

MINUTES OF THE SPECIAL MEETING  
OF THE  
BOARD OF DIRECTORS  
OF THE  
SAN ANTONIO RIVER AUTHORITY  
JUNE 4, 2008

The Special Meeting of the Board of Directors of the SAN ANTONIO RIVER AUTHORITY was called to order by the Chairman, Thomas G. Weaver, at 10:03 a.m., Wednesday, June 4, 2008, at the General Offices of the San Antonio River Authority, 100 East Guenther Street, San Antonio, Bexar County, Texas.

Ms. Buchanan 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	Present
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 B. Scott, General Manager  
Steve Graham, Assistant General Manager  
John Chisholm, Director of Operations  
Sharon McCoy-Huber, Financial Services Manager  
Susan Eason, Director of Internal Resources  
Steve Raabe, Technical Services Director  
Jim Boenig, Engineering Manager  
Jim Blair, Watershed Operations Manager  
Steven Schauer, Manager of External Communications  
Dale Bransford, Park Services Manager  
Nefi Garza, Watershed Management Manager  
Rudy Farias, Water Resources and Community Development Manager

Mike Gonzales, Environmental Sciences Manager  
Claude Harding, Real Estate Manager

Other individuals present were:

David Ross, Legal Counsel  
Lupe Moreno, Temporary Administrative Assistant

Mr. Weaver asked for an **Agenda Item 5 - Introduction of Visitors**: Ms. Moreno introduced Jose and Janis De Lara as individuals/homeowners; John Boggess and Matt Mohr both with Thompson Marketing; Barbara Witte-Howell and Larry DeMartino both with River Road Neighborhood; Jennifer Windscheffel of Tuggey Rosenthal Pauerstein Sandoloski Agather (TRPSA); Jerry Needham of the San Antonio Express News and Tomas Larralde of Congressman Ciro Rodriguez' office.

Mr. Weaver called for **Agenda Item 6 - Citizens to be Heard**: Ms. Moreno indicated that Jose Lara and Barbara Witte-Howell signed up to speak. Mr. de Lara asked the Board for more consideration, care and financial support to the South side of San Antonio and encouraged the Board to increase the tax base up \$0.02.

Ms. Witte-Howell requested to speak after Agenda Item 9 was discussed.

***ITEMS FOR INDIVIDUAL CONSIDERATION:***

Mr. Weaver called on Steven Schauer for **Agenda Item 7 - Presentation and Discussion regarding the Basin Service Area Analysis**

In December, the River Authority hired Thompson Marketing to conduct a perception and awareness research analysis project throughout the River Authority's service area. Thompson brings more than 20 years of consumer research experience and first-hand involvement in this region's water issues to the project.

The research analysis project will provide the River Authority with information about its strengths, weaknesses and community responsiveness as it relates to its customers and governmental partners. The findings will be based on both qualitative and quantitative research.

Working with the River Authority General Manager Suzanne Scott and External Communications Manager Steven Schauer, the Thompson Marketing team developed a project approach to gather qualitative and quantitative data. The River Authority's regional working relationships are extensive, so the team knew it had to talk with its stakeholders to get feedback about their current working status with the River Authority and some observations about future programs. With the potential for more public profile throughout the basin due to the San Antonio River Improvements Project, the team wanted to know where the public's level of awareness about the River Authority stands and their general perceptions about water and environmental issues.

For the stakeholder interviews, 12 different stakeholder groups were identified and 32 of the 38 people identified for interviews accepted. There was an approved questionnaire for the

interviews, and stakeholders were not limited in time or comments. The shortest interview lasted a little less than 15 minutes. The longest interview was almost an hour and a half. Stakeholders were told that their comments would be included in a final report but their identities would remain anonymous. The stakeholder groups included:

- Bexar, Wilson, Karnes and Goliad county commissioners
- County staff
- City of San Antonio staff
- Environmental groups
- Recreation enthusiasts
- Regulatory agencies
- Region L members
- Groundwater districts
- Business interests
- Ranchers
- Water purveyors
- Bexar County suburban cities

For the phone survey, 200 surveys were conducted in Bexar County and 200 surveys were fielded in Wilson, Karnes and Goliad counties. That survey sample size produces a 95% ( $\pm 8\%$ ) confidence rate that allows for the projection of results across the populations of the various counties. The survey groups also represent the demographic makeup of the surveyed areas.

Survey results indicate that the River Authority is thought of as a very professional and reliable organization. Most of the stakeholders interviewed have regular contact with the River Authority and are engaged in the various issues discussed. There were very positive comments about working relationships with River Authority staff and board members, and most described the River Authority's ability to bring entities to cooperate in a project or program as a great benefit for the region.

The most often mentioned opportunity for improvement was that most stakeholders thought the River Authority has a good story to tell and the organization should look at various means to deliver those messages to the public and its primary stakeholder groups more often.

Protecting the quality and quantity of the water in the San Antonio River rose to the top for most people interviewed as things the River Authority needs to be very active in and perhaps fill a perceived environmental leadership void in the region. People said that any move to fill that void should be accomplished in a very diplomatic fashion given the other entities involvement.

Regional water planning and development were seen as crucial to the progress for all communities. This issue presents the most potential for controversy and so stakeholders mostly felt the River Authority's current Region L role and other similar efforts suited the organization best. It was clear there is some confusion among Bexar County leaders about the River Authority's water resources role, and that needs to be clarified.

The River Authority's role in the maintenance of the Mission Reach and the environmental/linear park facilities is seen as key to long-term success. The development of the San Antonio River's

recreational potential is a bright spot for all stakeholders.

Many stakeholders appreciated the opportunity to provide input and looked forward to continued good working relationships with the River Authority.

Mr. Kollodziej asked for the response by Wilson County citizens as to the familiarity with the Evergreen Underground Water District. Mr. Boggess stated that he would get that information broken down by county and would get back to the Board with an answer at a later time.

Mr. Weaver informed the Board that, upon the suggestion of Mr. Oehlke, there will be a roll call vote on any action items on the Agenda, and then he called on Suzanne Scott and David Ross for **Agenda Item 8 - Presentation, Discussion, and Appropriate Action regarding a 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 Visitor Tax to support and enhance the San Antonio River Improvements Project**

This item was previously placed on the May 21, 2008, Regular Board Meeting agenda but was tabled for discussion at the Special Board Meeting.

Bexar County sponsored a referendum on May 10, 2008, that won voter approval of an increase to the visitor tax to fund four propositions supporting various tourism-related programs. Proposition 1 provides \$125 million to fund river improvements including \$70 million to offset federal funding shortfalls on the Mission Reach project, \$42.5 million in enhancements to the Eagleland Reach and Mission Reach and \$12.5 million to fund hike and bike trails and other improvements in the Museum Reach Park Segment.

Bexar County has requested that the San Antonio River Authority serve as project manager for the visitor tax-funded projects. The River Authority role would be an extension of its current role and responsibilities on the San Antonio River Improvements Project as detailed in the Interlocal Agreement between the parties executed December 5, 2006. Bexar County has prepared a Memorandum of Understanding (MOU) for the purpose of describing the roles and responsibilities pertaining to the provision of the additional funding for the River Improvements Project, specifically detailing the approval process for the allocation of visitor tax funding for approved projects. The City of San Antonio is also a party in the agreement.

The MOU is non-binding and expands the River Authority's current project management responsibilities for design and construction of the visitor tax-funded elements. The MOU is seeking a commitment from the River Authority and the City of San Antonio to assume project operations and maintenance responsibilities for the visitor tax-funded components. The River Authority and the City are continuing discussions to define the specific river-related operations and maintenance responsibilities. With each of the four visitor tax-funded propositions, the County is securing commitments for operations and maintenance from project sponsors. Bexar County is aware of the River Authority's funding limitations.

The Bexar County Commissioners Court approved the MOU on May 6, 2008.

Staff reported that Eagleland is  $\frac{3}{4}$  mile and its reach is from Guenther Street to Lone Star Blvd. It is currently maintained by the City but the community has requested SARA to assume

maintenance responsibilities of restored ecosystem, added trails and proposed enhancements. The City has requested an estimate for maintenance as part of SARA's initial \$1.5 million commitment, in lieu of SARA paying for security.

The Mission Reach Project will be implemented in four phases, The first phase is to be completed by December 2009, and the Corps and SARA are developing maintenance standards to ensure long-term sustainability of ecosystem restoration features. The City requested proposal from SARA to consider current maintenance on Mission Reach as part of the initial \$1.5 million commitment.

Mr. Morales asked if the \$1.5 million dollar commitment was for the Museum Reach. Ms. Scott responded by stating that the MOU did not specifically name that the Museum Reach would receive maintenance. The MOU referred to the River Improvements Project, not just the Museum Reach. Mr. Weaver and David Ross concurred.

Mission Reach Ecosystem Restoration Project will include the establishment of native trees and grasses, aquatic and riparian habitat, riffle structures, embayment areas, tributary mouths, and restored river remnants. Mr. Oehlke inquired what would happen to any remaining or surplus money. Ms. Scott assured Mr. Oehlke that any surplus funds would not go back and that if there were to be a deficiency, SARA would have the responsibility of covering the cost. Ms. Sutherland asked if SARA could bring forth the issue to the City if the cost for the river maintenance gets way too high. Ms. Scott reiterated that SARA is ultimately responsible for maintaining the San Antonio River. Mr. Kollodziej expressed his concern for the chopping down of trees along the creeks creating a river rise. Both Mr. Graham and Ms. Scott assured the Board that part of the project's funding would educate land owners and others in the community who live along the surrounding creeks, lakes, etc.

Staff's recommendations were to approve the MOU with Bexar County demonstrating SARA's commitment to and funding of a five (5) year rolling maintenance plan for the San Antonio River Improvements (SARIP) and establish a dedicated funding source to support SARA's long-term commitment to maintenance of the SARIP and to respond to downriver maintenance opportunities while allowing SARA to continue to meet demands in other service areas.

Mr. Oehlke requested to delay action on Agenda Item #8.

Mr. Weaver called on Sharon McCoy-Huber for **Agenda Item 9 - Presentation, Discussion, and Appropriate Action regarding the Draft Fiscal Year 2008/2009 Budget, Five Year Service and Financial Plan, and Tax Rate**

Ms. Scott stated 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 the River Authority's goals and revised initiatives, tax, policy, and fiscal implications.

Mr. Weaver suggested that the tax rate should be determined, first, before the Board makes a decision on the Memorandum of Understanding. Mr. Weaver made a motion to instruct the staff to prepare this year's budget using an increase in our tax rate to the maximum tax rate of 0.02 cents/\$100 valuation. Seconded by Mr. Morales.

Ms. Buchanan, Secretary, called on each Board member for his/her vote, as follows:

Sally Buchanan	Yes
Hector Morales	Yes
Jeff Neathery	Yes
Názirite Rubén Pérez	No
Roberto G. Rodríguez	No
Thomas G. Weaver	Yes
Terry E. Baiamonte	No
Adair R. Sutherland	Yes
Gaylon J. Oehlke	No
H.B. Ruckman III	Yes
John Flieller	No
A.D. Kollodziej, Jr.	No

With six members in favor and six opposed, the motion did not carry.

Mr. Oehlke made an alternative motion to have the staff prepare a budget based on a tax rate of approximately 0.017198. Mr. Kollodziej seconded the motion.

Ms. Buchanan called on each Board member for his/her vote, as follows:

Sally Buchanan	Yes
Hector Morales	Yes
Jeff Neathery	Yes
Názirite Rubén Pérez	No
Roberto G. Rodríguez	Yes
Thomas G. Weaver	Yes
Terry E. Baiamonte	Yes
Adair R. Sutherland	Yes
Gaylon J. Oehlke	Yes
H.B. Ruckman III	Yes
John Flieller	Yes
A.D. Kollodziej, Jr.	Yes

Motion for preparation of the budget based on a tax rate of approximately 0.017198 passed.

Mr. Weaver then returned to Agenda Item #8 and called for a motion on staff's recommendation. Ms. Scott requested that the Board approve the MOU with Bexar County demonstrating SARA's commitment to and funding of a five-year rolling maintenance plan for the SARIP and establish a dedicated funding source to support SARA's long-term commitment to maintenance of the SARIP and to respond to downriver maintenance opportunities while allowing SARA to continue to meet demands in other service areas.

Mr. Weaver called for a motion, Mr. Perez so moved, Mr. Ruckman seconded.

Ms. Baiamonte suggested that revenue recovery needs to be discussed and included into the

MOU. Ms. Scott agreed and will present it to the county.

Ms. Buchanan, Secretary called on each Board Member for their vote and their responses are listed as follows:

Sally Buchanan	Yes
Hector Morales	Yes
Jeff Neathery	Yes
Názirite Rubén Pérez	Yes
Roberto G. Rodríguez	Yes
Thomas G. Weaver	Yes
Terry E. Baiamonte	Yes
Adair R. Sutherland	Yes
Gaylon J. Oehlke	Yes
H.B. Ruckman III	Yes
John Flieller	Yes
A.D. Kollodziej, Jr.	Yes

Motion passed unanimously.

Mr. Weaver called on Thomas G. Weaver and Gaylon Oehlke for **Agenda Item 10 - Presentation, Discussion and Appropriate Action regarding Board Policy EO0004 regarding Director Conferences, Expense Reimbursement and Fees**

Board Policy EO-0004 has established a policy for conference attendance; reimbursement for meals, lodging and travel expenses; and director fee charges for Board members of the San Antonio River Authority.

Mr. Oehlke suggested that staff revise the policy to state a limit on trips, add mileage and a \$150 per day honorarium.

Mr. Weaver made a motion for staff to prepare a policy that would limit the directors to two trips per year and change “trips” to conferences and allow it to be increased under certain circumstances.

Mr. Ross suggested that the word “honorarium” be deleted and changed to “directors’ per diem.”

Mr. Weaver called for a motion to amend the policy. The board determined that no change to the policy needed to be made.

Mr. Weaver called on Sharon McCoy-Huber for **Agenda Item 11 - Presentation, Discussion, and Appropriate Action regarding the Contract Audit being conducted on San Antonio River Authority Interlocal Agreements by the Office of the City Auditor for the City of San Antonio**

As presented at the August and October 2007 and the April 2008 Fiscal Committee meetings, the River Authority received a letter dated July 3, 2007, from the City of San Antonio expressing intent to audit the interlocal agreements and memorandums of understanding between the City and the River Authority.

The City began the audit on July 17, 2007. By letter dated May 16, 2008, the City Auditor's Office submitted its draft Audit of San Antonio River Authority Interlocal Agreements and requested the River Authority's response and recommendations to the audit by May 30, 2008. Staff briefed the Board on the audit contents and the River Authority's response.

Mr. Weaver called on Suzanne Scott for **Agenda Item 12 - General Manager's Report**:

Ms. Scott discussed the Water Saver Awards for SAWS and asked if any Board members would be interested in attending. The event will be held at 11:30 a.m. at the Hilton hotel at the airport. No Board members were interested. Mr. Graham announced that SARA's company picnic would be held on July 19.

Regarding **Agenda Item 13**: There being nothing further to report, Mr. Weaver adjourned the meeting at 4:14 p.m.

PREPARED AND RECOMMENDED FOR APPROVAL BY THE MANAGER.

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SUZANNE B. SCOTT, General Manager

APPROVED BY THE BOARD OF DIRECTORS AT THE REGULAR MEETING HELD ON AUGUST 20, 2008.

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THOMAS G. WEAVER, Chairman

ATTEST:

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SALLY BUCHANAN, Secretary