

GUADALUPE-BLANCO RIVER AUTHORITY

Minutes of the Board of Directors

The Board of Directors of the Guadalupe-Blanco River Authority met in a meeting on June 10, 2020, by teleconference and at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Due to health and safety concerns related to the COVID-19 coronavirus, and in keeping with the Governor's March 13, 2020 disaster declaration (extended by the Governor's order of April 12, 2020 and May 12, 2020), this meeting was conducted by teleconference in accordance with provisions in Sections 551.125 of the Texas Government Code that have not been suspended by order of the Governor under Chapter 418 of the Government Code. Directors present were Dennis L. Patillo, Don B. Meador, Kenneth Motl, William R. Carbonara, Steven B. Ehrig, Oscar H. Fogle, Ronald J. Hermes, and Tommy Mathews. Also present were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Alvin Schuerg, Senior Advisor to the General Manager; Darel Ball, Advisor to the General Manager; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; David Harris, Executive Manager of Operations; Charlie Hickman, Executive Manager of Engineering and Development; 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; Amanda Reichle, Safety and Risk Manager; Molly Cagel and Travis Sales with Baker Botts.

General Manager/CEO Patteson addressed all regarding the conducting of the meeting. The Public had access to the proceedings through the following means: 1. By webinar link on computer or smart phone; Webinar Link: <https://attendee.gotowebinar.com/register/2811275717687517966>; 2. By using the GoToWebinar App on computer or smartphone (access will be available for public comments during the designated portion of the meeting) - use the webinar ID: 344-399-747; 3. By telephone (for listening purposes only) - Call In Number: 415-930-5321 - Audio Access Code: 312-399-361; and 4. By appearing at GBRA Seguin Offices to make comments.

Tom Bohl, General Counsel, addressed the Board with the procedures for discussion and/or taking action on agenda items. Mr. Bohl called roll for the members of the Board of Directors and stated names of people present in the room.

Chairman Patillo called the meeting to order at 10:01 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:

The Chairman called for **Chairman Item 1 - Consideration of and possible action on: (a) the procedures and conduct of the June 10, 2020 Board of Directors**

meeting; and (b) the procedures and conduct of the July 2020 Board of Directors meeting. Chairman Patillo and General Manager/CEO Patteson discussed procedures and conduct for the meeting with Board members and the schedule for the July 15, 2020 Board meeting. No action was taken on Chairman Item 1.

Next, the Chairman then called for **Public Comment 3 - Comments from the public.** There were no public comments.

The Chairman then called for **Consent Item 4 - Consideration of and possible action approving the minutes of the April 29, 2020 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for April 2020; Consent Item 6 - Consideration of and possible action approving the monthly operations report for April 2020; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Consent Items 4, 5, 6, and 7.

The Chairman called for **General Manager/CEO Item 8 - 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, public and private entities partnering with GBRA, water quality services, community affairs, environmental programs, stewardship, and update on GBRA Safety Work Plan. David Harris briefed the Board on safety activities, on-line training for licenses, installation of the Crestview Wastewater Treatment Plant, activities at the Sunfield Wastewater Treatment Plant and activities at the Western Canyon Regional Water Distribution System. Amanda Reichle briefed the Board on safety activities, no COVID-19 cases to date, voluntary restart of employees returning to the offices, and reopening of Canyon Lake Gorge tours.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Consulting Agreement for the development of a Habitat Conservation Plan.** Nathan Pence briefed the Board of the development of a Habitat Conservation Plan. Following Board directive, per the Resolution of Support passed April 17, 2019, GBRA is seeking a consultant to assist staff with strategic planning and drafting of a Guadalupe River Basin Habitat Conservation Plan. The consultant is anticipated to provide some or all of the following services: identification and finalization of a suite of species for inclusion in the Guadalupe River Basin Habitat Conservation Plan, generating information/data for the Guadalupe River Habitat Conservation Plan, identification of covered activities for inclusion in the Guadalupe River Habitat Conservation Plan, identification of mitigation strategies, negotiation with the United States Fish and Wildlife Service, facilitation of stakeholder participation and input, drafting of the Guadalupe River Habitat Conservation

Plan and submittal/approval of an Incidental Take Permit. GBRA intends to use a competitive procurement process by issuing a Request for Qualifications. Funding of the contractor will be through a Section 6 grant, staff match and already allocated GBRA budget. The process is anticipated to take 3-5 years. Entities whose legal operations may or do cause “take” of Endangered Species, are required to obtain an Incidental Take Permit from United States Fish and Wildlife Service. The Incidental Take Permit allows for legal take of an Endangered Species, up to a set threshold. A Habitat Conservation Plan is submitted as part of the process to obtain an Incidental Take Permit and outlines the activities that may/do cause take and establishes what mitigation will be implemented to receive the Incidental Take Permit. GBRA is seeking this Incidental Take Permit/Habitat Conservation Plan proactively and has been discussing with United States Fish and Wildlife Service and the Texas Parks and Wildlife Department, informing them of GBRA’s intent. Thus far, reception has been overwhelmingly positive and collaborative. GBRA would implement elements of the GBRA/Aransas Project Memorandum of Agreement through this Habitat Conservation Plan. Additionally, GBRA intends to explore mechanisms that would allow other Guadalupe River users to participate and receive third party take protection. Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Consulting Agreement for the development of a Habitat Conservation Plan.

The Chairman then called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an**

Agreement to construct the GBRA Gorge Outdoor Lab. Nathan Pence briefed the Board on the Agreement to construct the GBRA Gorge Outdoor Lab. Following the Gorge discussion provided to the Board at its regular meeting held February 19, 2020, GBRA is seeking a licensed contractor to construct the GBRA Outdoor Lab. The lab will host the 5th Grade Outdoor Classrooms, serve as a temporary on-site GBRA office and provide secure storage for tools and equipment. The contractor will provide a 20 foot x 45 foot metal building and 80 foot x40 foot slab to include finished office space, storage area, an ADA restroom and a septic field. Funding for the Outdoor Lab is allocated in the GBRA Fiscal Year 2020 budget. In 2007, GBRA, the Gorge Preservation Society, and the U. S. Army Corps of Engineers adopted a Master Plan for the GBRA Gorge at Canyon Lake. The Masterplan included an Environmental Learning Center. It was determined that one element needed to achieve full implementation of this plan is a multi-purpose building on the Gorge property, aka the GBRA Outdoor Lab. Gorge Preservation Society volunteers and GBRA staff performed necessary site work at the construction location readying the land for actual construction at a cost-savings to the budget. Upon motion by Director Meador, seconded by Director Mathews, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Agreement to construct the GBRA Gorge Outdoor Lab.

The Chairman called for **Action Item11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Agreement between the Gorge Preservation Society, Inc. (GPS) and the Guadalupe-Blanco River Authority related to a GPS contribution to secure safety fencing and other**

projects associated with the North Rim Trail. Nathan Pence briefed the Board on the North Rim Trail project. As the GBRA and the Gorge Preservation Society share the common goal of promoting education and recreation at the Canyon Lake Gorge and as GPS engaged professional engineering services for the design of safety fencing at the Gorge, the Gorge Preservation Society Board voted unanimously to make a cash gift of Forty-eight Thousand Seven Hundred-fifty and No/100 Dollars (\$48,750) to the GBRA, to complete installation of the safety fencing. This gift requires no repayment in the form of cash or by any future services provided by the GBRA. Once accepted, GBRA shall use the gift for improvements to the North Rim Trail at the Canyon Lake Gorge. Specifically, the gift shall be used to install safety fencing, as engineered by Halff & Associates, at each of the eight (8) overlook nodes. GBRA shall utilize a competitive bid solicitation to choose a contractor for installation and will have the sole discretion to make all decisions related to the project. Any remaining funds after the fencing installation will be used for projects associated with the North Rim Trail. In addition, GBRA will have sole discretion in how the remaining funds, if any, are utilized on other improvement projects on the North Rim Trail but agrees to collaborate with the Gorge Preservation Society during the determination process. Upon motion by Director Meador, seconded by Director Mathews, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Agreement between the Gorge Preservation Society, Inc. and the Guadalupe-Blanco River Authority related to a Gorge Preservation Society contribution to secure safety fencing and other projects associated with the North Rim Trail.

Next, the Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to execute a Bill of Sale between the Gorge Preservation Society, Inc. (GPS) and the Guadalupe-Blanco River Authority (GBRA) for a transfer of right, title and interest in and to the GPS's 2005 Ford 14 Passenger Shuttle Bus.** Nathan Pence briefed the Board on the donation of a passenger shuttle bus from the Gorge Preservation Society. As the GBRA and the Gorge Preservation Society share the common goal of promoting education and recreation at the Canyon Lake Gorge, the Gorge Preservation Society, as Seller, would like to gift a 2005 Ford 14 Passenger Shuttle Bus, with a market value of approximately Seven Thousand Dollars (\$7,000), to the GBRA, as Buyer, for a consideration of Ten Dollars (\$10). This transfer of title requires no repayment in the form of cash or by any future services provided by the GBRA. GBRA will take ownership and operation of the Passenger Shuttle Bus for transporting visitors within and to the Canyon Lake Gorge; this may include but is not limited to transportation during Gorge special events, Canyon Lake community events, group and private events, educational, student tours, and any other transportation purposes. The Gorge Preservation Society will transfer all right, title and interest in and to the vehicle to GBRA. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to execute a Bill of Sale between the Gorge Preservation Society, Inc. and the Guadalupe-Blanco River Authority for a transfer of right, title and interest in and to the Gorge Preservation Society's 2005 Ford 14 Passenger Shuttle Bus.

The Chairman then called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to engage the audit firm of Baker Tilly for the Fiscal Year 2020 financial audit.** Randy Staats briefed the Board on the engagement of the audit firm Baker Tilly. An annual audit is required by Section 7 of GBRA's Enabling Act, Section 49.191 of the Texas Water Code, GBRA Board Policy 410-Audits, and the provisions of numerous bond resolutions. GBRA's Board Policy 410.202 states that the term of the engagement of an independent auditor shall be one year subject to annual evaluation of the audit firm's performance and mutually agreed terms. The firm of Baker Tilly has performed the audit the last two years. Baker Tilly has submitted their proposal for auditing services for the Fiscal Year 2020 financial audit. The proposal for services states that the fee for the firm's services will be based upon their quoted hourly rates, but not to exceed \$55,000. This amount is exclusive of any potential services related to the Single Audit Act for federal grant expenses that meet certain thresholds. Upon motion by Director Hermes, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to engage the audit firm of Baker Tilly for the Fiscal Year 2020 financial audit.

The Chairman called for **Action Item 14 - 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 Stein Falls Collection Capital Improvement 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, 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 the Resolution is determined to be invalid; said properties to be identified to wit: Parcel 16/17 – James Hardy, being approximately 3.825 acres or 166,617 square feet more or less of permanent easement and 2.743 acres or 119,485 square feet more or less of temporary construction easement situated in the Ignatius S. Johnson Survey No. 47, Abstract No. 260, in Guadalupe County, Texas, and being a portion of that certain 168.784 acres conveyed by Deed recorded in Volume 2274, Page 382, Official Public Records of Guadalupe County, Texas. Courtney Kerr-Moore briefed the Board on progress of right-of-way acquisition for the Stein Falls Collection Capital Improvement Project. The Guadalupe-Blanco River Authority has continued to experience high growth in the area served by the Stein Falls Wastewater Reclamation System and expansion of the collection system is necessary to accommodate the growth in existing and new

subdivisions. Efforts to negotiate for the acquisition of the listed properties have so far been unsuccessful so proceedings in eminent domain may be necessary to acquire certain properties for the Stein Falls Collection Capital Improvement Project. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved a Resolution authorizing the use of the power of eminent domain to acquire the following properties located in Guadalupe County, Texas: 3.825 acres of permanent easement and 2.743 acres of temporary construction easement located in a tract of land owned by James Hardy 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 Stein Falls Collection Capital Improvement Project 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 by the following vote:

AYES: Directors Patillo, Meador, Motl, Ehrig, Fogle
Hermes, Carbonara, and Mathews

NOES: None

ABSTENTIONS: None

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

Next, the Chairman then called for **Action Item15 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for the Northcliffe Wastewater Treatment Plant Demolition Project.** Charlie Hickman briefed the Board on the

demolition project for the Northcliffe Wastewater Treatment Plant. The Northcliffe Wastewater Treatment Plant has reached the end of its useful life and stopped receiving waste permanently as of October of 2019. GBRA operations staff have prepared the wastewater Treatment Plant for demolition. A Request for Proposals will be issued to procure a general contractor to perform the demolition of the facility. The project consists of demolition of the abandoned treatment facilities with associated erosion control, earthwork, and seeding. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for the Northcliffe Wastewater Treatment Plant Demolition Project.

The Chairman then called for **Chairman Item 2 - Consideration of and possible approving an Order of the Board of Directors of the Guadalupe-Blanco River Authority ratifying action cancelling the May 20, 2020 and June 17, 2020 Board meetings.** Upon motion by Director Meador, seconded by Director Mathews, the Board unanimously approved an Order of the Board of Directors ratifying action cancelling the May 20, 2020 and June 17, 2020 Board meetings. A copy of the Order is attached and made a part of these minutes.

The Chairman called for **Discussion Item 16 - Discussion and presentation of the Fiscal Year 2021 proposed Guadalupe-Blanco River Authority Work Plan and Budget.** Randy Staats briefed the Board on the proposed Fiscal Year 2021 Work Plan and Budget including operating divisions/systems, changes in the Budget timeline,

customer notification of rate changes, revenues, no increase in firm water rate, budget challenges, proposed rate increases in other Divisions, and staffing history and additions.

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 Basin hydrologic condition, the Base Flow Report, condition of the Guadalupe Basin including rainfall percentages, events and totals, the U. S. Drought Monitor Seasonal Outlook, Edwards Aquifer levels, Comal Springs level, Guadalupe River stream flows, El Nino and La Nina modeled forecast, and elevation of Canyon Reservoir.

The Chairman recessed the open meeting at 11:20 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:30 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened in open session at 12:42 p.m. and General Counsel Bohl called roll of Board members. All members were present.

There being no further business to be brought before the Board, the meeting was adjourned at 12:43 p.m. subject to call by the Chairman.

Chairman

Secretary