

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
SAN ANTONIO RIVER AUTHORITY
MAY 21, 2008

The regular meeting of the Board of Directors of the SAN ANTONIO RIVER AUTHORITY was called to order by the Chairman, Thomas G. Weaver, at 2:02 p.m., Wednesday, May 21, 2008, at the General Offices of the San Antonio River Authority, 100 East Guenther Street, San Antonio, Bexar County, Texas.

Sally Buchanan, Secretary, called the roll and certified a quorum present as follows:

BEXAR COUNTY:

Sally Buchanan	Present
Hector Morales	Present
Jeff Neathery	Present
Názirite Rubén Pérez	Present
Roberto G. Rodríguez	Present
Thomas G. Weaver	Present

GOLIAD COUNTY:

Terry E. Baiamonte	Absent
Adair R. Sutherland	Present

KARNES COUNTY:

Gaylon J. Oehlke	Present
H.B. Ruckman III	Present

WILSON COUNTY:

John Flieller	Present
A.D. Kollodziej, Jr.	Present

Staff members present were:

Suzanne Scott, General Manager
Steve Graham, Assistant General Manager
Steve Raabe, Director of Technical Services
Susan Eason, Director of Internal Resources
Claude Harding, Real Estate Manager
Mike Gonzales, Environmental Sciences Manager
Dale Bransford, Manager of Park Services
Al Astran, Utilities Manager
Sharon McCoy-Huber, Finance Manager
Rudy Farias, Manager of Water Resources and Community Development
Steven Schauer, Manager of External Communications

Nefi Garza, Manager of Watershed Management
Jim Boenig, Manager of Engineering
Brian Mast, Intergovernmental Relations Specialist

Other individuals present were:

David Ross, Legal Counsel
Lupe Moreno, Temporary Administrative Assistant
Elaine Neathery
Art Dohmann, Goliad County Groundwater Conservation District
Joe Kozielski, Goliad County Groundwater Conservation District
Jack M. Finger, Citizen
Lisa Guardiola, San Antonio Water System
Randy Wauters, M4

Mr. Weaver called on Lupe Moreno for **INTRODUCTION OF VISITORS:** Ms. Moreno stated the following: Elaine Neathery; Art Dohmann, Goliad County Groundwater Conservation District; Joe Kozielski, Goliad County Groundwater Conservation District; Jack M. Finger, Citizen; Lisa Guardiola, San Antonio Water System; Randy Wauters, M4

Mr. Weaver called on Ms. Moreno for **CITIZENS TO BE HEARD:** Ms. Moreno reported that Jack M. Finger, Citizen, had registered to speak regarding the Tax Increase. Mr. Weaver called Mr. Finger to the podium to address the board. Mr. Finger indicated that he had been told there would be a vote on a tax increase during the meeting and that he did not support a tax increase. He requested the board to review their budget and to consider the people. Mr. Weaver reported that there was no action to be taken on a tax increase during the meeting.

Mr. Weaver called on Suzanne Scott for **EMPLOYEE RECOGNITIONS:** Ms. Scott called Travis J. Krueger to the front for recognition of five years service to the San Antonio River Authority. According to Ms. Scott, Travis joined the River Authority on April 14, 2003 as a Utilities Crewman in Plant Operations. He currently holds the title of Lead Specialist I, Lead Operator I and has earned his Class B Wastewater Treatment Operator license. His responsibilities include monitoring the operations of Salatrillo, Upper Martinez and Martinez II plants as well as the contract plants. Travis works the night shift and weekends on a rotating basis and is available for customer service problems as they occur. He provides positive leadership for the operators who work under him.

Mr. Weaver called for **APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS HELD ON APRIL 23, 2008.** Ms. Buchanan so moved and _____ seconded _____ by Mr. Morales, motion carried unanimously.

Mr. Weaver called for **Agenda Item 9: SAN ANTONIO RIVER AUTHORITY BOARD OF DIRECTORS EXECUTIVE, COMMUNICATIONS, FISCAL AND OPERATIONS COMMITTEE AND BOARD MEMBER CONFERENCE ATTENDANCE REPORTS.**

- **Executive Committee:** Mr. Weaver indicated there was nothing new to report regarding the Executive Committee.

- Fiscal Committee: Mr. Oehlke stated there was nothing new to report since the April 7, 2008 meeting.
- Communications Committee: Mr. Rodriguez reported there was nothing new to report.
- Operations Committee: Mr. Ruckman reported that the Operations Committee had met on May 12, 2008 and briefed the Board on the Operations Committee-approved items on consent. Mr. Ruckman stated that he recommended approval of the Estuary Environmental Flows Study with Guadalupe-Blanco River Authority, already in the budget. He also recommended approval of the Cibolo Creek Study, which is budgeted, and he reported that the laboratory fees were not increasing, although new services had been added. He indicated that the Operations Committee supported approval of the MOU with Bexar County and making adjustments to wastewater, water, and water transport fees, and all the customers are satisfied with those adjustments. The committee also supported the Texas Water Development Board (TWDB) grant application for Regional L planning and an application for rehabilitation of Chupaderas Creek Dam. Mr. Ruckman reported the committee had supported selling reuse water from the Martinez I Plant. He stated he was pleased that the River Authority is helping the City of Kenedy with a \$1.5 million bond issue and the Water Supply Corporation of Karnes County with a \$3 million revenue bond issue. He stated that the committee had received an update on the Graytown Road Wastewater Treatment Plant, the ILA with Bexar County, river monitoring gauges, dam rehabilitation programs, consultant selections on the operations building, and water resources planning.
- Regarding Board Member Conference Reports: There were no conference reports.

Mr. Weaver called for the **Consent Agenda, Agenda Items 10 through 24**, with the exclusion of Agenda Item 12: **MEMORANDUM OF UNDERSTANDING BETWEEN BEXAR COUNTY, THE CITY OF SAN ANTONIO AND THE SAN ANTONIO RIVER AUTHORITY REGARDING THE USE AND MANAGEMENT OF POTENTIAL REVENUE FROM THE VISITORS TAX TO SUPPORT AND ENHANCE THE SAN ANTONIO RIVER IMPROVEMENTS PROJECT**, which, having discussed the item with Fiscal Committee Chair Gaylon Oehlke, Mr. Weaver recommended be pulled from the consent agenda. Mr. Weaver indicated Item 12 could be tabled until the June 4 meeting or could be considered individually during the current meeting.

Mr. Ruckman moved to approve the Consent Agenda excluding Item 12, which is to be tabled until the Special Meeting on June 4, and, seconded by Mr. Morales, the motion carried unanimously.

Mr. Oehlke asked whether there would be action on Item 12 following individual discussion. Mr. Ross indicated there would be. Mr. Kollodziej stated he did not want to take action on that item. Mr. Weaver explained that action was required for staff to move forward in completion of the fiscal year 2008/09 budget. He suggested that the board table discussion and action until the meeting on June 4. Mr. Kollodziej objected to the meeting, which was being called a workshop, and its scheduled length. Mr. Perez asked if that meeting was important. Mr. Weaver reported that the purpose was to guide staff in the preparation of the budget. Ms. Scott indicated the meeting would be posted as all other Board meetings are posted and would be open to the public.

Agenda Item 10: MOTION APPROVING THE BIOLOGICAL DATA-BASE MANAGER SOFTWARE PROJECT AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND AMEND AS NEEDED A COST SHARING AGREEMENT WITH THE GUADALUPE-BLANCO RIVER AUTHORITY

Water and natural resource management strategies applied in the San Antonio River Basin can have an impact on the environmental flows needed to support sound ecological environments in the San Antonio River, the Guadalupe Estuary and San Antonio Bay. The Estuary Response Project (ERP) was designed to help determine the freshwater inflow requirements for San Antonio Bay. The components of the study include biology, hydrography and water quality. The ERP will develop and apply models capable of depicting the large scale variations in key ecosystem parameters and their dependence on external factors. One of the most important is freshwater inflow to San Antonio Bay. A central element of the biological component of ERP consists of the development of a merged database of traditional harvest data to the extent records are available, and an analysis of that harvest data.

The Biological Data-Base Manager Software project (a sub-task of the biological component of the ERP) would develop a custom database to extract and manipulate specific biological density data from the Texas Parks & Wildlife (TPWD) Coastal Fisheries data file. Currently the TPWD database is so large that it cannot be analyzed by standard software.

Development of the custom database will be required to extract TPWD data for both the Estuary Response Project (ERP) and the Coastal Impact Assistance Program (CIAP). This custom database will help to assimilate the basic data needed to determine the environmental flows mandated in Senate Bill 3.

The estimated cost of the Biological Data-Base Manager Software task is \$55,000. The San Antonio River Authority and the Guadalupe-Blanco River Authority would split the cost of this task 50/50. The funds for SARA's share of the cost are included in the FY 2007/08 budget.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Motion approving the Biological Data-Base Manager Software Project and authorizing the General Manager to negotiate, execute and amend as needed a cost sharing agreement with the Guadalupe-Blanco River Authority.

Agenda Item 11: PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING RESOLUTION NUMBER R-1339 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY AUTHORIZING THE GENERAL MANAGER TO EXECUTE A SUPPLEMENTAL AGREEMENT TO THE UPDATED FEASIBILITY COST SHARING AGREEMENT FOR THE CIBOLO CREEK WATERSHED STUDY PHASE III

The US Army Corps of Engineers Cibolo Creek Feasibility Study was authorized by the San Antonio River Authority on February 20, 2002. The objective of the study is to determine the level of federal interest in development of flood control and ecosystem restoration projects in the Cibolo Creek above IH 10. The San Antonio River Authority and its co-sponsors, the San

Antonio Water System (SAWS) and Guadalupe-Blanco River Authority (GBRA), have contributed approximately \$895,000 to match the federal share of \$910,500 for a total of \$1,805,502 for the first two phases of the study. During Phases 1 and 2, hydrology and hydraulic models have been developed, calibrated and analyzed. The scope of the study was increased to better define surface to groundwater interaction and its effect on the Edwards and Trinity Aquifers. This has drawn the interest of the Edwards Aquifer Authority (EAA) as a potential participant.

The Corps of Engineers is ready to initiate the third phase of the feasibility study. The authorization to start Phase 3 will be a supplement to the original 2002 feasibility study. This will be the final phase before design and construction. The total cost for the feasibility study has increased due to the need for an integrated environmental impact statement and other price level inflation in engineering and design. Costs for all three phases are shown below, and the new revised total and difference are shown below.

**Cibolo Watershed Study
Revised Study Costs**

	Original Total for all 3 phases	Revised Total	Difference
SAWS	\$ 419,688	\$650,572	\$ 230,884
GBRA	\$ 507,657	\$817,215	\$ 309,558 *
SARA	\$ 507,657	\$817,215	\$ 309,558
COE	\$ 1,450,500	\$2,300,500	\$ 850,000
	\$ 2,885,502	\$4,585,502	\$1,700,000

*The Edwards Aquifer Authority will be participating in Phase 3 of the Feasibility Study through an interlocal agreement with GBRA.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Motion that Resolution No. R-1339 be passed and approved.

Agenda Item 13: ORDINANCE NUMBER O-1308 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY CANCELING AND SUPERSEDING ORDINANCE NO. O-1289, AND ADOPTING AND PROMULGATING FISCAL YEAR 2008/09 ANALYSIS FEE SCHEDULE FOR THE SAN ANTONIO RIVER AUTHORITY REGIONAL WATER AND WASTEWATER LABORATORY FOR PHYSICAL, CHEMICAL, AND BACTERIAL ANALYSES, AND DIRECTING REVIEW OF ANY REVISIONS TO SUCH SCHEDULES

On June 20, 2007, the San Antonio River Authority Board of Directors passed and approved Ordinance No. O-1289 adopting and promulgating the SARA Environmental Sciences Department (ESD) Regional Water and Wastewater Laboratory analysis fee schedules for FY 2007/08. The ordinance continues the policy for the review and adoption of changes to future laboratory analysis fee schedules by ordinance approved by the SARA Board of Directors

SARA Environmental Sciences Department personnel have evaluated the fiscal year 2007/08 Laboratory Analysis fee schedule in comparison with other area laboratories. Staff has also considered newly adopted analytical methodologies, equipment and resulting laboratory efficiencies. The Laboratory has had an increase in the number of samples submitted over the last year, and is recommending no fee adjustments for fiscal year 2008/09. However, the ESD laboratory has added new capabilities and is now able to analyze for chlorophyll a, and a suite of heavy metals. The fees for chlorophyll a and heavy metals parameters are additions to the fee schedule.

Ordinance No. O-1308 adopts the fee schedule listing laboratory services available for fiscal year 2008/09 and continues the policy established by Ordinance No. O-1289 that directs that laboratory analysis fee schedules be promulgated after consideration by the SARA Board of Directors when laboratory analytical fees are revised.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Motion that Ordinance No. O-1308 be passed and approved.

Agenda Item 14: ORDINANCE NUMBER O-1309 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO EXECUTE AND THE ASSISTANT SECRETARY TO ATTEST, RESPECTIVELY, AMENDMENT NO. 39 TO SEWAGE TRANSPORTATION, TREATMENT AND DISPOSAL CONTRACT FOR THE FISCAL YEAR BEGINNING JULY 1, 2008

Applying the rate formula required by the contracts with the cities of Universal City, Converse and Live Oak, the capital replacement and debt service rate and the operation and maintenance rate for fiscal year 2008/09 are \$1.19 fixed charge and \$1.41 per 1,000 gallons per month, respectively. The rate for commercial customers is \$1.61 per 1,000 gallons of actual monthly-metered water consumption. Impact fees will remain the same at \$1,350 per residential equivalent connection.

Using the 2007/08 winter average water use for each of the cities and the San Antonio River Authority Retail System to calculate the monthly rates as required by the contracts with the cities, the River Authority wholesale bill to the “average” residential customer in each system is as follows:

<u>Served Group</u>	<u>Wholesale Monthly Charge</u>		<u>Winter Average Water Consumption</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
	<u>2007/08</u>	<u>2008/09</u>	<u>Gal/Mo</u>	<u>Gal/Mo</u>
Universal City	8.24	8.73	5,169	5,339
Converse	9.07	10.24	5,776	6,414
Live Oak	9.20	8.94	5,868	5,491
SARA Retail	9.41	9.83	6,019	6,121
Average	9.06	9.59	5,767	5,949

Contract Amendment No. 39 incorporates the necessary changes in wholesale rates and continues the impact fees unchanged from fiscal year 2007/08. The City Council of Live Oak met on May 13, 2007; the City Councils of Universal City and Converse met on May 6, 2007 to consider Contract Amendment No. 39. The River Authority staff was present at these meetings to give presentations and to answer questions.

All parties need to approve Contract Amendment No. 39 by the end of May to allow the River Authority the required 30 days written notice of rate changes to the water purveyors who, by contract, must bill the new River Authority charges beginning on July 1.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Ordinance No. O-1309 authorizing and directing the General Manager to execute and the Assistant Secretary to attest, respectively, Amendment No. 39 to Sewage Transportation, Treatment and Disposal Contract for the fiscal year beginning July 1, 2008.

Agenda Item 15: ORDINANCE NUMBER O-1310 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY ESTABLISHING IMPACT FEES AND WASTEWATER SERVICE CHARGES TO BECOME EFFECTIVE JULY 1, 2008 FOR THE SALATRILLO CREEK RETAIL WASTEWATER SYSTEM

Customers of the Salatrillo Creek Retail System are served collectively as an additional contracting party like Converse, Live Oak and Universal City, which also receive wastewater treatment service from the Salatrillo System. It is necessary that Salatrillo Creek Retail System charges include all elements of the wholesale charges to the cities, plus the additional costs associated with the operation and maintenance of the Retail System's wastewater collection system.

A comparison of the current and proposed charges for the typical retail customer who experienced "system average" wintertime water use is as follows:

<u>2007/08 (Current)</u>	<u>2008/09 (Proposed)</u>
\$9.41 + \$4.90 = \$14.31*	\$9.83 + \$3.33 = \$13.17*

*Wholesale charge plus retail system expense = monthly retail service charge.

The proposed commercial sanitary wastewater rate is \$2.08 per 1,000 gallons of actual metered water consumption

The calculated rate conforms wholesale charges for the Salatrillo Creek Retail System customers to that of the three cities served by the same system and provides for recovery of the necessary charges for operation and maintenance of the collection system. The current impact fee of \$1,350 per residential equivalent connection for future development in this portion of the Salatrillo System service area remains the same.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Ordinance Number O-1310 establishing impact fees and wastewater service charges to become effective July 1, 2008, for the Salatrillo Creek Retail Wastewater System.

Agenda Item 16: ORDINANCE NUMBER O-1311 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO CONTINUE THE PROGRAM FOR THE SALE AND DELIVERY OF TREATED MUNICIPAL WASTEWATER (RECLAIMED WATER), FOR “UNRESTRICTED USE” AS DEFINED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY RULES, CHAPTER 310, USE OF RECLAIMED WATER, AT THE SALATRILLO CREEK WASTEWATER TREATMENT PLANT FOR UTILIZATION IN AND OUT OF THE SAN ANTONIO RIVER AUTHORITY WASTEWATER SERVICE AREA DURING THE FISCAL YEAR BEGINNING JULY 1, 2008 AND ESTABLISHING A COST FOR SUCH WASTEWATER

On May 7, 1998, the City of Converse requested that the San Antonio River Authority provide the means to distribute reclaimed water. It is proposed that the General Manager continue the program for the sale and delivery of reclaimed water to individuals or companies into tanks for distribution from the Salatrillo Wastewater Treatment Plant. A fixed charge of four dollars (\$4.00) for loading and a variable charge of one dollar (\$1.00) per 1,000 gallons of reclaimed water provided are proposed. The charge is to cover administrative costs associated with the program.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Ordinance Number O-1311 authorizing and directing the General Manager to continue the sale and delivery of treated municipal wastewater at the Salatrillo Creek Wastewater Treatment Plant for utilization in and out of the San Antonio River Authority Wastewater service area during fiscal year 2008/09 and establishing a cost for such wastewater.

Agenda Item 17: ORDINANCE ESTABLISHING RATES/FEEES FOR THE SAN ANTONIO RIVER AUTHORITY WASTEWATER SYSTEM FOR FISCAL YEAR 2008/09

The rate formula used for the San Antonio River Authority Wastewater System (Martinez Creek Retail) is identical to the formula that is incorporated into the inter-governmental service contracts for the Salatrillo Wholesale Wastewater System. For fiscal year 2008/09, staff recommends a fixed charge (debt service plus capital replacement) of \$5.66 per month and an operations and maintenance rate of \$4.50 per 1,000 gallons per month. The monthly average of wintertime metered water consumption increased for the customers served by the Bexar Metropolitan Water District and the San Antonio Water System. The effective monthly wastewater bill for the “average” residential customer within the area is as follows:

	<u>Wholesale Monthly Charge</u>		<u>Winter Average Water Consumption</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
	<u>2007/08</u>	<u>2008/09</u>	<u>Gal/Mo</u>	<u>Gal/Mo</u>
Average	28.42	29.93	5,562	5,393

The fiscal year 2008/09 commercial wastewater service rate will be at \$5.55 per 1,000 gallons of metered water consumption per month. The impact fee will remain the same at \$2,150 per residential equivalent connection.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Ordinance Number O-1312 amending Ordinance No. O-692, passed and approved September 19, 1979, as amended establishing monthly rates and fees for the San Antonio River Authority Wastewater System for the fiscal year beginning July 1, 2008.

Agenda Item 18: ORDINANCE NUMBER O-1313 ESTABLISHING RATES/FEES FOR THE SAN ANTONIO RIVER AUTHORITY WATER SYSTEM FOR FISCAL YEAR 2008/09

Customers of the Creekwood, Moss Wood and Seven Oaks communities are served collectively as the San Antonio River Authority Water System (SARA Water System). It is necessary that SARA Water System charges for 2008/09 continue to include all elements of the system’s operation and maintenance costs, plus the additional costs associated with the improvements and upgrades to the water treatment plants and distribution system.

Beginning July 1, 2007, the River Authority implemented a tiered rate structure that increases fees as consumption increases. This tiered structure was different than the original fee that the River Authority continued to charge when we acquired the systems in March of 2006.

Staff is proposing to continue the tiered structure which will and does encourage customers to conserve water usage. Below is a comparison of current and proposed fees.

		<u>Current</u> <u>2007/08</u>	<u>Proposed</u> <u>2008/09</u>
Base		24.00	25.50
Variable	Per 100 gallons		
Tier 1	0 to 4,000	0.25	0.27
Tier 2	4,001 to 7,000	0.28	0.30
Tier 3	7,001 to 10,000	0.39	0.41
Tier 4	10,001 to 14,000	0.54	0.57
Tier 5	14,001 to 20,000	0.76	0.80
Tier 6	20,001 to 30,000	1.15	1.21
Tier 7	30,001 and over	1.50	1.58

A comparison of the current and proposed charges for the typical customer who experienced “average” water usage (6,524 gallons) is as follows:

<u>2007/08 (Current)</u>	<u>2008/09 (Proposed)</u>
\$24.00 + \$17.00 = \$41.00	\$25.50 + \$18.30 = \$43.80

There currently is not a commercial water rate, and staff recommends no change for 2008/09.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Ordinance Number O-1313 establishing water service charges for the San Antonio River Authority Water System for the fiscal year beginning July 1, 2008.

Agenda Item 19: ORDINANCE NUMBER O-1314 DECLARING SURPLUS PROPERTY

Certain articles of personal property have been identified as being obsolete and unserviceable and are, therefore, surplus to the operational needs of the Authority.

Recommendation: Ordinance No. O-1314 of the Board of Directors of the San Antonio River Authority declaring that several articles of personal property, listed below, owned by the San Antonio River Authority are not convenient to the business of the Authority and are surplus; declaring the appraised value of each of said articles to be less than five thousand dollars (\$5,000); and authorizing and directing the General Manager to proceed to dispose of said properties upon the terms deemed appropriate and to execute on behalf of the authority, such instruments as are necessary to effectuate such disposition.

	<u>DESCRIPTION</u>	<u>ASSET TAG</u>	<u>DEPARTMENT</u>
1	Walk in cooler	5263	Park Services
2	Walk in cooler	5262	Park Services

Agenda Item 20: RESOLUTION NUMBER R-1340 AUTHORIZING THE GENERAL MANAGER TO SUBMIT AN APPLICATION FOR FEDERAL ASSISTANCE (SF-424) FOR THE REHABILITATION OF CHUPADERAS CREEK DAM, CALAVERAS CREEK WATERSHED PROJECT – SITE 6 AS AUTHORIZED BY PUBLIC LAW 106-472 “THE SMALL WATERSHED REHABILITATION AMENDMENT”

In the early 1980's after several disastrous dam failures, the U.S. Congress commissioned a review of the engineering criteria and required an inspection of all dams nationwide. This review resulted in stricter standards for all dams to be deemed completely 'safe.' Several of the floodwater retention dams owned by the San Antonio River Authority were ultimately evaluated as being 'safe but hydraulically inadequate.' This term means that the dam is structurally sound, but the capacity of the emergency spillway will not safely pass 100% of the probable maximum flood and the dam could be overtopped under extreme rainfall conditions.

Public Law 106-472, "The Small Watershed Rehabilitation Amendments," was enacted in 2001 to address this nationwide issue. Under the terms of PL 106-472 the Natural Resources Conservation Service (NRCS), United States Department of Agriculture is authorized to assist local Watershed Sponsors such as the River Authority with a 65/35 cost share program to rehabilitate and upgrade flood water retention dams which do not meet the revised criteria.

SARA has participated in this program since its inception with three projects within the Martinez Creek Watershed. Rehabilitation has been completed on Live Oak Dam, Converse Dam and, most recently, Salatrillo Creek Dam.

Bexar County has provided funding on all previous Dam Rehabilitation Projects from their Flood Control Tax and has agreed to consider the funding of the local cost share in the next round of their Capital Improvements Program. Chupaderas Creek Dam is the next dam recommended for rehabilitation which may meet the NRCS criteria. A preliminary assessment has been performed. The process to receive NRCS construction funds is dependent upon a formal technical review and assessment by the NRCS. Results will be determined by the spring of 2009. At that time, local funding must be committed. Federal funding will then be determined by the Congressional budget process and distribution of that funding to other sponsors throughout the nation.

A Resolution of the Board Directors is needed to authorize the General Manager to submit an application (SF-424) to receive funding under the terms of PL 106-472. By the submission of the application, the River Authority will commit, contingent upon receiving a funding commitment from Bexar County, to continuing our current sponsorship and O&M responsibilities, entering a new O&M Agreement once the project is complete and signing a Memorandum of Understanding with the NRCS to provide in-kind technical and/or financial assistance for the project.

On May 12, 2008, the Operations Committee supported presentation of this item to the Board of Directors for approval.

Recommendation: Motion that Resolution No. R- 1340 be passed and approved.

Agenda Item 21: RESOLUTION NO. R-1341 AUTHORIZING AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD FOR A REGIONAL WATER PLANNING GRANT TO FUND SENATE BILL 1, SOUTH CENTRAL TEXAS REGIONAL WATER PLANNING GROUP BIENNIUM PLANNING PHASE II ACTIVITIES

The South Central Texas Regional Water Planning Group (Region L) is charged by Senate Bill 1, 75th Legislature, with developing a regional water plan for the Region L planning area. The 2006 Regional Water Plan was submitted to the Texas Water Development Board (TWDB) on January 19, 2006. The TWDB has solicited proposals for grants to fund Senate Bill 1 regional water Biennium Planning for Phase II activities to develop the 2011 regional water plan. The deadline for applications to the TWDB for funding Senate Bill 1 regional water Biennium Planning for Phase II activities is June 13, 2008. Region L, on May 1, 2008, authorized the San Antonio River Authority, as the political subdivision for Region L, to apply for TWDB grant funds on its behalf. These funds will be used to hire consultants needed to assist Region L with the interim planning activities.

The proposed interim planning activities include: Planning Area Description; Population and Water Demand Projections; Water Supply Analyses; Identification, Evaluation and Selection of Water Management Strategies; Impacts of Selected Water Management Strategies on Key Parameters of Water Quality and Impacts of Moving Water from Rural and Agricultural; Water Conservation and Drought Management Recommendations; Description of How the Regional Water Plan is Consistent with Long-term Protection of the State's Water, Agricultural and Natural Resources; Recommendations Regarding Unique Stream Segments and/or Reservoir Sites and Legislative & Regional Policy Issues; Report to Legislature on Water Infrastructure Funding Recommendations; Plan Adoption and Other Items. Grant funds to complete the above

activities will be awarded by the TWDB on a competitive basis among all the planning groups in the state.

On May 12, 2008, the Operations Committee supported presenting this item to the Board of Directors for approval.

Recommendation: Motion that Resolution No. R-1341 be passed and approved.

Agenda Item 22: RESOLUTION NO. R-1342 OF THE BOARD OF DIRECTORS OF THE SAN ANTONIO RIVER AUTHORITY NOMINATING SUZANNE B. SCOTT TO SERVE ON THE SOUTH CENTRAL TEXAS REGIONAL WATER PLANNING GROUP AS A RIVER AUTHORITY REPRESENTATIVE

Suzanne B. Scott’s term as a river authority representative on the south Central Texas Regional Water Planning Group (Region L) will expire in August 2008.

Region L, in accordance with their bylaws, will publish a notice May 18, 2008, in newspapers in general circulation in the planning region soliciting nominations to replace the vacancies of Region L voting members whose terms expire in August 2008. Nominations are due to the South Central Texas Regional Water Planning Group by June 20, 2008. On June 26, 2008, the Region L executive committee will interview and recommend nominees who will be considered by the Region L planning group members at their August 7, 2008 meeting.

Recommendation: Motion that Resolution No. R-1342 be passed and approved.

Agenda Item 23: BUDGET AMENDMENTS

The following budget accounts are proposed to be amended as indicated:

<u>Budget Account Number</u>	<u>Current Budget</u>	<u>Proposed Amendment</u>	<u>Amended Budget</u>
<u>General Fund</u>			
Transfer Out			
101-9110	-0-	531,000	531,000
Transfer Out-Other Cap			
101-9131	100,000	(100,000)	-0-
Revenue-ICMA			
101-4512	-0-	(110,000)	(110,000)
<u>Board of Directors</u>			
Training & Conferences			
1011100-7580	36,000	10,000	46,000
<u>Executive Offices</u>			
Professional Services			
1011210-7320	513,400	(100,000)	413,400
<u>Human Resources</u>			
Professional Services			
1011315-7320	12,000	12,000	24,000
Advertising			
1011315-7540	10,000	5,000	15,000

Intergovt & Comm Rel			
Professional Services			
1011370-7320	349,908	(70,000)	279,908
Parks Administration			
Personnel			
1011527-5110	105,489	40,000	145,489
Jackson Nature Park			
Personnel			
1011530-5110	38,334	(20,000)	18,334
River Access Sites			
Personnel			
1011531-5110	29,151	(15,000)	14,151
SA River Nature Park			
Personnel			
1011532-5110	23,625	(20,000)	3,625
Building & Grounds			
1011532-6115	1,000	(1,000)	-0-
Water Resources			
Professional Services			
1011715-7320	574,291	<u>(162,000)</u>	412,291
Net change to General Fund		<u>-0-</u>	
<u>Insurance Fund</u>			
Transfer In			
101-4910	-0-	<u>(531,000)</u>	(531,000)

During the fiscal year there were some unexpected claims on the Insurance Fund and some items within the General Fund that need to be reallocated to other departments due to shortfalls. The net effect of this transfer on the General Fund is \$-0-.

Recommendation: Motion that the proposed budget amendments to the fiscal year 2007/08 budget be approved.

Agenda Item 24: MOTION CANCELING BOARD AND COMMITTEE MEETINGS IN JULY

Given the concentration of Board and committee meetings during the budget season and the approval of the upcoming fiscal year budget in June, it has become customary for July Board and committee meetings to be cancelled.

Recommendation: Motion cancelling the July Regular Board Meeting and July committee meetings.

Mr. Weaver called for a motion to approve the consent agenda, excluding Agenda Item 12. Mr. Ruckman so moved and, seconded by Mr. Morales, the motion carried unanimously.

ITEMS FOR INDIVIDUAL CONSIDERATION (25 – 37): _

Mr. Weaver called on Sharon McCoy-Huber for Agenda Item 25, PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING THE DRAFT FISCAL YEAR 2008/09 BUDGET AND THE FIVE YEAR SERVICE AND FINANCIAL PLAN

Ms. McCoy-Huber explained that presentation of the Draft fiscal year 2008/09 Budget and the Five Year Service and Financial Plan is provided as an opportunity for the Board and staff to have further discussions regarding this information. These documents include the River Authority's goals and revised initiatives in the projects and services that are identified by the San Antonio River Authority. Ms. McCoy-Huber gave a PowerPoint presentation that included a schedule of all Regular and Special Board and Fiscal Committee meetings during which the budget previously had been discussed; revenue charts per fund, including the Capital Projects Fund, which includes the San Antonio River Improvements Project Museum and Mission Reaches; expenditures by type; tax rate scenarios; lists of the projects and studies being supported by the draft budget document; and personnel issues, including the approved 5% increase allowance and 26 additional staff.

Ms. McCoy-Huber reported that additional opportunities for Board discussion include the Board Budget Workshop scheduled for June 4th and the June 18 Regular Board Meeting. Policy and fiscal implications can be further discussed prior to adoption of the fiscal year 2008/09 budget.

Ms. McCoy-Huber reported that the vote for the approval of the 2008/09 Budget will be held during the June 18 meeting. On August 11, 2008, the Fiscal Committee will meet to recommend a tax rate. Following that meeting, the proposed tax rate will be published, prior to its adoption in September. Ms. McCoy-Huber indicated a meeting to set the tax rate was currently scheduled for September 2, 2008.

Mr. Rodriguez asked if maintenance on the 1.2-mile Museum Reach would be done in-house, and Ms. McCoy-Huber indicated that maintenance, landscape planting, and lock and dam operations would be done in-house. Security and litter pick-up are excluded.

Mr. Weaver indicated that the City of San Antonio, during a meeting earlier in the day, was given a clear indication of the Board's opposition to funding security, so the only open issue is whether the Board will maintain the funding commitment it already approved in the amount of \$1.5 million.

Mr. Rodriguez asked whether the \$1.5 million was dedicated only to the Museum Reach. Mr. Scott stated that, with security extracted, the River Authority would be looking for other areas of service, potentially along the Eagleland and the Mission Reaches, to fulfill our commitment of \$1.5 million. Mr. Rodriguez suggested that we take the approach that we had located an opportunity for savings. Ms. Scott reiterated that the River Authority is dedicated to \$1.5 million so that the obligations under the debt service can be upheld.

Mr. Oehlke asked if the River Authority is committed to funding the whole \$1.5 million in the upcoming budget and fiscal year. Ms. Scott reported that that is up to the Board for discussion and, from staff's perspective, would depend upon when the actual maintenance work would begin.

Mr. Kollidziej stated that he had the impression, from the last meeting, that if the River Authority eliminated security, it would help balance the budget. Mr. Rodriguez concurred. Mr. Weaver reflected he had not received that impression and recommended that the topic further be discussed during the June 4 meeting.

Ms. Scott offered to secure a written statement of the City Manager acknowledging that SARA will not be providing security. Mr. Weaver requested that staff secure the statement.

During Ms. McCoy-Huber's discussion of projects, Ms. Scott explained the relationship between projects and programs and indicated that the budget now reflects programs as well as the projects that fall under the various programs.

Mr. Rodriguez asked how long the studies were expected to last, and Steve Raabe provided timelines on the Whooping Crane, the San Antonio Bay and Estuary, the Estuary Response, and the Instream Flows studies. He indicated that they can be long-term studies, and that the Board may revisit the studies every year. Ms. Scott reflected that the studies allow us to become greater experts in environmental matters within the Basin and allows us to weigh in on decisions the State will be making. Mr. Rodriguez asked if there was any duplication in whooping crane studies, and Mr. Raabe replied there was none, but there is first-time linking of data. Mr. Rodriguez stressed the need to apply funding to the West Side Creeks project.

Having received notice that Art Dohmann of the Goliad County Groundwater Conservation District had signed the register to speak, Mr. Weaver asked Mike Gonzales to present updated information on the Coletto Creek Study project, which was of interest to Mr. Dohmann. Mr. Gonzales provided a PowerPoint presentation and distributed a map of Coletto Creek. Mr. Weaver then called Mr. Dohmann to the podium. Mr. Dohmann provided information about the partnership between the River Authority, the Goliad County Groundwater Conservation District (GCGCD), and the Evergreen Groundwater Conservation District (GCD) in relation to the four-year U.S. Geological Survey (USGS) study of surface-water/groundwater interaction in the Lower San Antonio River. He reported that the GCGCD wishes to implement a similar study with the USGS in the upper Coletto Creek watershed in north Goliad County. He reported the annual study cost as \$100,000 and requested \$30,000 of the River Authority for two years toward the total cost. The funding would be supplemented with contributions from other water agencies and entities. The basis of Mr. Dohmann's comments were recorded in a letter that is attached and made part of the minutes of this meeting.

After Ms. McCoy-Huber returned to her discussion of other projects, Ms. Buchanan requested the status of the Randolph contract. Ms. McCoy-Huber reported she had supplied all the information they need and that they verbally stated the River Authority may be able to send the invoices this month. However, Ms. McCoy-Huber has not received official word to submit the invoices.

Ms. McCoy-Huber concluded her presentation with a discussion of various funding scenarios using different tax rates. Mr. Oehlke requested Ms. McCoy-Huber to develop information for the June 12 meeting that reflected the General Operating Fund at the current tax rate for the Museum and Eagleland Reaches without security.

Mr. Neathery requested Ms. McCoy-Huber to run her last three scenarios at the maximum tax rate and at the current tax rate.

Mr. Weaver called on Gaylon Oehlke for Agenda Item 26, PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING APPOINTMENT OF NEW SAN ANTONIO RIVER AUTHORITY BOARD MEMBER(S) TO BOARD COMMITTEES

Gaylon Oehlke, chair of the Nominating Committee, recommended the following newly elected board members to fill the Operations, Fiscal, and Communications committees:

Operations:

John Flieller

Fiscal:

Jeff Neathery

Communications:

John Flieller and Jeff Neathery.

Recommendation: Motion appointing the above members of the Board of Directors to the Board's Operations, Fiscal, and Communications committees.

Mr. Oehlke so moved and, seconded by Mr. Kollodziej, the motion carried unanimously.

Mr. Weaver called on Steven Schauer for Agenda Item 27, PRESENTATION AND DISCUSSION REGARDING SAN ANTONIO RIVER AUTHORITY-APPOINTED COMMITTEES

Mr. Schauer reported that, per a request from River Authority Board member Adair Sutherland, this agenda item will provide a summary of the various River Authority committees that involve citizen participation. This item is for briefing and discussion purposes; therefore, no action will be required.

Committee of Seven (C7)

Members include two representatives from San Antonio City Council, two from Bexar County Commissioners Court, two from the River Authority Board of Directors and one elected official representing the participating suburban cities. They work together in overseeing the Bexar Regional Watershed Management (BRWM) and directing the Management Committee. The C7 also receives public input from the Watershed Improvement Advisory Committee. River Authority Board members serving the C7 are Tom Weaver and Roberto Rodriguez. Other C7 members include: Bexar County Commissioner Tommy Adkisson; Bexar County Commissioner Sergio "Chico" Rodriguez; San Antonio Councilwoman Mary Alice P. Cisneros; San Antonio Councilwoman Delicia Herrera; and Live Oak Mayor Henry Edwards. Meetings occur two times per year.

Mr. Rodríguez asked when the next C7 meeting would be held, and Mr. Schauer and Ms. Scott reported it would be in the fall of 2008.

Watershed Improvement Advisory Committee (WIAC)

WIAC is a 15-member public participation group acting in an advisory capacity to the BRWM's Management Committee, which includes the City of San Antonio's Director of Public Works, Bexar County's Executive Director of Infrastructure Services, the San River Authority's General Manager and one representative from the 19 participating suburban cities. The three managing partner entities each appoint five citizen members and ensure that each watershed is represented. This group meets on a quarterly basis to receive briefings from the BRWM partners on a variety

of flood control and water quality issues. WIAC input is then taken into consideration by the BRWM Management Committee and C7 in the formulation of policy. The River Authority's five WIAC appointees expired in February; three appointees will be reappointed, leaving two vacancies to be filled. WIAC consists of:

<p>San Antonio River Roy Rivero Randolph Murdock</p> <p>Cibolo Creek Steven Layton</p> <p>Leon Creek Norm Dugas (River Authority appointee) Steve Horvath (River Authority appointee) Charlie Conner Walter Ague</p>	<p>Medina River Carole Abitz</p> <p>Salado Creek Steve Bonnette (River Authority appointee) Leonard D. Young Charlie Blank Leon Thomas Robert B. Hahn,</p>
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Mr. Schauer reported that there are two vacancies, with five individuals currently interested in the positions. Ms. Sutherland recommended that a Board member help with deliberations. Ms. Scott suggested that staff explore this effort downstream, and Ms. Sutherland recommended that the three counties work together.

Committee of Six (C6)

Members include two representatives from San Antonio City Council, two from Bexar County Commissioners Court, two from River Authority Board of Directors. There are four ex-officio members on the C6 representing the San Antonio River Oversight Committee (SAROC) and the San Antonio River Foundation. They work together in overseeing the development and implementation of the San Antonio River Improvements Project. River Authority Board members serving the C6 are Sally Buchanan and Hector Morales. Other C6 members include: Bexar County Commissioner Tommy Adkisson; Bexar County Commissioner Sergio “Chico” Rodriguez; San Antonio Mayor Phil Hardberger; San Antonio Councilwoman Diane G. Cibrian; and ex-officio members Lila Cockrell and Irby Hightower (SAROC co-chairs) and Sonny Collins and Nick Hollis (San Antonio River Foundation).

San Antonio River Oversight Committee (SAROC)

SAROC is a 22-person citizen committee that was appointed in 1998 to guide the planning and implementation of the San Antonio River Improvements Project. SAROC continues to actively guide the project’s implementation. The SAROC roster includes:

Ms. Lila Cockrell
Co-Chairperson
SA Parks Foundation

Mr. Irby Hightower
Co-Chairperson

Mr. Curtis Gunn, Jr.
Los Compadres

Mr. Bob Harris
Brackenridge Park
Master Plan Committee

Alamo Architects

Mr. Joe Alderete
Historic Civic Center Plan

Ms. Martha Henry
Roosevelt Park Neighborhood

Rev. Msgr. Brosnan Dermot
Archdiocese of San Antonio

Mr. Bob Buchanan
Paseo Del Rio Association

Mr. Nathan Campbell
River Road Neighborhood

Mr. Tony Cantu
River Corridor Commission

Mr. Edward R. Day
King William Neighborhood

Mr. Tom DeBrooke
Downtown Advisory Board

Mr. George Geis
Private Business

Mr. Christopher Hill
SA Museum of Art

Mr. Mike Lance
San Jose Neighborhood

Ms. Marise McDermott
San Antonio Tourism Council

Mr. Jeff Neathery, RG, CPG
South SA Chamber of Commerce

Mr. Jon Thompson
Tobin Hill Residents Association

Mr. Henry Troutz
San Juan/ Espada Neighborhood

Mr. Albert F. Valle
Private Business

Ms. Joan Gaither
SA Conservation Society

Ms. Evangelina Flores
SA Parks Foundation

ALTERNATES

Mr. Milton Guess
Tourism Council

Mr. Roberto Anguiano
San Jose Neighborhood

Mr. Barry Buske
Private Business

Ms. Susan Chandoha
Los Compadres

Mr. George Grimes, Jr.

Mr. Mickey Killian
San Juan/ Espada Neighborhood

Mr. Richard Moore
Tobin Hill Residents Association

Mr. Marion Oettinger, Jr.
San Antonio Museum of Art

Mr. Robert Orr
South SA Chamber of Commerce

Mr. Mike Schroeder

Brackenridge Park
Master Plan Committee

Mr. Glenn Huddleston
Private Business

King William Neighborhood

Mr. Jason Stevens
Roosevelt Park Neighborhood

Ms. Mari Vickery
Paseo

San Antonio River Foundation (SARF)

SARF was established by the San Antonio River Authority in 2003, as a non-profit 501.c.3 organization. It is governed by a volunteer Board of Directors, five of which are appointed by the River Authority. The intent of this arrangement was to ensure that the River Authority and SARF would remain connected and compatible into the future. SARF also receives valuable ideas and input from the community through a variety of advisory committees. It conducts its fundraising in the private sector, and all contributions are used to enhance the beauty and viability of the San Antonio River.

In June 2008, the five River Authority appointments to SARF will be scheduled for action. The current River Authority appointees to SARF include:

Adair Sutherland H.B. "Trip" Ruckman III Sally Buchanan	Edward "Sonny" Collins Clifton McNeel
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Westside Creeks Restoration Oversight Committee (WCROC)

The long-term goal of this project will include ecosystem restoration and recreation improvements on the Alazan, Apache, Martinez and San Pedro Creeks. The River Authority is committed to an initiative to create a comprehensive, community-based plan for the restoration of creeks previously channelized by a U.S. Army Corps of Engineers flood control project into a more natural environment and a system of linear parks.

The River Authority board of directors has approved Mr. Robert Ramirez and Ms. Olga Lizcano to serve as the two co-chairs to lead the committee. Staff is working with the co-chairs to assemble a group of individuals that will form a stakeholder oversight committee. This committee will serve in an advisory role to the River Authority Board and staff on the development of a conceptual design for the restoration of Alazan, Apache, Martinez and San Pedro Creeks. The oversight committee will provide ideas and input from residents and businesses in the vicinity of the creeks as well as those community-wide stakeholder groups with interest in the restoration and enhancement of the creeks. Active involvement by the members in the oversight committee (and its subcommittees) will generate interest, advocacy and synergy for a common "vision" and will give the project initial credibility and promote a better chance for long-term success.

The River Authority will be hosting a WCROC orientation meeting on May 29, 2008, at 6 p.m. at the San Antonio River Authority (100 E. Guenther St.). It is anticipated that a complete WCROC roster will be submitted for board approval at the June board meeting.

Environmental Advisory Committee (EAC)

In late 2005, the River Authority Board of Directors approved the creation of the San Antonio River Basin Environmental Advisory Committee (EAC). In spring of 2007, the initial 14 members of the EAC were approved by the River Authority Board. In April 2008, EAC co-chairs, Keith Kindle and Maggie Hunt, were approved by the River Authority Board.

The primary function of the EAC is to serve as the comprehensive public participation group that reviews and provides input on the River Authority’s environmental studies and programs. In addition to developing an educated constituent base, the committee will advise the River Authority staff and board about environmental issues within the basin. The EAC will have a maximum of 25 members, including co-chairs, but may vary from time to time. Currently, there are 15 members appointed to serve the EAC.

The EAC has recently been providing member and public feedback on the 2008 draft Basin Summary Report and the San Antonio River Basin Monitoring Program venues for FY 09. The EAC will also be encouraged to become involved in the stakeholder processes of the Texas Instream Flows Program. In an effort to provide more information about the San Antonio River Basin, EAC members have been given a basin-wide tour. The day-long tour highlighted historic sites, river conditions, and monitoring equipment within the San Antonio River Basin from the Guenther Street office to Goliad State Park.

The next quarterly EAC meeting is scheduled for May 28th in Wilson County at 3:00 p.m. and is to be held at the Railroad Depot in Floresville. (Meetings are rotated among the four counties.) The agenda includes updates on the Texas Instream Flows Program, the Mission Reach ecosystem restoration project, SARA’s San Antonio River Basin monitoring program for fiscal year 09, and the 2008 draft Basin Summary Report.

The EAC members include:

<p>Co-Chairs Mr. Keith Kindle Vice President TCB/AECOM</p> <p>Ms. Maggie Hunt Executive Director Karnes County Chamber of Commerce</p> <p>ACADEMIA Dr. John M. Donahue Trinity University</p> <p>AGRICULTURE Mr. Walter S. Light Rancher, Goliad County</p> <p>Dr. Guy Fipps Texas A&M Irrigation</p>	<p>COUNTIES Mr. Peter Bella Alamo Area Council of Governments (AACOG)</p> <p>ENVIRONMENTAL Ms. Amy Whitley Bexar Audubon Society</p> <p>Mr. John G. Garland Native Plant Society of Texas, San Antonio Chapter</p> <p>THE PUBLIC Ms. Penny A. Boyer Southside San Antonio Chamber of Commerce</p>
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<p>Technology Center</p> <p>BAY & ESTUARY Mr. Ben F. Vaughan IV Coastal Conservation Association of Texas</p> <p>BUSINESS & INDUSTRY Mr. David M. Anderson San Antonio Board of Realtors</p> <p>WATER RIGHT HOLDERS Ms. Kerry McCollough Bexar Metropolitan Water District</p>	<p>Mr. Jim Johnson Former River Authority board member</p> <p>PARKS/RECREATION Mr. Wilfred Korth Goliad County Chamber of Commerce</p> <p>WATER UTILITIES/WATER PURVEYORS/FEE PAYERS Mr. Steve Clouse San Antonio Water Systems</p>
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Ms. Sutherland requested that meetings be placed on the Board calendar, as well as on the San Antonio River Foundation calendar. Ms. Scott reported that she would get with the Foundation’s Executive Director regarding this request.

Regional Parks Coordinating Council (RPCC)

The RPCC was established in June 2006 with the purpose to provide a forum for organizations involved in collaborating on the implementation of the San Antonio River Basin Plan for Nature-Based Park Resources, and in the coordination of their respective efforts, whether individually or collaboratively, to improve public park and outdoor recreation opportunities that promote wellness, natural and cultural resource conservation, and ecotourism.

Currently, RPCC has been tasked with getting on City Council/County Commissioners Court/EDC Board agendas to present the San Antonio River Basin Plan for Nature Based Park Resources.

RPCC meetings are held quarterly in January, April, July and October. Meeting locations vary and cycle throughout the four-county River Authority District. The RPCC has representation from each of the four counties consisting of 3 member organizations from each county, for a total of 12 member organizations. Each member organization then designates their representative to the council. The member organizations and representatives are as follows:

Bexar County

Land Heritage Trust: Peggy Oppelt
SA Missions National Historical Park: James Oliver
South San Antonio Chamber of Commerce: Penny Boyer

Wilson County

Floresville Economic Development Corporation: Jesse Perez
La Vernia Parks Foundation: Scott Mattke
Friends of Jackson Nature Park: Morgan Dunbar

Note: The Friends of Jackson Nature Park is a currently defunct group and/or in status limbo; thus Morgan Dunbar is essentially the appointed representative. However, she has yet to attend a meeting, and, when the group reorganizes, a request will be made for the group to appoint a new representative.

Karnes County

Karnes County Economic Development Corporation: Vacant

Karnes City Park Board: Larry Pippen

Kenedy Parks Board: Lucille Matthews

Goliad County

Goliad County Economic Development Corporation: Raymond Starr

Goliad Heritage Council: Sylvia Arriazola

Goliad State Park: Leah Huth

Mr. Weaver called on Steve Graham, Jim Boenig, and Jim Doersam, and recognized the presence of visitor Randy Wauters of M4, for Agenda Item 28, PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING THE AMENDMENT TO THE MARTINEZ IV SEWER PLANT, LTD. SEWER REIMBURSEMENT AGREEMENT

Mr. Boenig reported that staff was requesting a minor revision to the revised Martinez IV Sewer Plant, LTD (M4) Sewer Reimbursement Agreement Amendment, approved by the Board in April 2008. The revision's purpose was not to change the intent of the agreement, but to provide clarification.

Consistent with the Board packets, but including one change underlined below and resulting from a meeting earlier in the day with M4, the revision is as follows:

SARA will not unreasonably refuse or delay service to those requesting wastewater connections to Segments 3 thru 6 of the System once this Amendment has been executed. In order not to refuse or delay service, SARA will either ensure that the plant will be completed and be ready for service or will provide pump and haul service at its expense to meet an approved development agreement and schedule for connections to this part of the System. As required by SARA's CCN per the Texas Commission on Environmental Quality (TCEQ) requirements, SARA will not refuse to provide sewer service to any property within its jurisdiction having a completed sanitary sewer once the trunk line in Segments 3-6 is in place. SARA's requirement to provide service does not obligate SARA to provide such service for requests of 1 or 2 connections, but is rather intended for a request of 10 or more connections.

Recommendation: Motion authorizing the General Manager to negotiate an Amendment to the Martinez IV Sewer Plant, LTD. Sewer Reimbursement Agreement to divide Phase II of the Agreement into three sub-phases: (a), (b) and (c) with the revision as described above.

Mr. Oehlke called for said motion and, seconded by Ms. Sutherland, the motion carried unanimously.

Mr. Weaver called on Sharon McCoy-Huber for Agenda Item 29, PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING ORDINANCE NUMBER O-1315 APPROVING BOARD POLICY EO-0009 CONCERNING INVESTMENT POLICIES AND STRATEGIES

According to Ms. McCoy-Huber, on May 17, 2006, the Board passed and approved Ordinance No. O-1281 adopting board policy EO 0009 to revise the previous board policy concerning Investment Policies as required by the Public Investment Act. The Public Investment Act requires the San Antonio River Authority to annually adopt an investment policy.

The changes that were made to the policy included 1) persons authorized to act as investment officers, which include Financial Services Manager, Comptroller and the Director of Support Services; and 2) the updates of funds that the River Authority manages. This proposed ordinance reviews and approves Board Policy EO 0009.

Ms. McCoy-Huber noted that Board Policy EO 0009 had been attached to Ordinance No. O-1315 as Exhibit A.

Ms. Scott noted that, under the reorganization, a new Director of Support Services position was created and remains vacant. Ms. McCoy-Huber noted that the Comptroller position, previously held by Leroy Kowalik, was also vacant and would be filled the next week.

Recommendation: Motion that Ordinance No. O-1315 be passed and approved.

Ms. Buchanan called for said motion and, seconded by Mr. Morales, the motion carried unanimously.

Mr. Weaver called on Sharon McCoy-Huber for Agenda Item 30, REVIEW AND DESIGNATE QUALIFIED BROKERS THAT ARE AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS WITH THE SAN ANTONIO RIVER AUTHORITY

Ms. McCoy-Huber reported that, on May 16, 2007, the Board reviewed and accepted the Broker/Dealer list as required by the Public Investment Act (Act). The Act requires that annually the Board review and designate brokers to engage in investment transactions. The recommended brokers/dealers meet the requirements to serve as Brokers/Dealers with the San Antonio River Authority.

Ms. Buchanan asked for a differentiation between primary and secondary brokers, and Ms. McCoy-Huber stated that primary brokers can write securities and own securities, whereas secondary brokers can only sell them.

Recommendation: Motion that the recommended Broker/Dealer list be accepted.

Mr. Oehlke called for said motion, and, seconded by Ms. Buchanan, motion carried unanimously.

Mr. Weaver called on Sharon McCoy-Huber for Agenda Item 31, PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING ORDINANCE NUMBER O-1316 DECLARING THAT THE SAN ANTONIO RIVER AUTHORITY DOES

HEREBY AUTHORIZE EXEMPTION FROM THE PAYMENT ON TAXABLE PROPERTY FOR THE STOCKDALE MASONIC LODGE NO. 470 IN THE COUNTY OF WILSON, TEXAS, AND DIRECTING THE GENERAL MANAGER TO TRANSMIT A CERTIFIED COPY OF THIS ORDINANCE TO THE TAX ASSESSOR-COLLECTOR OF SAID COUNTY

According to Ms. McCoy-Huber, the San Antonio River Authority has received a request to approve an exemption from payment of tax from the Stockdale Masonic Lodge No. 470. Attached is a copy of the letter that was received. The River Authority tax for 2007 amounted to \$36.72. The River Authority has previously received and granted such requests.

According to the Tax Code, charitable organizations may ask local taxing authorities, like the River Authority, to grant a local option exemption, as defined in the Property Tax Code 11.184. The organization must request the exemption from taxation in writing.

In June 2002 the River Authority Board of Directors adopted an ordinance that allowed for two exemptions: "Residence homesteads" and "Disabled or who is 65 or older." The River Authority may authorize additional exemptions against the property tax that it levies. Below is a listing of those exemptions:

- Public property used to provide transitional housing to indigent persons;
- Travel trailer that a person owns that is registered in compliance with Texas Transportation Code and is not used or held for the production of income;
- Organizations engaged primarily in performing charitable functions;
- A structure or archeological site and the land designated as a Recorded Texas Historic Landmark;
- Assessed value of property on which an approved water conservation initiative, desalination projects or brush control initiatives have been implemented,

In December 2004 the River Authority Board of Directors adopted an ordinance that allowed another exemption: Authorization to the Poth Hermann Sons Lodge as Primarily Charitable Organization Exemption, Section 11.184 of the Texas Tax Code. In November 2005 the Board of Directors adopted ordinances that allowed exemptions to the Housing Authority of the City of Poth and the Housing Authority of the City of Floresville. In May 2007 the Board of Directors adopted an ordinance allowing an exemption to the San Antonio Lodge Number 744, Loyal Order of Moose, Inc.

Staff recommended that the River Authority authorize exemption from the payment in lieu of tax on taxable property to the Stockdale Masonic Lodge No. 470.

Recommendation: Motion that Ordinance No. O-1316 be passed and approved.

Mr. Kollodziej called for Ordinance No. 0-1316 authorizing exemption of Stockdale Masonic Lodge No. 470 from the payment in lieu of tax on taxable property and, seconded by Roberto Rodríguez, motion carried unanimously.

Mr. Weaver called on Ms McCoy-Huber for Agenda Item 32, DISTRIBUTION OF FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2008

Ms. McCoy-Huber distributed the third quarterly report for fiscal year 2007/08, which included the following information, through March 31:

- a. Professional Services Contracts
- b. Investment Report
- c. Financial Report.

Ms. Sutherland asked when she could submit a suggestion or item to be included in next fiscal year's budget, and Ms. Scott reported that the discussion would be appropriate for the June 4 special meeting.

Mr. Rodriguez asked if professional services contracts were included in the report and Ms. McCoy-Huber indicated that all but minor contracts, such as for temporary employees or heat and air services, are included. Ms. Scott reported that, under the \$50,000 policy, staff reports to the appropriate committee and the Board the action that is to be taken and then the General Manager signs the contracts. Those are included in the report.

Mr. Weaver called on Steve Raabe for Agenda Item 33, BRIEFING ON WATER RESOURCE PLANNING AND DEVELOPMENT ACTIVITIES

Rudy Farias stated that he would be reporting for Steve Raabe. Mr. Farias then provided updates on the Regional Water Resources Development Group, Region L planning, the Regional Water Alliance, and the Edwards Aquifer Recover Implementation Program. On the EARIP, Mike Gonzales has been appointed to the Expert Science Subcommittee and Steve Raabe has been appointed secretary to the Steering Committee. The Finance Committee was also formed, and their next meeting is scheduled June 8, 2008, at SAWS. Under the Bay and Basins Stakeholder Group, the Environmental Flows' September 1, 2008, deadline has been extended according to legislative staff. The Instream Flows Analysis is to be complete in the August to September timeframe, with the next meeting scheduled May 23, 2008.

Mr. Weaver called on Suzanne Scott and Jim Boenig for Agenda Item 34, STATUS REPORT ON THE SAN ANTONIO RIVER IMPROVEMENTS PROJECT

Ms. Scott reported that 43% of the Museum Reach budget has been expended, 45% of the Museum Reach contract has elapsed, and the project will be at 50% complete in May. In addition to the historic dam reported at last meeting, the raceway component has now been unearthed and its preservation is being incorporated into the plan.

The Mission Reach Groundbreaking is scheduled for June 2, 2008, at 11:00 a.m. The contract for Phase 1 was awarded on May 9, and notice to proceed is anticipated for next week. The bid came in at \$23.5 million, of which \$14 million will be local funding and \$9 million will be in federal funding. The base bid came in consistent with both the Corps of Engineers' and the River Authority's estimates, respectively \$22.3 and \$23.6 million.

Ms. Scott also reported that the Visitor Tax supporting the San Antonio River Improvements Project passed three-to-one, at \$125 million. The City of San Antonio has requested the River Authority to serve as project manager. The County cannot use the Visitor Tax to fund City park improvements, so there will be movement of funding from the City, the Mission Reach, and the Visitors Tax to accommodate all the needs, but the bottom lines will remain the same.

Mr. Weaver called on Suzanne Scott for Agenda Item 35, DISCUSSION REGARDING ITEMS FOR FUTURE CONSIDERATION

Ms. Scott reported that the focus was on the budget and requested the Board to let her know if there was anything else.

Mr. Weaver called on Suzanne Scott for Agenda Item 36, GENERAL MANAGER'S REPORT

Ms. Scott referred the Board to their updated calendars and pointed out the Chamber luncheon scheduled for May 27, 2008, at 11:30 a.m.; her presentation on the SARIP to Bexar County Commissioners Court also on May 27th; the June 2 Mission Reach groundbreaking; the Goliad Summer Flotilla to be held on Saturday, June 7; and the upcoming conferences.

Mr. Weaver also mentioned the first SARA/SAWS barbeque cookoff, which is anticipated to be held again next year.

Mr. Weaver called on Ms. Sutherland for Item 37, ADJOURN, and, with no further business, Ms. Sutherland moved to adjourn and, seconded by Mr. Weaver, the meeting adjourned at 4:38 p.m.

PREPARED AND RECOMMENDED FOR BOARD APPROVAL BY THE MANAGER.

SUZANNE B. SCOTT, General Manager

APPROVED BY THE BOARD OF DIRECTORS AT THE REGULAR MEETING HELD ON June 18, 2008.

THOMAS G. WEAVER, Board Chairman

ATTEST:

SALLY BUCHANAN, Secretary