

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 December 12, 2018, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Robert “Rusty” Brockman, Dennis L. Patillo, Don B. Meador, William R. Carbonara, Oscar H. Fogle, Tommy Mathews, Kenneth Motl, Ronald J. Hermes, 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; Alvin Schuerg, Senior Advisor to the General Manager; Darel Ball, Executive Manager of Operations and Water Quality; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; 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; Ernie Granville, Associate General Counsel; Charlie Hickman, Manager of Project Engineering; and Sara Slaughter with Baker Tilly.

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

The Chairman called for **Chairman Item 1 - Appointment of a Nominating Committee for Officers of the Board of Directors for calendar year 2019**. Chairman Rusty Brockman and Director Tommy Mathews were appointed to the Nominating Committee and will report back to the Board at the January 16, 2019 Board meeting with a proposed slate of officers for calendar year 2019.

Next, the Chairman called for **Chairman Item 2 - Discussion regarding Board of Directors' Committee assignments**. General Manager/CEO Patteson suggested that the Board members review the committees currently in existence and determine if they would like to dissolve any or add additional committees. Board of Directors' Committee assignments will be further discussed with a possible action at the January 16, 2019 Board meeting.

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

Next, the Chairman called for **Consent Item 4 - Consideration of and possible action approving the minutes of the November 14, 2018, Board meeting; Consent Item 5 – Consideration of and possible action approving the monthly financial report for September and October 2018; Consent Item 6 - Consideration of and possible action approving the monthly operations report for November 2018; and**

Consent 7 - Consideration of and possible action approving Directors' expense vouchers. Upon motion by Director Meador, seconded by Director Motl, 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, non-profit entities partnering with GBRA, water quality services, community affairs, environmental programs, and stewardship.** Quarterly reports were not discussed this month. Darel Ball, David Harris, and Michael Urrutia presented items related to operations. Mr. Harris reported on a water leak repair at Port Lavaca Water Treatment Plant. This repair involved excavation of six (6) inch ductile iron pipe located on the plant water feed line used for building, plant wash down and chemical feed. Mr. Urrutia presented information on a raw water pipeline repair near the San Marcos Water Treatment Plant. The only previous raw water pipeline repair was done in 2008 and that leak occurred on Old Bastrop Road west of the treatment plant. The current repair required the GBRA crew and staff to work through the night to

de-water the pipeline so that the welders would be able to perform the next steps in the morning. The entire repair took thirty-six (36) hours. Alvin Schuerg recognized Barbara Gunn and her contributions to GBRA over the past 17 years in the human resources department and wished her well in her retirement.

The Chairman called for **Action Item 9 – Consideration of and possible action approving the Fiscal Year 2018 Annual Financial Audit and distribution of the Comprehensive Annual Financial Report.** Randy Staats presented information from the Comprehensive Annual Financial Report (CAFR) including discussion from the audit firm of Baker Tilly. Sara Slaughter with Baker Tilly went through tasks completed over the past year in connection with the audit. Upon motion by Director Patillo, seconded by Director Motl, the Board unanimously approved the Fiscal Year 2018 Annual Financial Audit and distribution of the Comprehensive Annual Financial Report.

Next, the Chairman called for **Action Item 10 – Consideration of and possible action approving a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing the freezing of the Retirement Plan for Employees of Guadalupe-Blanco River Authority (Defined Benefit Plan) and providing for a supplemental benefit in order to begin Guadalupe-Blanco River Authority's participation in the Texas County and District Retirement System (TCDRS) and termination and distribution of funds from the Employees' Defined Contribution Retirement Plan and Trust (401a Defined Contribution Plan), and amending the Employee Retirement Savings Plan (457 Defined Contribution Plan) to eliminate the matching contribution.** Randy Staats briefed the Board on the proposed amendments

to the existing Defined Benefit Plan, namely freezing of the Defined Benefit Plan and providing a supplemental benefit for the qualified participants. The amendment also includes discontinuing the 401A Defined Contribution Plan as well as discontinuing the employer match under the 457 Contribution Plan. Upon motion by Director Mathews, seconded by Director Fogle, the Board unanimously approved a Resolution of the Guadalupe-Blanco River Authority Board of Directors authorizing the freezing of the Retirement Plan for Employees of Guadalupe-Blanco River Authority (Defined Benefit Plan) and providing for a supplemental benefit in order to begin Guadalupe-Blanco River Authority's participation in the Texas County and District Retirement System (TCDRS), and termination and distribution of funds from the Employees' Defined Contribution Retirement Plan and Trust (401a Defined Contribution Plan), and amending the Employee Retirement Savings Plan (457 Defined Contribution Plan) to eliminate the matching contribution. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Action Item 11 – Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute employee benefit plans and services for calendar year 2019 including plans for health insurance, dental insurance, group term life insurance, long-term disability insurance, and others.** Vanessa Guerrero briefed the Board on the projected increase in costs of the existing health insurance plan which resulted in GBRA's contracting with United HealthCare for health and dental insurance for 2019. Upon motion by Director Motl, seconded by Director Mathews, the Board unanimously authorized the General

Manager/CEO to negotiate and execute employee benefit plans and services for calendar year 2019 including plans for health insurance, dental insurance, group term life insurance, long-term disability insurance, and others with United HealthCare.

The Chairman called for **Discussion Item 12 – Briefing and discussion on Legislative Issues.** Jonathan Stinson provided an overview of the Texas legislative process and identified some potential issues that GBRA will want to track in the next legislative session.

Next, the Chairman called for **Discussion Item 13 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Tommy Hill 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 11:23 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:33 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:15 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:15 p.m. subject to call by the Chairman.

Chairman

Secretary