

## **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 November 18, 2020. Due to health and safety concerns related to the COVID-19 coronavirus, and in keeping with the Governor's March 13, 2020 disaster declaration and extensions, 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. Present in the William E. West Annex Building at 905 Nolan Street, Seguin, Texas were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Darel Ball, Senior Advisor to the General Manager; Alvin Schuerg, Senior 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 (via video broadcast); 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; Lauren Willis, Director of Regulatory and Customer Affairs. Also in attendance in the Annex Building was guest presenter on Item 16 Tyler Sanderson, Executive Director of Guadalupe-Blanco River Trust.

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/1915222121602648846>; 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: 448-308-027; 3. by telephone (for listening purposes only) - Call In Number: 562-247-8422; Audio Access Code: 668-480-548; and 4. by appearing at GBRA Seguin Offices to make comments. The public was also able to view presentations.

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

General Manager/CEO Kevin Patteson extended congratulations to Directors Carbonara, Ehrig and Meador on their reappointments to the GBRA Board by Governor Abbot and recognized Alvin Schuerg on his upcoming retirement.

Chairman Patillo called the meeting to order at 10:06 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 November 18, 2020 Board of Directors meeting; and (b) the procedures, conduct, and date of the December 2020 Board of Directors meeting.** No discussion or action was taken on Chairman Item 1.

The Chairman then called for **Chairman Item 2 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2020 retiree Alvin Schuerg.** Director Patillo read a Resolution honoring Alvin Schuerg for his 39 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Patillo thanked Alvin Schuerg for his 39 years of dedication to GBRA. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved a Resolution honoring GBRA 2020 retiree Alvin Schuerg. A copy of the Resolution is attached and made a part of these minutes.

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

Next, the Chairman called for **Consent Items 4-7 - Consideration of and possible action approving the minutes of the October 21, 2020 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for September 2020; Consent Item 6 - Consideration of and possible action approving the monthly operations report for October 2020; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Motl, seconded by Director Fogle, the Board unanimously approved Consent Items 4, 5, 6 and 7.

The Chairman then 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.** The General Manager/CEO Kevin Patteson, requested that Executive Reports be moved to the December meeting. Next Amanda Reichle, Safety and Risk Manager, gave a report on having no lost time accidents or reportable incidents in the previous month; one reported COVID-19 case was reported last month, the employee has since recovered and returned to work; GBRA is currently planning for CPR-First Aid Training for all employees with the American Red Cross updated COVID protocols; Ms. Reichle updated the Board on the current risk management plan and implementation of the first phase of the Fleet Vehicle Safety Program safety component equipping all vehicles with an Emergency Contact Wallet Card and Pre-Vehicle Inspection Checklist as a proactive safety measure prior to taking out a vehicle; an overview of the monitoring of active COVID-19 cases over our 10

county district was given; Ms. Reichle noted Comal, Hays, Guadalupe and Victoria counties have shown the sharpest increase in positive confirmed cases, and all counties in our basin with the exception of Refugio County have reported an increase in all active cases since last week; GBRA will continue to monitor Governor Abbott's Executive Orders concerning COVID and how it relates to GBRA's operations.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action adopting three Resolutions Expressing Official Intent to reimburse costs incurred to make improvements to the Lake Dunlap, Lake McQueeney and Lake Placid Dams and Hydroelectric facilities.** Randy Staats briefed the Board on the final financing and operating agreements with Water Control and Improvement Districts (WCIDs) for Lakes Dunlap, McQueeney and Placid. The Agreements call for financial participation by GBRA with regard to engineering fees. Engineering fees have been incurred and will be expended in advance of receiving proceeds from bond sales. In addition, minimal construction costs may be incurred in advance of receipt of funds.

In order to protect GBRA's ability to finance construction and related project costs incurred for the projects prior to the issuance of tax-exempt debt, IRS rules require GBRA to declare its official intent to reimburse costs. Upon motion made by Director Meador and seconded by Director Fogle the Board unanimously approved the adoption of three Resolutions Expressing Official intent to reimburse costs incurred to make improvements to the Lake Dunlap, Lake McQueeney and Lake Placid Dams and Hydroelectric facilities. Copies of the Resolutions shall be attached and become a part of these minutes.

Next, the Chairman then called for **Chairman Item 10 - Consideration of and possible action authorizing the General Manager/CEO to execute the amended Joint Funding Agreement for the Edwards Aquifer Habitat Conservation Plan.**

Nathan Pence addressed the Board characterizing the current Edwards Aquifer Habitat Conservation Plan (EAHCP) Joint Funding Agreement (JFA) as an agreement that was voluntarily entered into by a group of Edwards Aquifer Stakeholders that wanted to help financially support the EAHCP efforts, even though they did not pay Edwards Aquifer Authority (EAA) management fees. The contributions to the EAHCP by the JFA Stakeholders is currently \$735,000 annually. Each of the six Stakeholders individual annual contribution amounts are GBRA - \$400,000; Union Carbide \$200,000; City Public Services Energy (CPS) \$100,000; San Antonio River Authority (SARA) \$25,000; Guadalupe Basin Coalition (GBC) \$5,000; City of Victoria \$5,000 for an Annual Total amount of \$735,000.

Mr. Pence explained that in order to help fund the Guadalupe River Basin Habitat Conservation Plan, which will have benefits Basin wide and even potentially in other Basins, GBRA proposed to reduce its annual contribution in the JFA from \$400,000 to \$150,000 annually. The balance of the funds (\$250,000 annually) will be used by GBRA for the Guadalupe Habitat Conservation Plan's related expenses; grant match, staff, research, planning, contractors, et cetera. In addition to the \$3,200,000 in funding already provided to the EAHCP by GBRA in previous years, after this proposed amendment, GBRA's contributions will total an additional \$1,050,000 during the remaining term of the JFA ending in FY 2027. GBRA Staff have worked with all other signatories to the JFA

including the Edwards Aquifer Authority, to gain their support and approval for the amendment.

Upon Motion by Director Fogle and seconded by Director Matthews the Board unanimously approved the amendment to the Joint Funding Agreement for the Edwards Aquifer Habitat Conservation Plan.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager to negotiate and execute a contract with the highest ranked contractor for the construction of the Lake Dunlap Spillgate Replacement and Dam Armoring Project.** Charles Hickman briefed the Board on the Lake Dunlap Spillgate Repairs and Dam Armoring and informed them that staff is currently evaluating three responses to a Request for Proposals that was issued for the Lake Dunlap Spillgate Replacement and Dam Armoring Project and recommended that GBRA award the contract to the highest ranked contractor. Mr. Hickman informed the Board that GBRA received three competitive responses from contractors on October 27, 2020 in response to the Request for Proposals issued on this project. Following receipt of the proposals, the Lake Dunlap Water Control and Improvement District secured the ability to issue ad valorem taxes through successful ballot initiatives in the November 2, 2020 election. GBRA and the district have formalized an agreement that specifies how the two parties will finance the construction and operation of the replacement gate facilities, and are currently scoring the responses to the RFP. The recommendation for award will also be provided to the Texas Water Development Board for review prior to executing a contract with the highest ranked respondent. Upon Motion made by Director

Meador and seconded by Director Matthews, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the highest ranked contractor for the construction of the Lake Dunlap Spillgate Replacement and Dam Armoring Project.

Next, the Chairman called for **Action Item 12 - Consideration of and possible action approving a Resolution in support of a grant application to the Texas Water Development Board seeking funding for GBRA, as the region sponsor, to administer the development of the 2023 Regional Flood Plan for Region 11.** Lauren Willis briefed the Board on GBRA staff's proposal to submit an application with the Texas Water Development Board (TWDB) to secure financial assistance for administration of the 2023 Regional Flood Plan for Region 11 - Guadalupe River Basin. At the inaugural Region 11 Flood Planning Group meeting on November 4, 2020, Doug Miller was selected as the Region 11 Chair and the Guadalupe-Blanco River Authority was selected to serve as the regional sponsor to assist the Regional Flood Planning Group in development of its 2023 Regional Flood Plan, pursuant to Senate Bill 8 of the 86th Regular Texas Legislature. As the regional sponsor, the Guadalupe-Blanco River Authority will contract with TWDB for funding so the Regional Flood Planning Group can procure a technical consultant to develop the plan. In addition, the Guadalupe-Blanco River Authority will coordinate regular meetings (including securing meeting location/time, provide necessary notice, assist in setting agendas, and recording the minutes), assist in soliciting nominations to fill vacancies on the Regional Flood Planning Group, and other administrative duties for the Regional Flood Planning Group. Upon Motion made by



Director Fogle and seconded by Director Hermes the Board unanimously agreed to the adoption of a Resolution in support of a grant application to the Texas Water Development Board seeking funding for GBRA, as the region sponsor, to administer the development of the 2023 Regional Flood Plan for Region 11.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with JES Holdings, LLC relating to the construction and operation of a proposed lift station and lines connecting the Highlander Senior Village at Johnson Ranch Subdivision with the Johnson Ranch Wastewater Treatment System in Comal County.** Tom Bohl briefed the board on the proposed agreement for the construction of lines and a lift station for a facility called the Highlander Senior Village in Comal County at Bulverde and near to Johnson Ranch Subdivision. JES Holdings, LLC (JES) will construct the facilities, consistent with applicable federal, state and local standards. GBRA will operate the lift station for a period of five years. The facilities will be connected to the Johnson Ranch Wastewater Treatment System. Upon a Motion by Director Matthews and seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with JES Holdings, LLC (JES) relating to the construction and operation of a proposed lift station and lines connecting the Highlander Senior Village at Johnson Ranch Subdivision with the Johnson Ranch Wastewater Treatment System in Comal County.

Next, the Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Water**

**Code Section 54.2351 contract with Johnson Ranch Municipal Utility District and Lennar Homes of Texas Land and Construction, Ltd., relating to the transfer of water and sewer facilities.** Tom Bohl described a proposed agreement between the parties providing for the ownership of water and wastewater lines and related facilities on approximately 287 acres of land within the Johnson Ranch Municipal Utility District (JRMUD) providing for the reimbursement of developer expenses. The agreement also provides for the leasing of the facilities and operation of the facilities by GBRA until the ultimate conveyance of the facilities to GBRA. JRMUD has previously entered into agreements with GBRA and with the initial developer of land within JRMUD for the construction of water and wastewater systems in Johnson Ranch Subdivision, the operation of those systems by GBRA, and the ultimate conveyance of the facilities to GBRA. The initial developer sold approximately 287 acres of land in JRMUD to Lennar, which will construct improvements on that acreage. The proposed agreement now before the Board would be similar to the prior agreements between JRMUD, GBRA and the initial developer. Lennar will convey the facilities to JRMUD. JRMUD will reimburse allowable developer expenses and ultimately, JRMUD will convey the facilities to GBRA.

Upon a Motion made by Director Meador and seconded by Director Fogle, the Board unanimously approved the General Manager/CEO to negotiate and execute a Water Code Section 54.2351 contract with Johnson Ranch Municipal Utility District (JRMUD) and Lennar Homes of Texas Land and Construction, Ltd. (Lennar) relating to the transfer of water and sewer facilities.

Next, the Chairman called for **Action item 15 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute contracts with qualified firms for legislative services.** Tom Bohl reported on the Requests for Proposals solicited for Legislative Services to be performed over a two-year period starting not later than January 1, 2021. Each contract will contain a 30-day termination clause. HillCo Partners and Poinsett, LLC were the top two ranked proposals, each having different strengths. The General Manager recommends executing contracts with both firms. Upon a Motion made by Director Matthews and seconded by Director Hermes, the Board unanimously authorized the General Manager/CEO to negotiate and execute contracts with qualified firms for legislative services.

Next, the chairman called for **Discussion Item No. 16 - Presentation and update on activities on the Guadalupe-Blanco River Trust (GBRT) and implementation of the 2019 GBRA/GBRT Memorandum of Understanding (MOU).** Nathan Pence introduced Tyler Sanderson, Executive Director of the Guadalupe Blanco River Trust. Mr. Sanderson reported on the common goals shared by GBRA and GBRT of conserving and stewarding land and resources of the Guadalupe River Basin. GBRA and GBRT entered into a Memorandum of Understanding which outlined the roles of each entity in collaborating to conserve the resources of the Basin. In 2019 the MOU was amended to more accurately reflect the relationship between GBRA and GBRT and to incorporate recommendations made by the Sunset Committee. One of the requirements is for GBRT to provide GBRA with bi-annual presentations on its activities and progress. Mr. Sanderson updated the Board on GBRT activities, how GBRA funds have been utilized,

response to COVID, easements and land acquired or placed in trust and highlights from FY2020 and planned activities for 2021.

Next the Chairman called for **Discussion Item 17 - Discussion regarding the grant funding awarded by the U. S. Bureau of Reclamation for repairs to the Guadalupe River Diversion System and a request for proposals to procure a contractor for completing the improvements.** Charlie Hickman updated the Board on GBRA's most recent award from the U.S. Bureau of Reclamation (Bureau) for small-scale water efficiency projects. In April, 2020, the GBRA Board approved submittal of an application for a U.S. Bureau of Reclamation Water SMART grant. The Bureau awarded GBRA \$75,000 for additional repairs to the Hog Bayou Levee. GBRA has a \$25,000 match to the grant and will be providing in-kind services for its contribution. Funding is expected by January 2021, and procurement of a contractor for the levee upgrades is planned for December 2020, with the upgrades to start in March 2021, and a projected completion date planned for July 2021. Mr. Hickman reviewed the phases of the repair project on the structure for the Board.

Next the Chairman called for **Discussion Item 18 - Discussion regarding the Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** General Manager/CEO Kevin Patteson requested that this report be postponed until the December meeting. Chairman Patillo approved the request.

The Chairman recessed the open meeting at 11:44 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:55 a.m.

pursuant to Chapter 551, Texas Government Code. The Chairman reconvened in open session at 12:46 p.m. and all members were present.

There being no further business to be brought before the Board, the meeting was adjourned at 12:47 p.m. subject to call by the Chairman.

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Chairman

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Secretary