment contract update ~ *Staff*

» **Alliance Regional Water Authority Project Update** ~ Humberto Ramos reported that Alliance has conducted project cost meetings for the past two months. The pipeline going north is estimated to need an additional \$46 million to complete the project. GBRA is requesting that Alliance approve an expansion of the water treatment plant capacity. He also discussed other project work that could increase costs by another \$100M.

» **Master Plan** ~ David Rabago of Trihydro Engineering reported that Trihydro is addressing comments received from CRWA Staff on the draft Master Plan.

» **Wells Ranch III Project Planning:**

- ♦ Groundwater Leasing and Permitting Update ~
 - Groundwater Leases – Humberto Ramos reported that CRWA is continuing to pursue leases. There has been no action by the landowners' attorney.
 - Well Permit Amendment – Humberto Ramos reported that CRWA's permit application to increase production by 920 af/yr from the Carrizo aquifer at Well 14 will be discussed at a hearing before the Gonzales County Underground Water Conservation District in September.
- ♦ Draft Water Supply and Treatment Contract Update ~ Humberto Ramos stated that Mr. Kaufman received, from Samco Capital, the projected debt payment schedule for the project. He further stated the overall project is still moving forward. Mr. Ramos also announced that he resigned from his position at CRWA to be the GM at County Line SUD.

8 FY 2024 Budget:

- A. Draft FY 2024 budget discussion

» **Joan Wilkinson reported on important aspects of the draft FY 2024 Budget:**

- ♦ Debt Service Payments – Following the debt schedules; after the July payment there will be three extra payments in the reserve funds.
- ♦ GBRA Lease Rate – Increased from \$165/af to \$175/af. The out-of-basin charge will go away on 12/31/23. The Hays Caldwell lease rate will remain the same.
- ♦ Auto and Mobile Equipment Insurance – the rate increased 6%.
- ♦ Real and Personal Property Insurance – 6% increase plus 12% increase in value.
- ♦ Administrative Costs – To increase approximately \$700K; includes 5% COLA and 3% merit increase for CRWA Staff; to add two FTEs for a Project Engineer and new WTP Operator.
- ♦ Health Insurance Premiums – Increased by 49%. CRWA Staff to recommend the Board of Trustees pay 50% of insurance premiums for spouse and dependent insurance coverage.
- ♦ Disability Insurance – To add short-term disability for CRWA Staff, the Board of Trustees previously approved coverage for long-term disability insurance.
- ♦ Life Insurance – To include life insurance coverage for CRWA Staff provided by TCDRS.
- ♦ Lab Testing Fees and Supplies – Cost adjusted for increased frequency in testing and increased pricing of supplies.
- ♦ Operator Clothing Budget – To increase from \$300 to \$500 per year for CRWA Operators.
- ♦ Water Sales – Projected to increase about 3%.
- ♦ Variable Plant Costs – Chemical and electrical costs to increase 21% and 5%, respectively.
- ♦ FY 2022 vs Draft FY 2023 Budgets – Increased \$3.3M; \$1.2M is for the Alliance Project.

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

- » A designated member of the Board of Manager should chair Board of Manager meetings and provide reports at the Board of Trustees meetings.

10 Announcements and Adjourn

- » While discussing the Wells Ranch III Project Planning, Mr. Ramos announced that he resigned from his position at CRWA to be the next General Manager at County Line SUD.
- » Mr. Kaufman adjourned the meeting at approximately 12:17 p.m.