

GUADALUPE-BLANCO RIVER AUTHORITY

Minutes of the Board of Directors

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular monthly meeting on June 19, 2019, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis L. Patillo, Don B. Meador, Kenneth Motl, Robert “Rusty” Brockman, William R. Carbonara, Oscar H. Fogle, Ronald J. Hermes, Tommy Mathews, and Steven B. Ehrig. Also present were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Tommy Hill, Senior Advisor to the General Manager and Engineering Division; Darel Ball, Executive Manager of Operations and Water Quality; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; Charlie Hickman, Executive Manager of Engineering; Nathan Pence, Executive Manager of Environmental Science and Community Affairs; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Courtney Kerr-Moore, Associate General Counsel; Earnie Granville, Associate General Counsel; Lauren Willis, Manager of Environmental Science; Leigh Crettenden, IT Manager; Christina Chavez, Human Resources Manager; Dan Laroe, Lake Dunlap property owner; and J Harmon, President of Preserve Lake Dunlap Association.

Chairman Patillo called the meeting to order at 10:00 a.m., and took note of the certifications presented that notice of the meeting had been properly posted in the office of the Secretary of State, in the Guadalupe County Courthouse, the GBRA main office

and the William E. West, Jr., Annex Building in Seguin, Texas, pursuant to Title 5, Chapter 551 of the Texas Government Code. A quorum being present, the following proceedings were had:

Director Brockman led the Pledge of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Public Comment Item 1 - Comments from the public.** The Chairman called Dan Laroe. Mr. Laroe informed the Board he is representing himself as a property owner on Lake Dunlap. Mr. Laroe would like to be a part of the solution to repair the Dunlap Dam. He is currently posting information acquired from GBRA's website on two additional websites to help distribute factual information relating to the status of Dunlap Dam.

Next, the Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the May 15, 2019, Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for May 2019; Consent Item 4 - Consideration of and possible action approving the monthly operations report for May 2019; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved Consent Items 2, 3, 4, and 5.

The Chairman then called for **General Manager/CEO Item 6 - Report and update on the Guadalupe Valley Hydroelectric System.** Jonathan Stinson updated the Board on the Guadalupe Valley Hydroelectric System Dunlap Dam failure. An overview of Lake

Dunlap failure and replacement was discussed including replacement needs, spillgate replacement solution using a hydraulically actuated crest replacement gate, and modification to the existing dam structures. Mr. Stinson continued discussion on the ongoing design and engineering for replacement of spillgates, economics and regulations, GBRA revenues, and funding requirements for replacement of each Guadalupe Valley Hydroelectric System dams. Charlie Hickman briefed the Board on the Guadalupe Valley Hydroelectric System water rights from the Texas Commission on Environmental Quality, flood control aspects of Canyon Dam and hydro lakes, GBRA's existing roof weir gates operation, and spill gate damages at Lake Wood Dam and Dunlap Dam. Contractors and employees are no longer working on maintenance due to the high safety risk. Mr. Hickman briefed the Board on spillgate replacement options, required modifications, and a construction schedule. Discussion continued on the current status of the temporary pumps being used to deliver water to various GBRA customers and various interim pump station options. Jonathan Stinson briefed the Board on several meetings held with lake owner associations, Guadalupe County officials, the Governor's office, and Washington delegation. J Harmon, President of Preserve Lake Dunlap Association addressed the Board. Preserve Lake Dunlap Association has a good working relationship with GBRA and will be a part of the solution to restore the Dunlap Dam. Mr. Harmon informed the Board the Association has begun paperwork for the creation of a water district to assist with the funding needs.

The Chairman called for **General Manager/CEO Item 7 - The General Manager/CEO and staff may report on, and the Board may discuss, executive**

reports and/or issues relating to GBRA activities including without limitation, the following: GBRA water and sewer utility operations, hydroelectric operations, GBRA facilities management including plants and dams, safety, water resources planning and operation, construction management, economic and community development, project development, accounting and finance, records management, grants and financial assistance, human resources, information technology, communications, social media, education programs, resource protection, weather and climate, river flows and other scientific issues, non-profit entities partnering with GBRA, water quality services, community affairs, environmental programs, and stewardship. Randy Staats briefed the Board on the 2020 Work Plan and Budget process, treasury and investments, annual review of GBRA's Investment Policy, purchasing implementation of an electronic procurement system, a financial system purchasing module, and fleet leasing. The Board was briefed on the audit of the Defined Benefit Pension Plan and Guadalupe-Blanco River Trust. Mr. Staats informed the Board on preparations for the upcoming annual financial audit, various ongoing and upcoming projects, grants, and implementation of contract management software. Vanessa Guerrero briefed the Board on information technology activities including update of GBRA's website to include information on the Guadalupe Valley Hydroelectric System lakes, an updated GBRA intranet for employee use, and Arc GIS Online. Discussion continued on human resources activities including performance management training, a salary market survey, and an on-board recruitment module. Mrs. Guerrero briefed the Board on communication activities including responses to numerous inquiries regarding

the Lake Dunlap spillgate failure, social media, collateral resources, GBRA website redesign, education, and GBRA's outdoor classroom. Cinde Thomas-Jimenez updated the Board on GBRA's education program including *Water Makes the World Go 'Round* which was established in 2012, *Journey Through the Guadalupe River Basin* which was established in 1989, and the Middle School Program *Waters to the Sea* which was established in 2012. Students and teachers are impacted throughout the year with in-school presentations, fifth grade field trips, special events, high school outreach, and teacher professional development. The Board was briefed on community and school partnerships, the NEPRIS engagement, the Texas Commission on Environmental Quality Grant for the Irma Lewis Seguin Outdoor Learning Center, the Texas Parks and Wildlife Department Co-Op Grant, and GBRA's Scholarship Program. Darel Ball briefed the Board on safety and workplace accidents, training classes, and GBRA's receipt of the Superior Water Supply award for the Luling Water Treatment Plant and the Port Lavaca Water Treatment Plant. Jonathan Stinson briefed the Board on the 86th Texas Legislative Session.

The Chairman recessed the open meeting at 11:45 a.m. and reconvened in open session at 11:57 a.m.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute Amendment Number 2 to Contract No. 582-18-80180 with the Texas Commission on Environmental Quality for the Clean Rivers Program.** Lauren Willis briefed the Board on Amendment Number 2. GBRA has been a partner in the Clean Rivers Program since

1991. The Texas Clean Rivers Program is a State fee-funded, non-regulatory program that was created to provide a framework and forum for managing water quality issues in a more holistic manner. The focus of the Program is to work at the watershed level, within each river basin, by coordinating the efforts of diverse organizations. The major elements are water quality data collection, special studies, basin data analysis, and public participation. The Texas Clean Rivers Program is a partnership between the Texas Commission on Environmental Quality and GBRA to coordinate and conduct water quality monitoring, assessment, and stakeholder participation to improve the quality of surface water within the Guadalupe River Basin. The total increase of Amendment Number 2 authorizes a reimbursable amount of \$355,756 for Fiscal Years 2020 and 2021 from the Texas Commission on Environmental Quality. The following items will be funded: (1) project administration, (2) development of Quality Assurance Project Plan (QAPP), (3) water quality monitoring and equipment, (4) data management, (5) data analysis and reporting, and (6) stakeholder participation and public outreach. The total performance period of Contract 582-18-80180 is September 1, 2017 through August 31, 2021 with a total reimbursable amount \$657,595. Upon motion by Director Brockman, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute Amendment Number 2 to Contract No. 582-18-80180 with the Texas Commission on Environmental Quality for the Clean Rivers Program.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract for Voice Over IP (VoIP) phone service.** Leigh Crettenden briefed the Board on the

phone service contract. The phone system currently in use at GBRA's Seguin office has reached its end of life and is no longer supported. The phone system is an on premise Nortel system. In addition, no upgrades are available for the current system and its functionality is based on outdated technology. GBRA has solicited proposals and is currently evaluating replacement systems that will utilize Voice over IP, which leverages existing IT infrastructure to bring the technology up-to-date and provide additional functionality that will better support communications and collaboration between GBRA employees and external partners. The VoIP system is scalable without having to rely on infrastructure equipment modifications to expand service. The system would also allow for individual phone numbers to be assigned and transferred to locations within GBRA. Upon motion by Director Mathews, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract for Voice Over IP (VoIP) phone service.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Consulting Services Agreement to provide GBRA with brokerage services pertaining to health and welfare benefits.** Christina Chavez briefed the Board on the brokerage services Request for Proposals for health and welfare benefits. GBRA utilizes a consultant/broker to assist GBRA in evaluating, negotiating and selecting health benefits provided to staff. GBRA posted a Request for Proposals for public response and received multiple proposals. GBRA is currently reviewing the Request for Proposals responses to assess who will be the best fit for our needs and expectations. This entity will assist with our

medical, dental, and supplemental insurance plans in the coming year. Upon motion by Director Meador, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Consulting Services Agreement to provide GBRA with brokerage services pertaining to health and welfare benefits.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with a firm for fleet lease services.** Randy Staats briefed the Board on fleet lease services. Vehicles owned and operated by GBRA have historically been purchased directly from automotive dealerships. Because of the dollar value of a new vehicle, division budgets are cyclical from year to year when a new purchase is necessary. In addition, there is currently no replacement schedule for vehicles, they are only budgeted when resources are available. During the Fiscal Year 2019 budget process, the idea of leasing vehicles was first introduced. This practice was implemented for certain divisions during the year, but funding internally for the full purchase price. A full leasing program was discussed with other governmental entities and determined to be an option worth exploring for GBRA. A Request for Proposal for fleet lease services was released on May 14, 2019. A pre-bid meeting was held to address vendor questions on May 23, 2019. The Request for Proposal closed on June 5, 2019 and proposals are currently under evaluation. Upon motion by Director Fogle, seconded by Director Brockman, the Board authorized the General Manager/CEO to negotiate and execute a contract with a firm for fleet lease services by the following vote:

AYES: Directors Patillo, Meador, Brockman, Fogle,
Hermes, and Mathews

NOES: Directors Motl, Carbonara, and Ehrig

ABSTENTIONS: None

The Chairman then called for **Action Item 12 - Consideration of and possible action approving a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing membership in The Interlocal Purchasing System (TIPS) cooperative.** Randy Staats briefed the Board on The Interlocal Purchasing System. GBRA is seeking membership in The Interlocal Purchasing System cooperative to provide additional procurement options. GBRA is required to meet certain legal requirements in the procurement of goods and services. One method allowable through statute is through participation in cooperative purchasing arrangements. The Interlocal Purchasing System cooperative is administered by Region 8 Education Service Center, providing a valuable procurement tool. The Interlocal Purchasing System cooperative ensures compliance with all existing procurement laws and provides for the potential for reduced costs for goods and services. Membership requires adoption of a Resolution by the Board of Directors. There is no annual membership fee. Upon motion by Director Mathews, seconded by Director Brockman, the Board unanimously approved a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing membership in The Interlocal Purchasing System (TIPS) cooperative. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 13 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2019 Work Plan and Budget to establish rates for a six (6) inch meter in the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution systems.** Randy Staats briefed the Board on the proposed Budget amendment. This proposed amendment to the Fiscal Year 2019 GBRA Annual Work Plan and Budget establishes rates for a six (6) inch meter in the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution systems. In 2017, GBRA entered into an agreement to construct a transmission main from Cordillera Ranch Water Distribution System to Boerne Independent School District in Kendall County. The transmission main will supply water to Boerne Independent School District's Voss Middle School. Construction of the transmission line is complete along with the installation of a temporary meter. The permanent meter will be installed in early July. Rates for several meter sizes up to three (3) inches were approved during budget adoption for these systems. The adoption of rates for the larger meter size is now necessary. The proposed rates are as follows:

6" Meter	Rate	Unit of Measure
Base Rate: up to 4,000 gallons	\$1,854.40	Month
Block Rate: 4,001 to 10,000 gal. (base + usage)	\$3.60	1,000 gallons
Block Rate: 10,001 to 25,000 gal. (base + usage)	\$4.60	1,000 gallons
Block Rate: 25,001 to 50,000 gal. (base + usage)	\$5.60	1,000 gallons
Block Rate: 50,001 to 75,000 gal. (base + usage)	\$6.60	1,000 gallons
Block Rate: 75,001 to 100,000 gal. (base + usage)	\$8.60	1,000 gallons
Block Rate: over 100,000 gal. (base + usage)	\$12.00	1,000 gallons

Upon motion by Director Motl, seconded by Director Meador, the Board unanimously approved an amendment to the GBRA Fiscal Year 2019 Work Plan and Budget to

establish rates for a six (6) inch meter in the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution systems.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action approving a Resolution of the Guadalupe-Blanco River Authority Board of Directors pursuant to Texas Parks and Wildlife Code §31.092 which ratifies GBRA's May 22, 2019 extension of restricted zones upstream and downstream of Lake McQueeney Dam, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority, in Guadalupe County, Texas to address certain water safety issues within that area of the lake until further action is taken by the Board.**

Jonathan Stinson briefed the Board on the restrictions for upstream and downstream of Lake McQueeney Dam and addressed water safety issues within that area of the lake due to the failure of the Dunlap Dam spillgate. Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously approved a Resolution of the Guadalupe-Blanco River Authority Board of Directors pursuant to Texas Parks and Wildlife Code §31.092 which ratifies GBRA's May 22, 2019 extension of restricted zones upstream and downstream of Lake McQueeney Dam, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority, in Guadalupe County, Texas to address certain water safety issues within that area of the lake until further action is taken by the Board. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Action Item 15 - Consideration of and possible action approving a Resolution of the Guadalupe-Blanco River Authority Board of Directors pursuant to Texas Parks and Wildlife Code §31.092 which ratifies GBRA's extension of**

restricted zones in Lake Placid, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority, in Guadalupe County, Texas downstream of Lake McQueeney Dam to the State Highway 78 bridge, to address certain water safety issues within that area of the lake until further action is taken by the Board. Jonathan Stinson briefed the Board on extension of restricted zones in Lake Placid downstream of Lake McQueeney Dam to the State Highway 78 bridge and addressed certain water safety issues within that area of the lake due to the failure of the Dunlap Dam spillgate. Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously approved a Resolution of the Guadalupe-Blanco River Authority Board of Directors pursuant to Texas Parks and Wildlife Code §31.092 which ratifies GBRA's extension of restricted zones in Lake Placid, a hydroelectric lake owned and operated by the Guadalupe-Blanco River Authority, in Guadalupe County, Texas downstream of Lake McQueeney Dam to the State Highway 78 bridge, to address certain water safety issues within that area of the lake until further action is taken by the Board. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Discussion Item 17 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Charlie Hickman briefed the Board on the Basin hydrologic condition, the Base Flow Report, Water Quality Index, condition of the Guadalupe Basin including rainfall percentages, events and totals, the U. S. Drought Monitor Seasonal Outlook, Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation

of Canyon Reservoir and other Texas reservoirs, salinity levels in San Antonio and Aransas Bay, and latest El Niño and La Niña modeled forecast.

The Chairman recessed the open meeting at 12:32 p.m. The Chairman then closed the open meeting and convened the meeting in executive session at 1:05 p.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 1:14 p.m.

The Chairman called for **Action Item 16 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain wastewater pipeline easements and temporary construction easements and certain fee estates for the Dietz Wastewater Project or System in connection therewith, over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the General Manager/CEO, staff, and retained attorneys and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed fee estates and easements and temporary construction easements and related rights of ingress and egress that cannot be acquired through negotiation; declaring further negotiations futile; ratifying and affirming all acts and proceedings heretofore done or initiated by employees, agents, and attorneys of GBRA to acquire such property interests; authorizing all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary interests in real property; declaring the sections of the Resolution to be severable one from the**

other in the event any section of this Resolution is determined to be invalid; said properties to be identified to wit: Tract NG014 Leverage Entrepreneurs, LLC, a Texas limited liability company, being approximately 0.51 acres or 22,215.60 square feet more or less of permanent easement and 0.43 acres of temporary easement, and approximately 0.54 acres or 23,522.40 square feet more or less of permanent easement and 0.54 acres of temporary easement, out of the Antonio Maria Esnaurizar Survey, Abstract No. 20, in Guadalupe County, Texas, being over and across a portion of that certain 42.45 acre tract described in deed to Leverage Entrepreneurs, LLC, recorded in Volume 4149, Page 24, Official Public Records of Guadalupe County, Texas; Tract NG016 Dennis Weidner, being 0.78 acres or 33,976.80 square feet more or less of permanent easement and 0.77 acres of temporary easement out of the Antonio Maria Esnaurizar Survey, Abstract No. 20, in Guadalupe County, Texas, being out of a 100 acre tract described in deed recorded in Volume 336, Page 493, Deed Records of Guadalupe County, Texas; and Tract NG020 Steve Michael Trotter and Celinda Mari Trotter, husband and wife, being a 0.24 acres of permanent easement or 10,454.40 square feet more or less of permanent easement and 0.05 acres of temporary easement, out of the Antonio Maria Esnaurizar Survey, Abstract No. 20, Guadalupe County, Texas and being out of a 2.424 acre tract described in a Deed to Steve Michael and Celinda Mari Trotter, recorded in Volume 1419, Page 735, Official Public Records of Guadalupe, County, Texas. Courtney Kerr-Moore briefed the Board on the Dietz Wastewater Project. Wastewater service agreements are in negotiations for GBRA to provide wastewater

services from the Dietz Wastewater Project. Proceedings in eminent domain are necessary to acquire certain properties for the Dietz Wastewater Project. Efforts to negotiate for the acquisition of these properties have been unsuccessful. Upon motion by Director Motl, seconded by Director Meador, the Board of Directors of the Guadalupe-Blanco River Authority authorized the use of the power of eminent domain to acquire the following properties located in Guadalupe County, Texas: 0.51 acres of permanent easement and 0.43 acres of temporary easement and 0.54 acres of permanent easement and 0.54 acres of temporary easement located in a tract of land owned by Leverage Entrepreneurs, LLC; 0.78 acres of permanent easement and 0.77 acres of temporary easement located in a tract of land owned by Dennis Weidner; and 0.24 acres of permanent easement and 0.05 acres of temporary easement located in a tract of land owned by Steve Michael Trotter and Celinda Mari Trotter for the construction, operation, and maintenance of certain wastewater diversion facilities and a wastewater pipeline system and wastewater treatment lift station and other system related improvements for the Dietz Wastewater Project or System located in portions of Guadalupe County. The motion includes approval of the proposed Resolution and intends that the record vote on this matter applies to all units of property to be condemned. The unanimous vote on Action Item 16 is as follows:

AYES:	Directors Patillo, Meador, Motl, Brockman, Carbonara, Ehrig, Fogle, Hermes, and Mathews
NOES:	None
ABSTENTIONS:	None

A copy of the Resolution is attached and made a part of these minutes.

There being no further business to be brought before the Board, the meeting was adjourned at 1:17 p.m. subject to call by the Chairman.

Chairman

Secretary