

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 August 21, 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, and Steven B. Ehrig. Director Tommy Mathews was absent. 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; 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; 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; Michael Urrutia, Deputy Executive Manager of Operations; Lamont Jefferson and Emma Cano with Jefferson Cano; Amy Warr with Alexander Dubose Jefferson; Texas State Representative John Kuempel; Guadalupe County Judge Kyle Kutscher; and Don Keil, Mayor-City of Seguin.

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

Chairman Patillo welcomed all in attendance.

The Chairman called for **General Manager/CEO Item 7 - Report and update on the Guadalupe Valley Hydroelectric System; report and update on actions taken by the General Manager/CEO relating to the management and operation of the GBRA Hydroelectric Lakes, including actions taken to mitigate risks posed by hydro spillgates.** General Manager/CEO Patteson addressed the Board and audience regarding the difficult and unpleasant decision that has been made to lower the remaining Guadalupe Valley Hydroelectric System spillgates effective September 16, 2019. GBRA took action at the July 2019 Board meeting extending restricted areas above and below the dams and the public continues to access the restricted areas which have been recorded on video at the dams. An engineering firm has performed an inspection on the Dunlap Dam's remaining spillgates to determine the cause of the spillgate failure. General Manager/CEO Patteson informed everyone that GBRA is live streaming this Board meeting and all future Board meetings will be live streamed. Charlie Hickman briefed the Board and guests on the Guadalupe Valley Hydroelectric System and status of the dams. Mr. Hickman discussed the failure modes on the H-5 and Dunlap spillgates

and three components of the spillgates -- the casting, the hinge plates, and the pin. The Board and guests were informed that the failure at the H-5 (Lake Wood) spillgate resulted in the downstream hinge plates being sheared off. The Dunlap spillgate hinge plates failed. Mr. Hickman informed the Board and guests that destructive testing was performed at Dunlap Spillgate No. 1 including inspecting hinge castings that were in fair condition, hinge pin that had significant wear, and hinge plates which failed. The Board and audience were shown the original drawing of the hinge assembly. The Consultants conclusion on visual inspection of the hinge assembly is they are no longer adequate for continued service and the remaining spillgates in the Guadalupe Valley Hydroelectric System are no longer adequate for continued service. Jonathan Stinson discussed public safety concerns, installation of increased surveillance and warnings, and video of criminal activities at GBRA's hydroelectric facilities. GBRA has been working and meeting with law enforcement, the Texas Parks and Wildlife Department (Aquatic Resource Relocation Plan), and State and local officials. Mr. Stinson informed the Board and guests that certified letters have been mailed to homeowners on and around each lake and GBRA has established a website "GVLakes.com" to keep the public updated on the Guadalupe Valley Hydroelectric System. Chairman called for comments from the public. Approximately 160 individuals were in attendance and approximately 32 individuals addressed the Board with questions and concerns relating to the repairs and replacement of spillgates on all of GBRA's Guadalupe Valley Hydroelectric System dams. Guadalupe County Judge Kyle Kutcher addressed the Board and requested more discussion be had on options, safety concerns, and economic issues prior to lowering the spillgates on

September 16, 2019. Judge Kutcher also requested that Board action be taken on such a large issue and all factors be considered. Texas State Representative John Kuempel addressed the Board with concerns regarding the lowering of all spillgates and stated “you have heard it, don’t do it”. Representative Kuempel requested continued working together to find a solution without lowering the lakes. City of Seguin Mayor Don Keil addressed the Board and would like to continue working together for a solution to keep the lakes full, safe, and the river flowing. General Manager/CEO Patteson addressed the Board and audience and GBRA is committed to work with everyone to find a solution. Chairman Patillo commented the Board appreciates all the comments and will continue working with all to find a solution.

The Chairman recessed the open meeting at 12:01 p.m. and reconvened in open session at 12:20 p.m.

Next, the Chairman called for **Public Comment Item 2 - Comments from the public**. There were no additional public comments at this time.

The Chairman then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the July 17, 2019, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for July 2019; Consent Item 5 - Consideration of and possible action approving the monthly operations report for July 2019; and Consent Item 6 - Consideration of and possible action approving Directors’ expense vouchers**. Upon motion by Director Fogle, seconded by Director Brockman, the Board unanimously approved Consent Items 3, 4, 5, and 6.

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, non-profit entities partnering with GBRA, water quality services, community affairs, environmental programs, and stewardship.** There was no discussion on General Manager/CEO Item 8.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for Biosolids Disposal Services for the Hays and Caldwell County operations.** Michael Urrutia briefed the Board on the proposed contract for biosolids disposal services. The Guadalupe-Blanco River Authority's Hays and Caldwell County operations operate several wastewater and water treatment plants that require the disposal of wastewater and water treatment biosolids (sludge). The Hays and Caldwell County Operations, wastewater and water treatment plants, produce sludge as part of the treatment process that requires disposal services. The biosolids are transported to a Texas Commission on Environmental Quality permitted facility for further

processing including recycling processes. The wastewater and water treatment plants include the Lockhart Wastewater Treatment Plant, Buda Wastewater Treatment Plant, Sunfield Wastewater Treatment Plant, Shadow Creek Wastewater Treatment Plant and the San Marcos Water Treatment Plant. Funds will be available in the Fiscal Year 2020 budget to cover the expected costs of the disposal services. Upon motion by Director Brockman, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for Biosolids Disposal Services for the Hays and Caldwell County operations.

The Chairman then called for **Action Item 10 - Consideration of and possible action approving and accepting the GBRA Biennial Investment Policy and Portfolio Review.** Randy Staats briefed the Board on the Investment Policy. Section 403.304 of the GBRA Investment Policy requires that an investment portfolio review be performed at least every two years. GBRA engaged Hilltop Securities Asset Management to perform an investment policy and portfolio review. The investments are in compliance with policy investment limits (investment types and maturity) and the Public Funds Investment Act. The portfolio provides for minimal credit risk to ensure preservation of principal. The portfolio provides sufficient liquidity to meet cash flow demands. Interest earned during Fiscal Year 2017 topped benchmarks, but lagged behind in Fiscal Year 2018 due to higher bank account balances. The portfolio was well diversified in U.S. Treasuries, agency securities, local government investment pools, money market mutual funds, and certificates of deposit. GBRA staff recommended minor wording changes to the Investment Policy as a result of changes in legislation. Upon motion by Director Motl,

seconded by Director Ehrig, the Board unanimously approved and accepted the GBRA Biennial Investment Policy and Portfolio Review.

The Chairman called for **Action Item 11 - Consideration of and possible action approving a Resolution of the Board of Directors of Guadalupe-Blanco River Authority adopting Board Policy – 403 Investment Policy and the investment strategy contained therein.** Randy Staats briefed the Board on revisions to the Investment Policy. GBRA Board Policy 403 – Investment Policy as well as the Texas Public Funds Investment Act requires GBRA's Board of Directors to annually approve the investment policy and the investment strategy contained therein. Texas Government Code requires that the Board adopt by resolution a written investment policy regarding the investment of its funds and funds under its control. An annual review of the investment policy and strategies is required. GBRA's Investment Policy was last approved in January 2018. Upon motion by Director Motl, seconded by Director Brockman, the Board unanimously approved a Resolution of the Board of Directors of Guadalupe-Blanco River Authority adopting Board Policy – 403 Investment Policy and the investment strategy contained therein. A copy of the Resolution and Board Policy – 403 Investment Policy are attached and made a part of these minutes.

Next, the Chairman called for **Action Item 12 - Consideration of and possible action approving a Resolution to execute financing agreements with the Texas Water Development Board to close on a portion of the \$165,855,000 commitment for the Carrizo Groundwater Supply Project.** Randy Staats briefed the Board on the execution of two or more financing agreements between GBRA and the Texas Water

Development Board that will provide funds for closing on a portion of the \$165,855,000 total funding commitment from the Texas Water Development Board. The Carrizo Groundwater Supply Project will provide up to 15,000 acre-feet of treated groundwater for the three customers of the project: New Braunfels Utilities, City of Lockhart and Goforth Special Utility District. It is a joint development with Alliance Regional Water Authority that will provide savings in the construction of facilities, transmission lines, and other equipment. Last year, GBRA closed on the first round of funding in the amount of \$58,210,000 through the Texas Water Development Board's SWIRFT program. This second tranche of funding totals \$40,000,000 in low interest financing and Board participation, taking advantage of the lower bond rates currently in the market. The closing and receipt of funds are expected in November of this year. Future funding will occur in 2020 and 2021 for a total commitment of \$165,855,000. The Texas Water Development Board requires financing agreements with GBRA prior to the Texas Water Development Board obtaining proceeds through their bond sale. Upon motion by Director Fogle, seconded by Director Motl, the Board unanimously approved a Resolution to execute financing agreements with the Texas Water Development Board to close on a portion of the \$165,855,000 commitment for the Carrizo Groundwater Supply Project. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Amendment to the Memorandum of Understanding to Evaluate Regional Wastewater Treatment Options between the City of Boerne, the City of Fair Oaks**

Ranch, and the Guadalupe-Blanco River Authority dated October 25, 2018, relating to certain engineering studies. Darrell Nichols briefed the Board on the Amendment to the Memorandum of Understanding. In October, 2018, GBRA entered into a Memorandum of Understanding with the Cities of Boerne and Fair Oaks Ranch to share costs and information regarding possible plans for a regional wastewater treatment plant in Kendall County. Initial investigation into such a project has been completed and it is recommended that some preliminary engineering work be undertaken to get a more in-depth look at a regional wastewater project. It is proposed that GBRA expand the services of engineers already retained for the initial investigation into the project to include preliminary engineering work. GBRA, the City of Boerne, and the City of Fair Oaks Ranch would share costs and information in the same manner as agreed to under the original 2018 Memorandum of Understanding. The total projected budget under this First Amendment would be \$244,435.00, one-third to be paid by each party to the First Amendment. Upon motion by Director Hermes, seconded by Director Carbonara, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Amendment to the Memorandum of Understanding to Evaluate Regional Wastewater Treatment Options between the City of Boerne, the City of Fair Oaks Ranch, and the Guadalupe-Blanco River Authority dated October 25, 2018, relating to certain engineering studies.

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 12:37 p.m.

pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 2:20 p.m.

Next, 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 fee estates, permanent easements, and temporary construction easements engaging the use of eminent domain related to the construction, operation, and maintenance of a wastewater collection system for the public use of providing wastewater services to customers of Guadalupe-Blanco River Authority. The pipeline shall be located in portions of Guadalupe County, over, across, and upon private property and public property and beginning at a point south of Zipp Rd., between FM 1044 and the Guadalupe River, and north of The Bandit subdivision. Such easements are to be located over, across, upon and under certain parcels of real property located in parts of the J.S. Johnson Survey No. 47, Ignatius S. Johnson Original Survey, Greenbury Pate Survey, William Bracken Survey, Sarah DeWitt Survey, Lakeside Pass Subdivision, Butterfly Acres Subdivision, Oasis at Lake Dunlap, a subdivision, all in Guadalupe County, Texas. The Guadalupe-Blanco River Authority shall designate the General Manager/CEO as the chief administrative official with authorization to initiate condemnation proceedings. This Resolution shall authorize any and all lawful, necessary, incidental and appropriate action by the General Manager/CEO, staff, agents, attorneys (retained and in-house), and engineering and technical consultants, in the institution, prosecution and conclusion of condemnation**

proceedings to acquire any such needed fee estates, permanent easements, temporary construction easements and related rights of ingress and egress that cannot be acquired through negotiation with the landowner which shall include surveying for archaeological, environmental and linear purposes to define, specify and secure such property interests and ratifying and affirming all acts and proceedings heretofore done or initiated by the chief administrative official, employees, agents and attorneys of GBRA to acquire such property interests.

Courtney Kerr-Moore briefed the Board on the Dunlap Wastewater Treatment expansion project. GBRA is planning for expansion of the collection system for the Dunlap Wastewater Treatment Plant to allow GBRA to provide additional retail wastewater service to customers to the south of Zipp Road and west of FM 725 to FM 1044 through a wastewater collection system served by the Dunlap Wastewater Treatment Plant in Guadalupe County, Texas. Upon motion by Director Meador, seconded by Director Motl, the Board approved a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain fee estates, permanent easements and temporary construction easements engaging the use of eminent domain related to the construction, operation, and maintenance of a wastewater collection system for the public use of providing wastewater services to customers of Guadalupe-Blanco River Authority by the following vote:

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

Note: Director Mathews absent from August 21, 2019 Board meeting.

NOES: None

ABSTENTIONS: None

The pipeline shall be located in portions of Guadalupe County, over, across, and upon private property and public property and beginning at a point south of Zipp Rd., between FM 1044 and the Guadalupe River, and north of The Bandit subdivision. Such easements are to be located over, across, upon and under certain parcels of real property located in parts of the J.S. Johnson Survey No. 47, Ignatius S. Johnson Original Survey, Greenbury Pate Survey, William Bracken Survey, Sarah DeWitt Survey, Lakeside Pass Subdivision, Butterfly Acres Subdivision, Oasis at Lake Dunlap, a subdivision, all in Guadalupe County, Texas. The Guadalupe-Blanco River Authority designated the General Manager/CEO as the chief administrative official with authorization to initiate condemnation proceedings. This Resolution authorizes any and all lawful, necessary, incidental and appropriate action by the General Manager/CEO, staff, agents, attorneys (retained and in-house), and engineering and technical consultants, in the institution, prosecution and conclusion of condemnation proceedings to acquire any such needed fee estates, permanent easements, temporary construction easements and related rights of ingress and egress that cannot be acquired through negotiation with the landowner which shall include surveying for archaeological, environmental and linear purposes to define, specify and secure such property interests and ratifying and affirming all acts and proceedings heretofore done or initiated by the chief administrative official, employees, agents and attorneys of GBRA to acquire such property interests. 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 by the Guadalupe-Blanco River Authority, declaring a public necessity for the acquisition of court orders requiring the current owners of the properties identified herein to grant GBRA, its representatives, agents and contractors entry onto the properties for the purpose of making boundary, topographic, environmental, archeological, and geotechnical surveys, and appraisals in connection with the expansion of the wastewater collection system for the Dunlap Wastewater Treatment Plant onto said properties to be identified to wit: Parcel 1, Guadalupe County Appraisal District ID No. 66260, listed under KB Home Lone Star, Inc., Klein Rd., Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 10, Guadalupe County Appraisal District ID No. 65392, listed under Jeanette Fay Altenhof Barber, Union Wine Road, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 11, Guadalupe County Appraisal District ID No. 65385, listed under Jeanette Fay Altenhof Barber, Union Wine Road, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 13, Guadalupe County Appraisal District ID No. 68605, listed under Jeanette Fay Altenhof Barber, Altwein Lane, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 14, Guadalupe County Appraisal District ID No. 65389, listed under Lulu Mae Altenhof Schwab, Union Wine Road, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 15, Guadalupe County Appraisal District ID No. 169487, listed under Jamie Altenhof, Altwein Lane, Guadalupe County, Texas, and identified on map attached**

as Exhibit "A"; Parcel 16, Guadalupe County Appraisal District ID No. 65501, listed under Sheryl Hardy Fisher, Leroy Hardy, and James H. Hardy, Individually and as Joint Independent Executors of the Estate of Benjamin F. Hardy, Deceased, Cause No. 83410 in Probate Court No. One of Travis County, Texas, Altwein Lane, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 17, Guadalupe County Appraisal District ID No. 68634, listed under Sheryl Hardy Fisher, Leroy Hardy, and James H. Hardy, Individually and as Joint Independent Executors of the Estate of Benjamin F. Hardy, Deceased, Cause No. 83410 in Probate Court No. One of Travis County, Texas, Altwein Lane, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 29, Guadalupe County Appraisal District ID No. 68645, listed under Southern Central Holdings LLC, FM 725, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 34, Guadalupe County Appraisal District ID No. 68611, listed under Marilyn Altwein, FM 725, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 37, Guadalupe County Appraisal District ID No. 68625, listed under Roderick A. Goyne, FM 725, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 41, Guadalupe County Appraisal District ID No. 65439, listed under Gary Dittmar, Lakeside Pass, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 50, Guadalupe County Appraisal District ID No. 65605, listed under Gordon L. Brandenburg, Brandenburg Lane, Guadalupe County, Texas, and identified on map attached as Exhibit "A"; Parcel 54, Guadalupe County Appraisal District ID No. 65418, listed under Barry

Brandenburg; Lakeside Pass, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 55, Guadalupe County Appraisal District ID No. 127614, listed under Eriverto & Megan Velazquez, River Park Drive, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 56, Guadalupe County Appraisal District ID No. 127581, listed under Anthony Clark Davis, River Park Drive, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 57, Guadalupe County Appraisal District ID No. 128380, listed under Benito Marungo, Jr., Lakeside Pass, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; Parcel 65, Guadalupe County Appraisal District ID No. 65618, listed under Edwin & Shannah Donhauser, Schumanns Beach Road, Guadalupe County, Texas, and identified on map attached as Exhibit “A”; and Parcel 69, Guadalupe County Appraisal District ID No. 111912, listed under Mark T. Longoria & Deloris L Kraft Longoria, Lakeside Pass, Guadalupe County, Texas, and identified on map attached as Exhibit “A”. Courtney Kerr-Moore briefed the Board on the Dunlap Wastewater Treatment expansion project. GBRA is expanding the collection system for the Dunlap Wastewater Treatment facility to allow GBRA to provide retail wastewater services to customers in the Dunlap area south of Zipp Road, between FM 1044 and the Guadalupe River, and north of the Bandit subdivision. CobbFendley and GBRA have repeatedly attempted to contact landowners in an effort to obtain the necessary right of entries to no avail. As such, proceedings to acquire court orders are necessary to obtain access to certain properties for the purposes of conducting boundary, topographic, environmental, archeological, and geotechnical surveys in

connection with the Dunlap Collection System Expansion project. Chairman Patillo called for a motion on action approving a Resolution by the Guadalupe-Blanco River Authority, declaring a public necessity for the acquisition of court orders requiring the current owners of certain properties in Guadalupe County to grant GBRA, its representatives, agents and contractors certain temporary restraining orders to obtain entry onto the certain properties for the purpose of making boundary, topographic, environmental, archeological, and geotechnical surveys, and appraisals in connection with the expansion of the wastewater collection system for the Dunlap Wastewater Treatment Plant. Upon motion by Director Meador, seconded by Director Carbonara, the Board of Directors of the Guadalupe-Blanco River Authority declared a public necessity and authorized the General Manager/CEO, if he deems it necessary, to seek court orders, to require that current owners of certain parcels allow GBRA's representatives, agents and contractors entry for the purpose of making boundary, topographic, environmental, archeological, and geotechnical surveys, and appraisals in connection with the expansion of the wastewater collection system for the Dunlap Wastewater Treatment Plant onto the following property: Parcel 1, Guadalupe County Appraisal District ID No. 66260; Parcel 10, Guadalupe County Appraisal District ID No. 65392; Parcel 11, Guadalupe County Appraisal District ID No. 65385; Parcel 13, Guadalupe County Appraisal District ID No. 68605; Parcel 15, Guadalupe County Appraisal District ID No. 169487; Parcel 16, Guadalupe County Appraisal District ID No. 65501; Parcel 17, Guadalupe County Appraisal District ID No. 68634; Parcel 34, Guadalupe County Appraisal District ID No. 68611; Parcel 37, Guadalupe County Appraisal District ID No. 68625; Parcel 41, Guadalupe County

Appraisal District ID No. 65439; Parcel 50, Guadalupe County Appraisal District ID No. 65605; Parcel 54, Guadalupe County Appraisal District ID No. 65418; Parcel 55, Guadalupe County Appraisal District ID No. 127614; Parcel 56, Guadalupe County Appraisal District ID No. 127581; Parcel 65, Guadalupe County Appraisal District ID No. 65618; Parcel 66, Guadalupe County Appraisal District ID No. 166572; and Parcel 69, Guadalupe County Appraisal District ID No. 111912 by the following vote:

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

Note: Director Mathews absent from August 21, 2019 Board meeting.

NOES: None

ABSTENTIONS: None

A copy of the Resolution including Exhibit "A" are attached and made a part of these minutes.

The Chairman called for **Action Item 16 - Consideration of and possible action approving the Fiscal Year 2020 Work Plan and Budget including rates and compensation tables for the following divisions and giving authority to the General Manager/CEO to expend funds pursuant to the budget as well as execute contracts consistent with those expenditures within limitations allowed under policy: Guadalupe Valley Hydroelectric Division, Shadow Creek Wastewater Reclamation System, Canyon Park Estates Wastewater Reclamation System, Dunlap Wastewater Reclamation System, Northcliffe Wastewater Reclamation System, Sunfield Wastewater Treatment Plant, Water Sales System, Calhoun Canal System,**

San Marcos Water Treatment Plant System, Buda Wastewater Treatment Plant System, Carrizo Groundwater System, Western Canyon Treated Water System, 4S Ranch Wastewater Reclamation System, Cordillera Water Distribution System, Cordillera Wastewater Treatment Plant, Comal Trace Water Delivery System, Johnson Ranch Water Distribution System, Johnson Ranch Wastewater Treatment System, Bulverde Singing Hills Wastewater Treatment System, Park Village Wastewater Reclamation System, Boerne Independent School District Wastewater System, Port Lavaca Water Treatment Plant Division, Calhoun County Rural Water Supply Division, Coletto Creek Reservoir System, Coletto Creek Recreation System, Luling Water Treatment Plant Division, Canyon Hydroelectric Division, Lockhart Wastewater Reclamation System, Lockhart Water Treatment Plant System, Dietz Wastewater System, and General Division. Randy Staats briefed the Board on the proposed Fiscal Year 2020 Work Plan and Budget including operating systems/divisions, the thirteen (13) budget to actual divisions and the seventeen (17) unit of service divisions, major projects, budget reductions, revenues, expenses, budget summary comparison, new systems (Boerne Independent School District and Carrizo Groundwater Supply), revenue comparison, State and Federal funds, revenue and expense comparison, revenue highlights, staffing additions, designated and capital improvement program, and the Guadalupe Valley Hydroelectric System financial performance from 2009-2018. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously approved the Fiscal Year 2020 Work Plan and Budget including rates and compensation tables for the following divisions and gave authority to the General Manager/CEO to expend funds

pursuant to the Budget as well as execute contracts consistent with those expenditures within limitations allowed under policy for Guadalupe Valley Hydroelectric Division, Shadow Creek Wastewater Reclamation System, Canyon Park Estates Wastewater Reclamation System, Dunlap Wastewater Reclamation System, Northcliffe Wastewater Reclamation System, Sunfield Wastewater Treatment Plant, Water Sales System, Calhoun Canal System, San Marcos Water Treatment Plant System, Buda Wastewater Treatment Plant System, Carrizo Groundwater System, Western Canyon Treated Water System, 4S Ranch Wastewater Reclamation System, Cordillera Water Distribution System, Cordillera Wastewater Treatment Plant, Comal Trace Water Delivery System, Johnson Ranch Water Distribution System, Johnson Ranch Wastewater Treatment System, Bulverde Singing Hills Wastewater Treatment System, Park Village Wastewater Reclamation System, Boerne Independent School District Wastewater System, Port Lavaca Water Treatment Plant Division, Calhoun County Rural Water Supply Division, Coletto Creek Reservoir System, Coletto Creek Recreation System, Luling Water Treatment Plant Division, Canyon Hydroelectric Division, Lockhart Wastewater Reclamation System, Lockhart Water Treatment Plant System, Dietz Wastewater System, and General Division.

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, 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, and elevation of Canyon Reservoir.

There being no further business to be brought before the Board, the meeting was adjourned at 2:40 p.m. subject to call by the Chairman.

Chairman

Secretary