

## **GUADALUPE-BLANCO RIVER AUTHORITY**

### **Minutes of the Board of Directors**

The Board of Directors of the Guadalupe-Blanco River Authority met in a special called meeting on October 23, 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, 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; 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; 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; David Harris, Deputy Executive Manager of Operations; Lauren Willis, Manager of Environmental Science; Misty Downing, GIS; Jeff McKee, Division Manager-Hydroelectric and Rural Utilities; Emma Cano with Jefferson Cano; Val Perkins with Foley and Lardner; Tom Spurgeon with McCall Parkhurst and Horton; John Ivy with Preserve Lake Dunlap Association; and Wendy Salazar from Lake Placid.

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.

The Chairman called for **Public Comment Item 1 - Comments from the public.** Wendy Salazar from Lake Placid addressed the Board regarding restrictions to be enforced on the Guadalupe Valley hydroelectric lakes pursuant to the Court Order and requested clarification on the different restricted zones.

Next the Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the September 25, 2019 Board meeting; Consent Item 3 - consideration of and possible action approving the monthly financial report for August 2019; Consent Item 4 - Consideration of and possible action approving the monthly operations report for September 2019; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon motion by Director Brockman, seconded by Director Fogle, 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; 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 informed the Board a detailed report from the Independent Expert Panel will be presented by Sam Vaugh. The Board was also informed that an action item is on the agenda relating to an amended Ordinance to comply with Court Order and expert's safety report. Sam Vaugh gave a consensus summary from the Independent Expert Panel Report One that was prepared by GBRA designated expert Sam Vaugh, HDR Engineering; Plaintiff's designated expert Greg Wine, Huit-Zollars; and third designated expert Nim Kidd, Texas Division of Emergency Management. The Report is based on relevant information received from GBRA, Plaintiffs, third party technical consultants, and other sources as well as the experience and professional judgement of the Independent Expert Panel members. Nowhere in, on, or immediately adjacent to the water is 100 percent safe. The prohibited unsafe zones, restricted unsafe zones, and access to prohibited unsafe zones was discussed. A second report will be completed by November 15, 2019.

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.** Charlie Hickman introduced Brian Perkins, GBRA's new Senior Engineer. Mr. Hickman continued discussion on engineering activities including the Carrizo Groundwater Supply Project, the Stein Falls Water Reclamation Facilities collection improvements, and the Dunlap Dam spillgate replacement project. Projects in the closeout phase are the Western Canyon disinfection byproduct removal, the Cordillera Ranch to Boerne Independent School District water supply pipeline, the Regional Raw Water Distribution System emergency repairs, the Guadalupe Valley Hydroelectric System spillgate repairs, and the U. S. Army Corps of Engineers Feasibility Study of the Guadalupe River Basin. Mr. Hickman discussed new projects including the FM 3351 booster station capacity improvements, the Stein Falls Regional lift station capacity improvements, and the Kendall County Regional Water Reclamation facility. Nathan Pence gave a quarterly report on the Environmental Science and Community Affairs including a Memorandum of Understanding with the Water Oriented Recreation District for use of an enforcement boat on the Guadalupe Valley Hydroelectric lakes, freshwater mussels in the Guadalupe Basin that are candidates on the U.S. Fish and Wildlife endangered species list, the Lake Dunlap mussel survey, deployment of Zebra Mussel samplers, spraying of water hyacinth in the Lower Basin, collaboration effectors with the Texas Parks and Wildlife Department, up-date on the Habitat Conservation Plan for GBRA, and community activities. Vanessa Guerrero introduced Kristopher Payne, GBRA's new Human Resource Specialist. Ms. Guerrero continued discussion on

education activities, supervisor and staff training, benefit renewal, employee engagement survey, communication and media activities, and information technology. Misty Downing briefed the Board on GBRA's Geographic Information System.

The Chairman recessed the open meeting at 11:16 a.m. and reconvened the open meeting at 11:30 a.m.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Richard Beach Family Limited Partnership related to the Voges Tract.** Directors Brockman and Mathews recused themselves from all discussion and vote on Action Item 8. Alvin Schuerg, briefed the Board on the Wastewater Service Agreement. Currently GBRA provides retail wastewater service to approximately 1,850 customers through its Dunlap Wastewater Reclamation System. The service area is wholly within Guadalupe County and lies just west of the Guadalupe River and south of the City of New Braunfels. Within GBRA's existing service area, Richard Beach Family Limited Partnership (Beach) plans to develop approximately 74 acres of land lying generally in the area of Zipp Road and FM 725 in Guadalupe County (the "Voges Tract"). The development as currently platted will include 353 single family residences and 1 homeowner's association complex for a total of 354 wastewater connections (LUEs). Beach has requested that GBRA provide wastewater service to the development. In order to provide the requested wastewater service, GBRA and Beach will need to execute an Agreement principally requiring: (1) Beach to provide all construction plans and specifications for GBRA review,

(2) Beach to construct the wastewater collection system within the Voges Tract, (3) Beach to construct the connecting infrastructure from the Voges Tract to GBRA's existing facilities, (4) Beach to convey all wastewater infrastructure and rights-of-way to GBRA following construction, (5) Beach to pay GBRA Connection Fees (currently \$6,200 per LUE), (6) Beach to undertake a Pump and Haul of all development wastewater until GBRA completes its Dunlap Long Creek Collection System expansion, and (7) GBRA to merge the Voges Tract wastewater system into its Dunlap Wastewater Reclamation System as owner and operator. Upon motion by Director Meador, seconded by Director Motl, the Board authorized the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Richard Beach Family Limited Partnership related to the Voges Tract by the following vote:

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

NOES: None

ABSTENTIONS: Directors Brockman and Mathews

The Chairman then called for Action Item 9 - **Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract to rehabilitate and add chemical resistant coating to the containment system at Western Canyon Water Treatment Plant.** David Harris briefed the Board on the Western Canyon Water Treatment Plant. The current budget includes funds to refinish damaged concrete containment systems and cover with a protective coating system designed to handle the damaging environment. The system would be purchased and

installed by a contractor to bring the concrete grade back to original finish and coat the entire floors and walls of the containment to meet the specific needs of the environment. The containment is around tanks used to temporarily store fifty percent (50%) Citric Acid, twenty-five percent (25%) Caustic and ten percent (10%) Sodium Hypochlorite. These chemicals are used to clean and disinfect the membrane filtration system. Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract to rehabilitate and add chemical resistant coating to the containment system at Western Canyon Water Treatment Plant.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement to purchase a truck with associated sewer jetter system installed.** David Harris briefed the Board on the purchase of a truck. The current budget includes the addition of four (4) staff members to develop an inspection and maintenance team to clean, evaluate, document and maintain the sewer systems maintained and owned by GBRA throughout the Basin. The budget also includes equipment necessary to perform these tasks. The truck mounted sewer jetter system would be operated by a two man team to remove unwanted objects, grease and sand with high pressure water and specialized cleaning nozzles. Cleaning is required for detailed evaluation of the pipes and safe entry and retrieval of the camera systems. Periodic preventative maintenance cleanings reduce sanitary sewer overflows, odors, unwanted gas production and keep the debris out of the pipes to allow efficient sewage collection. The equipment also acts as an emergency

response unit to sewage backups. The system would be purchased to meet the specific needs of our collection systems and placed into service after the appropriate staff training. Upon motion by Director Hermes, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an agreement to purchase a truck with associated sewer jetter system installed.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement to purchase a sewer main line inspection system.** David Harris briefed the Board on a sewer main line inspection system. The current budget includes the addition of four (4) staff members to develop an inspection and maintenance team to clean, evaluate, document and maintain the sewer systems maintained and owned by GBRA throughout the Basin. The budget also includes equipment necessary to perform these tasks. Once the sewer mains are cleaned with the sewer hydro-jet equipment, the camera system will be used to evaluate the mains with video inspection crawler, camera and software to document conditions to be transferred to GIS and Asset Management systems. The system would be purchased to meet the specific needs of our projects and placed into service after the appropriate staff training and integration with other software programs. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an agreement to purchase a sewer main line inspection system.

The Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute the grant**



**contract: Clean Water Act Section 319(h) Grant: Surface Water Quality Monitoring to Support the Implementation of the Geronimo and Alligator Creeks Watershed Protection Plan with the Texas State Soil and Water Conservation Board.** Lauren Willis briefed the Board on the Geronimo and Alligator Creeks Watershed Protection Plan. The grant agreement is for three years with a total authorized reimbursed amount from Texas State Soil and Water Conservation Board of \$190,574. The following items will be funded: (1) water quality monitoring for routine sampling, (2) dry and wet weather targeted sampling, (3) aquatic life monitoring, (4) supplies to support sampling such as bottles and chemicals, and (5) continuous monitoring probe to measure temperature, dissolved oxygen, pH, specific conductance and turbidity. GBRA will provide a non-federal match of \$127,297 made up of volunteer hours from the annual Geronimo and Alligator Creeks clean-up events, monitoring from the Clean Rivers Program and labor, fringe and indirect personnel costs. Personnel costs are for the development of the Quality Assurance Project Plan, project administration, water quality sampling, and operation and maintenance of the continuous monitoring station. The EPA approved the Geronimo and Alligator Creek Watershed Protection Plan in 2012. The Watershed Protection Plan is a proactive, voluntary strategy for protecting and improving water quality. Geronimo Creek has been designated as impaired for elevated *E. coli* bacteria and shows concerns for nutrients due to elevated nitrate-nitrogen. Collection of water quality data assesses water quality improvements and progress in achieving restoration. Upon motion by Director Brockman, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute the grant contract: Clean

Water Act Section 319(h) Grant: Surface Water Quality Monitoring to Support the Implementation of the Geronimo and Alligator Creeks Watershed Protection Plan with the Texas State Soil and Water Conservation Board.

The Chairman called for **Action Item 13 -Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute the grant contract Clean Water Act Section 319(h) Grant: Surface Water Quality Monitoring to Support the Implementation of the Plum Creek Watershed Protection Plan with the Texas State Soil and Water Conservation Board.** Lauren Willis briefed the Board on the Plum Creek Watershed Protection Plan. The grant agreement is for three years with a total authorized reimbursed amount from Texas State Soil and Water Conservation Board of \$344,312. The following items will be funded: (1) water quality monitoring for routine sampling, (2) dry and wet weather targeted sampling, (3) wastewater treatment facility effluent sampling,(4) aquatic life monitoring, (5) supplies to support sampling such as bottles and chemicals, and (6) continuous monitoring probe to measure temperature, dissolved oxygen, pH, specific conductance and turbidity. GBRA will provide a non-federal match of \$229,419 made up of monitoring from the Clean Rivers Program and labor, fringe and indirect personnel costs. Personnel costs are for the development of the Quality Assurance Project Plan, project administration, water quality sampling, and operation and maintenance of the continuous monitoring station. The EPA approved the Plum Creek Watershed Protection Plan in 2008. The Watershed Protection Plan is a proactive, voluntary strategy for protecting and improving water quality. Plum Creek has been designated as impaired for elevated *E. coli* bacteria and shows concerns for

nutrients due to elevated ammonia-nitrogen, nitrate-nitrogen and total phosphorus. Collection of water quality data assesses water quality improvements and progress in achieving restoration. Upon motion by Director Fogle, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute the grant contract Clean Water Act Section 319(h) Grant: Surface Water Quality Monitoring to Support the Implementation of the Plum Creek Watershed Protection Plan with the Texas State Soil and Water Conservation Board.

Next, the Chairman called for Action Item 14 - **Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2020 Work Plan and Budget to establish new base water rates for the Calhoun County Rural Water system to become effective January 1, 2020 and increase the Water Resources Division legal fees account by \$300,000.** Randy Staats briefed the Board on the amendment to the Fiscal Year 2020 Work Plan and Budget. The proposed amendment to the Fiscal Year 2020 GBRA Annual Work Plan and Budget establishes new base water rates for the Calhoun County Rural Water System and requests an increase in the legal fees account. Water supplied to customers of the Calhoun County Rural Water System is provided through the Port Lavaca water treatment facility. Improvements are necessary to the existing distribution system and to build a new water treatment plant. Increases to the current water rates are necessary in order to fund these improvements and continue to provide high-quality drinking water for customers. The table below details the current and proposed monthly base rates. Consumptive rates for additional water use will remain unchanged.

<b>Meter Size</b>	<b>Base Rate</b>	<b>Current Monthly Rate</b>	<b>Proposed Monthly Rate</b>
5/8"	Base Rate: up to 2,000 gallons	\$48.00	\$63.00
3/4"	Base Rate: up to 3,000 gallons	\$72.00	\$94.50
1"	Base Rate: up to 4,000 gallons	\$113.95	\$151.45
1 1/2"	Base Rate: up to 8,000 gallons	\$233.90	\$308.90
2"	Base Rate: up to 16,000 gallons	\$410.00	\$530.00
3"	Base Rate: up to 32,000 gallons	\$854.10	\$1,079.10

In addition, as a result of recent events and the anticipation of ongoing related legal activities, it is necessary to supplement the current legal fees account. An additional \$300,000 was requested to be added to the Water Resources Division budget. Upon motion by Director Mathews, seconded by Director Fogle, the Board unanimously approved an amendment to the GBRA Fiscal Year 2020 Work Plan and Budget to establish new base water rates for the Calhoun County Rural Water system to become effective January 1, 2020 and increase the Water Resources Division legal fees account by \$300,000.

The Chairman then called for **Action Item 15 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$9,740,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2019A (Low-Interest Financing) (Carrizo Groundwater Supply Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; authorizing the Authority to**

**obtain \$30,260,000 of additional funds for the project pursuant to a previously approved Master Agreement between the Authority and the TWDB relating to the TWDB (a) providing up to \$116,650,000 of additional financial assistance through the TWDB's Board Participation Loan Program under the SWIFT Program, and (b) receiving an Ownership Interest in GBRA's interest in the Carrizo Groundwater Supply Project for a period of time; approving an amendment to the Master Agreement; approving and authorizing all other instruments and procedures related thereto; and providing for an immediate effective date.** Randy Staats briefed the Board on the proposed Resolution. This action authorizes GBRA to obtain \$40,000,000 of funds from the Texas Water Development Board's \$165,855,000 total funding commitment to finance ongoing construction of the Carrizo Groundwater Supply Project. 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. Financing agreements, which are required by the Texas Water Development Board, were approved by the Board of Directors on August 21, 2019 and have since been executed. The closing and receipt of funds are expected on November 14<sup>th</sup> of this year.

Future funding for the project will occur in 2020 and 2021 for a total commitment of \$165,855,000. Upon motion by Director Brockman, seconded by Director Meador, the Board unanimously approved a Resolution authorizing the Issuance of \$9,740,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2019A (Low-Interest Financing) (Carrizo Groundwater Supply Project); authorized the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approved and authorized the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; authorized the Authority to obtain \$30,260,000 of additional funds for the project pursuant to a previously approved Master Agreement between the Authority and the TWDB relating to the TWDB (a) providing up to \$116,650,000 of additional financial assistance through the TWDB's Board Participation Loan Program under the SWIFT Program, and (b) receiving an Ownership Interest in GBRA's interest in the Carrizo Groundwater Supply Project for a period of time; approving an amendment to the Master Agreement; approved and authorized all other instruments and procedures related thereto; and providing for an immediate effective date. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 16 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement to purchase a patrol boat.** Jeff McKee briefed the Board on the purchase of a patrol boat. With the creation of restricted areas on Lake McQueeney, Lake Placid, Meadow Lake and Lake Gonzales for safety purposes, the need for a patrol boat has

arisen. The patrol boat will be used by marine safety officers and GBRA personnel. Upon motion by Director Ehrig, seconded by Director Mathews, the Board unanimously authorized the General Manager/CEO to negotiate and execute an agreement to purchase a patrol boat.

The Chairman then called for **Action Item 17 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract for water meter replacement for the Calhoun County Rural Water System.** Michael Urrutia briefed the Board on the water meter replacement for the Calhoun County Rural Water System. The Guadalupe-Blanco River Authority Calhoun County Rural Water System serves 1,500 customer water meters in Calhoun County. The Calhoun County Rural Water System water meters are in need of replacement. Approximately 1,000 meters are planned to be replaced with radio equipped water meters. These new meters will allow for more efficient meter reading, saving meter read time and allow operators to data log customer water usage. A contractor will be hired to replace the water meters and provide GPS coordinates for each meter. The meters have been purchased. Funds are available in the Fiscal Year 2020 budget to cover the expected costs of the meter replacement. Upon motion by Director Mathews, seconded by Director Ehrig, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract for water meter replacement for the Calhoun County Rural Water System.

The Chairman called for **Action Item 18 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the most qualified vendor for a Computerized Maintenance Management Software**

**system to support GBRA's Asset Management Program.** Misty Downing briefed the Board on the computerized maintenance management software. GBRA has identified the need for a Computerized Maintenance Management System to support maintenance and asset management activities across each of its operating divisions. GBRA has issued a Request for Proposals to select a software vendor that will provide the CMMS software as well as comprehensive implementation services, including but not limited to, software installation, software and hardware configuration, data conversion, user training, and post go-live support. The Request for Proposals was issued in accordance with GBRA's procurement policy and responses were due on September 19, 2019. Staff are currently evaluating the proposals and will recommend the GBRA board award a contract to the vendor that demonstrates the best value approach to meet the requirements outlined in the Request for Proposals. Upon motion by Director Motl, seconded by Director Mathews, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the most qualified vendor for a Computerized Maintenance Management Software system to support GBRA's Asset Management Program.

Next, the Chairman called for **Action Item 19 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Agreement for Limited QSE Services for Distributed Generation (ERCOT Region) with the Guadalupe Valley Electric Cooperative, Inc. and Shell Energy North America (US), L.P.** Tom Bohl briefed the Board on the Agreement for Limited QSE Services for Distributed Generation. The Electric Reliability Council of Texas (ERCOT)



requires resource entities (REs) such as GBRA and GVEC to have a qualified scheduling entity (QSE) which serves as the mechanism through which the REs can sell the power in the ERCOT market. There must be an agreement in place between the REs and QSE which identifies the terms and conditions of the arrangement and gives the QSE the proper authorization to perform its necessary duties as the REs liaison. GBRA and GVEC executed a QSE agreement in 2016, with Calpine Power Management, LLC which expired on May 31, 2019. After such expiration, GVEC switched from Calpine to Shell as its QSE but did not make the same switch for GBRA. As such, Calpine has remained GBRA's QSE since then and this has caused some issues with transactions between Shell and ERCOT. This proposed agreement will memorialize the switch for both GVEC and GBRA to Shell as its QSE and allow Shell to perform its necessary functions with ERCOT. No action was taken on Action Item 19 at this time.

The Chairman then called for **Action Item 20 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 3) to the 1978 Agreement between the Guadalupe-Blanco River Authority and the Guadalupe Valley Electric Cooperative, Inc. for power sales.** Tom Bohl briefed the Board on the Letter Amendment with the Guadalupe Valley Electric Cooperative, Inc. The proposed Letter Amendment Number 3 would reduce the fixed monthly charge that Guadalupe Valley Electric Cooperative (GVEC) pays to GBRA for power produced at the Guadalupe Valley Hydroelectric Dams (Dunlap, McQueeney, Placid, Nolte, Gonzales, and Lake Wood) by 1/3. GVEC has had a contract with GBRA to purchase power generated at the Guadalupe Valley

Hydroelectric dams since 1978. Over the years, the contracts have been amended to extend the term of the agreement and to make adjustments for price changes in the electricity market. Due to gate failures at Lake Wood and Lake Dunlap and a commensurate drop in generating capacity originally available under the contract, GVEC has requested a decrease in the monthly fixed charge under the 1978 agreement as currently amended. The decrease would be a one-third (1/3) reduction in the fixed charge, reducing the monthly amount from \$125,000.00 to approximately \$83,333.33. The per kilowatt hour charge that GVEC pays to GBRA would remain unchanged at 3.14 cents per kilowatt hour. No action was taken on Action Item 20 at this time.

The Chairman called for **Action Item 21 - Consideration of and possible action approving changes to the ordinances of the Guadalupe-Blanco River Authority relating to boating, swimming, fishing, and other water-related activities on the GBRA Hydroelectric Lakes to-wit: Lake Dunlap, Lake McQueeney, Lake Placid, Lake Nolte (Meadow), Lake Gonzales (H-4), and Lake Wood (H-5) located in Comal, Guadalupe, and Gonzales Counties, Texas.** Tom Bohl briefed the Board on changes to the ordinances previously adopted by the Board of Directors on June 19, 2019. The proposed changes to the previously approved ordinances provided for enforcement pursuant to the Court Order and the Independent Expert Panel Report One relating to GBRA Hydroelectric Lakes to-wit: Lake Dunlap, Lake McQueeney, Lake Placid, Lake Nolte (Meadow), Lake Gonzales (H-4), and Lake Wood (H-5) located in Comal, Guadalupe, and Gonzales Counties, Texas. The Ordinances provide conditions of the Court Order and the Independent Expert Panel Report One, has been reviewed by

Guadalupe County Attorney, and the County will be able to enforce. No vote was taken on Action Item 21 at this time.

Next, the Chairman called for **Action Item 22 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Memorandum of Understanding with Preserve Lake Dunlap Association to work toward the restoration of Lake Dunlap Dam and to take steps forward toward the long-term sustainability of Lake Dunlap.** General Manager/CEO Patteson briefed the Board of the Memorandum of Understanding with Preserve Lake Dunlap Association. John Ivy addressed the Board regarding the proposed Memorandum of Understanding. No vote was taken on Action Item 22 at this time.

The Chairman then called for **Action Item 23 - Consideration of and possible action ratifying the agreement and subsequent amendment(s) between Archer Western Construction, LLC and the Guadalupe-Blanco River Authority executed on or about July 11, 2019, for the emergency construction of a new pump station in the Dunlap Canal to continue service in the Regional Raw Water Delivery System following the failure of a spillgate at Dunlap Dam.** Charlie Hickman briefed the Board on the emergency construction of a new pump station in the Dunlap Canal to continue service in the Regional Raw Water Delivery System following the failure of a spillgate at Dunlap Dam. Upon motion by Director Motl, seconded by Director Meador, the Board unanimously approved ratifying the agreement and subsequent amendment(s) between Archer Western Construction, LLC and the Guadalupe-Blanco River Authority executed on or about July 11, 2019, for the emergency construction of a new pump station in the

Dunlap Canal to continue service in the Regional Raw Water Delivery System following the failure of a spillgate at Dunlap Dam.

The Chairman recessed the meeting at 12:54 p.m. and reconvened at 1:05 p.m.

The Chairman called for **Discussion Item 24 - Presentation on the Geographic Information Systems (GIS) Linear Asset Data Development Contract for the GBRA Asset Management Program.** Misty Downing gave a presentation on Geographic Information Systems including components, a centralized database, Web GIS, and GBRA's internal GIS portal. Discussion continued on the Linear Asset Data Development program and field data collection.

Next, the Chairman called for **Discussion Item 25 - 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, El Nino and La Nina modeled forecast, and elevation of Canyon Reservoir.

The Chairman recessed the open meeting at 1:12 p.m. The Chairman then closed the open meeting and convened the meeting in executive session at 1:12 p.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 2:15 p.m.

Next, the Chairman called for **Action Item 19 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an**

**Agreement for Limited QSE Services for Distributed Generation (ERCOT Region) with the Guadalupe Valley Electric Cooperative, Inc. and Shell Energy North America (US), L.P.** Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously authorized the General Manager/CEO to negotiate and execute an Agreement for Limited QSE Services for Distributed Generation (ERCOT Region) with the Guadalupe Valley Electric Cooperative, Inc. and Shell Energy North America (US), L.P.

The Chairman then called for **Action Item 20 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 3) to the 1978 Agreement between the Guadalupe-Blanco River Authority and the Guadalupe Valley Electric Cooperative, Inc. for power sales.** Upon motion by Director Motl, seconded by Director Mathews, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 3) to the 1978 Agreement between the Guadalupe-Blanco River Authority and the Guadalupe Valley Electric Cooperative, Inc. for power sales.

The Chairman called for **Action Item 21 - Consideration of and possible action approving changes to the ordinances of the Guadalupe-Blanco River Authority relating to boating, swimming, fishing, and other water-related activities on the GBRA Hydroelectric Lakes to-wit: Lake Dunlap, Lake McQueeney, Lake Placid, Lake Nolte (Meadow), Lake Gonzales (H-4), and Lake Wood (H-5) located in Comal, Guadalupe, and Gonzales Counties, Texas.** Upon motion by Director Hermes,

seconded by Director Mathews, the Board unanimously adopted new ordinances with changes effective date of October 23, 2019. A copy of the ordinance(s) is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 22 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Memorandum of Understanding with Preserve Lake Dunlap Association to work toward the restoration of Lake Dunlap Dam and to take steps forward toward the long-term sustainability of Lake Dunlap.** Upon motion by Director Hermes, seconded by Director Fogle, the Board unanimously approved a Memorandum of Understanding with Preserve Lake Dunlap Association. A copy of the Memorandum of Understanding 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 2:17 p.m. subject to call by the Chairman.

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Chairman

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Secretary