

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 April 29, 2020, by teleconference and at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Due to health and safety concerns related to the COVID-19 coronavirus, and in keeping with the Governor's March 13, 2020 disaster declaration (extended by the Governor's order of April 12, 2020), 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. Director Robert "Rusty" Brockman joined the meeting later as indicated below. 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; Alvin Schuerg, Senior Advisor to the General Manager; Darel Ball, Advisor to the General Manager; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; David Harris, Executive Manager of Operations; Charlie Hickman, Executive Manager of Engineering and Development; Nathan Pence, Executive Manager of Environmental Science and Community Affairs; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Courtney Kerr-Moore, Associate

General Counsel; Earnie Granville, Associate General Counsel; Amanda Reichle, Safety and Risk Manager; and Patty Gonzales, Communications Manager.

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/6919211686745547279>; 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: 480-850-459; 3. By telephone (for listening purposes only) - Call In Number: 415-655-0060 - Audio Access Code: 563-677-681; and 4. By appearing at GBRA Seguin Offices to make comments.

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

Chairman Patillo called the meeting to order at 10:07 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 the procedures and conduct of the April 29, 2020 Board of Directors**

meeting. Chairman Patillo discussed procedures and conduct for the meeting with Board members. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved the procedures and conduct of the April 29, 2020 Board of Directors meeting.

Next, the Chairman called for **Chairman Item 2 - Consideration of and possible approving an Order of the Board of Directors of the Guadalupe-Blanco River Authority ratifying action cancelling the March 18, 2020 and April 15, 2020 Board meeting.** Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved an Order of the Board of Directors ratifying action cancelling the March 18, 2020 and April 15, 2020 Board meeting. A copy of the Order is attached and made a part of these minutes.

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

The Chairman called for **Consent Item 4- Consideration of and possible action approving the minutes of the February 18, 2020 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for February and March 2020; Consent Item 6 - Consideration of and possible action approving the monthly operations report for February and March 2020; and Consent Item 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.

Next, the Chairman called for **General Manager/CEO Item 8 - The General Manager/CEO and staff may report on, and the Board may discuss, executive reports and/or issues relating to GBRA activities including without limitation, the following: GBRA water and sewer utility operations, hydroelectric operations, GBRA facilities management including plants and dams, safety, water resources planning and operation, construction management, economic and community development, project development, accounting and finance, records management, grants and financial assistance, human resources, information technology, communications, social media, education programs, resource protection, weather and climate, river flows and other scientific issues, public and private entities partnering with GBRA, water quality services, community affairs, environmental programs, stewardship, and update on GBRA Safety Work Plan.** General Manager/CEO Patteson expressed his thanks to all GBRA employees for their dedication during these uncharted times. David Harris briefed the Board on operations and response plans for all operations, water and wastewater operations are in full compliance with regulations, Seguin's regional laboratory has established safety features and is servicing customers, operations is fully staffed, update on moving the Crestview Wastewater Treatment Plant, and budget preparation. Amanda Reiche briefed the Board on GBRA's revised best practices policies to ensure a safe working environment for employees and public during COVID-19 pandemic.

Director Brockman joined the meeting by telephone at this time.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a service agreement with the most qualified firm pertaining to communication and public relations services.** Patty Gonzales briefed the Board on the communication and public relations services. The Guadalupe-Blanco River Authority (GBRA) is seeking communication services to assist in the development and execution of community outreach and education including but not limited to; community engagement, media relations, creation and design of collateral materials, and public relations support. Upon motion by Director Meador, seconded by Director Brockman, the Board unanimously authorized the General Manager/CEO to negotiate and execute a service agreement with the most qualified firm pertaining to communication and public relations services.

The Chairman called for **Action Item 10 - Consideration of and possible action approving a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager/CEO or his designee to be the representative(s) of GBRA for the purpose of furnishing information and executing documents as may be required in connection with the preparation and submission of applications to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Grants: Small-Scale Water Efficiency Projects for Fiscal Year 2020.** Randy Staats briefed the Board on the WaterSMART Grant. Guadalupe-Blanco River Authority staff proposes to submit an application with the U.S. Department of the Interior, Bureau of Reclamation to secure financial assistance for emergency repairs to the Hog Bayou east levee in the Calhoun Canal System. The U.S.

Department of the Interior, Bureau of Reclamation has established grant funding opportunities for small-scale water efficiency projects that conserve and use water more efficiently; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the western United States. GBRA proposes to utilize grant funding for emergency repairs to the Hog Bayou east levee. Total requested funds are \$75,000. Applicants must provide 50% of the total project costs through cash or in-kind contributions. Grants are projected to be awarded in the spring of 2020, and projects must be completed within two years of award. Upon motion by Director Meador, seconded by Director Carbonara, the Board approved a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager/CEO or his designee to be the representative(s) of GBRA for the purpose of furnishing information and executing documents as may be required in connection with the preparation and submission of applications to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Grants: Small-Scale Water Efficiency Projects for Fiscal Year 2020. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman then called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract to purchase a 150 acre-feet per year water right under Permit 3600C from Ms. Vona Mae Harter Ussery and approving the use of financial reserves for the purchase.** Earnie Granville briefed the Board on the Ussery water right. A September 2005 Option Agreement between GBRA and Abner Ussery (deceased) divided Permit

No. 3600 into two Permits. Permit 3600D for 600 acre feet of water per year, which GBRA subsequently purchased the following year, September of 2006, and Permit 3600C for 150 acre-feet per year which Mr. Ussery retained at that time. Abner Ussery's widow Ms. Vona May Harter Ussery now desires to sell, and GBRA desires to buy, the right to divert 150 acre-feet per year allowed under Permit 3600C, also referred to as the Ussery Right. Water Use Permit 3600C, the "Ussery Right" authorizes the diversion and use of not to exceed 150 acre-feet of water per year at a maximum diversion rate of 2.14 cfs (960.43 gpm). The Ussery Right provides for 150 acre-feet per year from diverted from the San Marcos River with allowed uses for irrigation, municipal, and industrial use. The Texas Commission on Environmental Quality affirmed the predecessor right 3600B was not appurtenant to, nor was, an undivided part of the land described in the Permit. Furthermore, the Permittee is also authorized an interbasin transfer for the use of such 150 acre-feet of water per year anywhere within Caldwell, Gonzales, and Guadalupe Counties for municipal, industrial uses, and agricultural purposes in the Guadalupe, San Antonio, Lavaca, and Colorado River Basins. The Texas Commission on Environmental Quality has confirmed ownership of the right in Ms. Ussery and title was researched revealing the same. The purchase offer is for \$756.32 per acre-foot of water for a total of \$113,448. Given the anticipated growth and demands for this area it was recommended to acquire water rights that come available. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract to purchase 150 acre-feet per year water right under

Permit 3600C from Ms. Vona Mae Harter Ussery and approving the use of financial reserves for the purchase.

The Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with Lake Dunlap Water Control and Improvement District for financing and operation of Lake Dunlap Dam and Hydroelectric Facilities.** No discussion or action was taken on Action Item 12 at this time.

The Chairman called for **Action Item 13 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain property rights for the Stein Falls Collection Capital Improvement Project, including by condemnation if necessary, of the following properties: approximately 0.1630 acres of permanent easement and 0.0997 acres temporary construction easement located in a tract of land owned by KB Home Lone Star, Inc., a Texas Corporation, as shown in deed recorded in Document No. 2015025849, Official Public Records of Guadalupe County, Texas; approximately 2.107 acres of permanent easement and 1.509 acres of temporary construction easement located in a tract of land owned by NB Corridor Investments, LLC, a Texas limited liability company, as shown in deed recorded in Document No. 201999019522, Official Public Records of Guadalupe County, Texas; approximately 0.0968 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Board of Trustees of the New Braunfels Independent School District, an independent school district and**

political subdivision of the State of Texas, as recorded in Volume 8, Page 6, of the Map and Plat Records of Guadalupe County, Texas; approximately 0.113 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Nancy Grier and Walter Grier a/k/a W.A. Grier, as shown in deed recorded in Volume 966, Page 244, Official Public Records of Guadalupe County, Texas; approximately 4.227 acres of permanent easement and 2.485 acres of temporary construction for easement #1, and 0.3162 acres of temporary construction for easement #2 located in a tract of land owned by Jeannette Fay Altenhof Barber as shown in Deed of Gift recorded in Volume 492, Page 888, Official Public Records of Guadalupe County, Texas; approximately 2.144 acres of permanent easement and 1.526 acres of temporary construction easement located in a tract of land owned by The Unknown Heirs at Law of Lulu Mae Schwab, also known as Lulu Mae Altenhof Schwab, deceased, as recorded in Volume 1282, Page 693, Official Public Records of Guadalupe County, Texas; approximately 1.832 acres of permanent easement and 1.310 acres of temporary construction easement located in a tract of land owned by Marilyn McConkey as shown in deed recorded in Document No. 201999007446, Official Public Records of Guadalupe County, Texas; approximately 1.286 acres of permanent easement and 0.8857 acres of temporary construction easement located in a tract of land owned by 625 Altwein LN, a Series under Brite Organic Blessings, LLC, a Texas Limited Liability Company, as shown in deed recorded in Document No. 2017029155, Official Public Records of Guadalupe County, Texas; approximately 0.6061 acres of permanent

easement and 0.4625 acres of temporary construction easement for Easement #1 located in a tract of land owned by Ramon Davila, Jr., as shown in the map or plat recorded in Volume 5, Page 240A, Map and Plat Records, Guadalupe County, Texas, and approximately 0.1903 acres of permanent easement, and 0.1615 acres of temporary construction easement for Easement #2 located in a tract of land owned by Ramon Davila Jr. as shown in the map or plat thereof recorded in Volume 5, Page 240A, Map and Plat Records, Guadalupe County, Texas; approximately 0.5059 acres for a lift station located in a tract of land owned by Southern Central Holdings, LLC, as recorded in Volume 2678, Page 165 of the Official Public Records of Guadalupe County, Texas, and 0.2792 acres of permanent easement and 0.0566 acres of temporary construction easement located in a tract of land owned by Southern Central Holdings, LLC as shown in deed recorded in Volume 2678, Page 165, Official Public Records of Guadalupe County, Texas; approximately 1.191 acres of permanent easement and 0.2370 acres of temporary construction easement for Easement #1; and approximately 0.0354 acres of permanent easement and 0.0071 acres of temporary construction easement for Easement #2 located in a tract of land owned by Marilyn Altwein aka Marilyn Schleicher Altwein, as shown in deed recorded in Volume 430, Page 361, Deed Records of Guadalupe County, Texas; approximately 0.2964 acres of permanent easement and 0.0604 acres of temporary construction easement located in a tract of land owned by Susan Altwein Thibodeaux a/k/a Susan I. Thibodeaux, as shown in deed recorded in Volume 1271, Page 243, Official Public Records of Guadalupe County, Texas;

approximately 0.7128 acres of permanent easement and 0.1426 acres of temporary construction easement located in a tract of land owned by Benito Marungo, Jr., as shown in deed recorded in Volume 2449, Page 937, Deed Records of Guadalupe County, Texas; and approximately 0.1480 acres of permanent easement located in a tract of land owned by Mark T. Longoria and Deloris L. Kraft Longoria as recorded in Volume 1865, Page 558 of the Official Public Records of Guadalupe County, Texas. No discussion or action was taken on Action Item 13 at this time.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a settlement agreement with CFG Industries, LLC relating to contract to make repairs on the Guadalupe Valley Hydroelectric System.** No discussion or action were taken on Action Item 14 at this time.

The Chairman then called for **Action Item 15 - Consideration of and possible action approving and ratifying an amendment to the GBRA Fiscal Year 2020 Work Plan and Budget to increase the Water Resources division legal fees account by \$2,000,000; and adopt water and wastewater rates and a water connection fee for the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution and wastewater systems.** Randy Staats briefed the Board on the Fiscal Year 2020 Work Plan and Budget amendment. This proposed amendment to the Fiscal Year 2020 GBRA Annual Work Plan and Budget increases the legal fees account and establishes water and wastewater rates and a water connection fee for the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution and wastewater systems. As a result of the

ongoing dam/spillgate litigation and other ongoing projects/issues, it is necessary to amend the current legal fees account. The original budgeted amount of \$500,000 was supplemented with a Board approved amendment of \$300,000 last October. Legal fees paid through early April are over \$1.2 million, most of which is specifically related to the hydro dam/spillgate litigation. Additional legal fees have been incurred but not yet billed. An increase of \$2,000,000 in legal fees is requested to be added to the Water Resources division budget to provide sufficient funds until the end of the fiscal year. A new senior living apartment complex in the Johnson Ranch service area is under construction and nearing completion. Rates for several water meter sizes up to 6" were approved during budget adoption. The adoption of water rates for an 8" meter size and connection fee as well as wastewater rates for the comparable LUEs is now necessary.

Proposed Water Rates:

8" Meter	Rate	Unit of Measure
Base Rate: up to 4,000 gallons	\$2,958.40	Month
Block Rate: 4,001 to 10,000 gal. (base + usage)	\$3.60	1,000 gallons
Block Rate: 10,001 to 25,000 gal. (base + usage)	\$4.60	1,000 gallons
Block Rate: 25,001 to 50,000 gal. (base + usage)	\$5.60	1,000 gallons
Block Rate: 50,001 to 75,000 gal. (base + usage)	\$6.60	1,000 gallons
Block Rate: 75,001 to 100,000 gal. (base + usage)	\$8.60	1,000 gallons
Block Rate: over 100,000 gal. (base + usage)	\$12.00	1,000 gallons
Connection Fee:	\$3,910	

Proposed Wastewater Rates:

Senior Living Center	Rate	Unit of Measure
Base Rate: Monthly Minimum	\$1,093.44	Month
Usage Charge	\$3.68	1,000 gallons

Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved and ratified an amendment to the GBRA Fiscal Year 2020 Work Plan and Budget to increase the Water Resources division legal fees account by \$2,000,000 and adopt water and wastewater rates and a water connection fee for the Comal Trace, Cordillera Ranch, and Johnson Ranch water distribution and wastewater systems.

The Chairman called for **Action Item 16 - Consideration of and possible action adopting a Resolution requesting financial assistance from the Texas Water Development Board relating to the Stein Falls Wastewater Treatment Plant; authorizing the filing of an application for financial assistance; and making certain findings in connection therewith.** Randy Staats briefed the Board on the Resolution for financial assistance for the Stein Falls Wastewater Treatment Plant. Adopting a Resolution to provide authority to submit an application for funding for Stein Falls Wastewater Treatment System improvement and expansion. The area west of the Guadalupe River between New Braunfels and Seguin continues to see rapid growth in existing subdivisions and increased interest from the developer community resulting in many new wastewater service agreements and others forthcoming. The Stein Falls (formerly Dunlap) Wastewater Treatment System provides wastewater collection and treatment services for 2,028 current connections. Projections suggest that connections will reach 5,000 by the year 2035. A master plan commissioned in 2018 developed a plan to accommodate the growth and upgrades needed in the existing collection system that will require infrastructure expansion and improvements. The master plan outlines the needs over the next 25 years. In December 2019, a reimbursement resolution was

approved in order to declare official intent to reimburse costs being incurred for acquisition of easements and engineering design. A Project Information Form (PIF) has been submitted to the Texas Water Development Board to be listed on their Intended Use Plan. With approval, the application will seek funding through the Clean Water State Revolving Fund. Currently, the engineering design is ninety percent (90%) complete and easement acquisitions are well under way. Funding for the project would be received in fall 2020. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously adopted a Resolution requesting financial assistance from the Texas Water Development Board relating to the Stein Falls Wastewater Treatment System; authorized the filing of an application for financial assistance; and making certain findings in connection therewith. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 17 - Consideration of and possible action adopting a Resolution requesting additional financial assistance from the Texas Water Development Board for the Carrizo Groundwater Supply Project; authorizing the filing of an application for financial assistance; and making certain findings in connection therewith.** Randy Staats briefed the Board on a Resolution to provide authority to submit an application for funding for 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 project with Alliance Regional Water Authority that will provide savings in the construction of infrastructure including water treatment plant, pump stations, and treated water transmissions lines. The joint

project will ultimately deliver 30,000 acre-feet of water per year to the area between Austin and San Antonio. In 2018, GBRA received a commitment for funding from the Texas Water Development Board (TWDB) for \$165,855,000 from the State Water Implementation Fund for Texas (SWIFT) program. GBRA is closing on that funding in multiple installments as shown in the chart below.

Year	Status	Amount
Nov 2018	Closed	\$58,210,000
Nov 2019	Closed	\$40,000,000
Nov 2020	To Be Closed	\$42,495,000
Nov 2021	To Be Closed	\$25,150,000

The original funding request to the TWDB was based on engineering planning level estimates in 2017. Current cost estimates are based on refined thirty percent (30%) engineering design and opinion of probable construction cost by the engineering consultants. These estimates indicate a cost increase for the project due to increased construction costs, increased design costs, and well field configuration due to regulatory changes. The Resolution requests an increase in total funding commitment from the TWDB to \$212,955,000. The \$47,100,000 increase is planned to be added to the closing in November of 2021. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously adopted a Resolution requesting additional financial assistance from the Texas Water Development Board for the Carrizo Groundwater Supply Project; authorized the filing of an application for financial assistance; and making certain findings in connection therewith. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Action Item 18 - Consideration of and possible action approving the Investment Practices and Performance Review report for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority (Defined Benefit Pension Plan) as required by Texas Government Code §802.109.** Randy Staats briefed the Board on the Investment Practices and Performance Review report for the Retirement Plan for Employees of GBRA. Texas Government Code §802.109 created by Senate Bill 322 during the 86th Legislative Session in 2019 requires an independent review of the retirement plan's investment practices and performance. In order to meet Texas statute requirements, a contract was executed with Consequent Capital Management to perform the investment review of the Retirement Plan for Employees of the Guadalupe-Blanco River Authority. Upon completion of the review, Consequent issued a report which was shared by email with GBRA's Retirement and Benefit Committee on March 13, 2020. Committee members received an overview by conference call on April 20, 2020. The report concluded that the investment practices, governance, investment activities, and methodologies are suitable and align with best practices of public pension plans. Included in the report with commendations in the areas of investment policy, asset allocations, investment fees, governance, and investment manager selection and monitoring. Opportunities for improvement were recommended in the following areas: updates and enhancements of the investment policy, asset allocations and coordination among consultants, comparisons of investment fees, governance practices, and conflict of interest. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved the Investment Practices

and Performance Review report for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority (Defined Benefit Pension Plan) as required by Texas Government Code §802.109.

The Chairman called for **Action Item 19 - Consideration of and possible action approving a Resolution authorizing the issuance of Guadalupe-Blanco River Authority General Improvement Revenue Refunding Bonds, Series 2020, to refund and redeem the Series 2011 Bonds within the parameters outlined in the resolution; authorizing the General Manager/CEO and the Executive Manager of Finance/CFO to approve all final terms of the Series 2020 Bonds; authorizing the execution of a paying agent/registrars agreement, an escrow agreement, and a purchase contract; approving an official statement; calling certain bonds for redemption; and authorizing all other instruments and procedures related thereto.** Randy Staats briefed the Board on the Resolution authoring the issuance of General Improvement Revenue Refunding Bonds. An opportunity for interest savings exists with the refunding and redemption of bonds issued in 2011. A Resolution authorizing the refunding and redemption within bond parameters is being requested. During Fiscal Year 2011, GBRA issued General Improvement and Refunding Revenue Bonds, Series 2011 in the amount of \$10,745,000. The Series 2011 Bonds maturing on and after August 15, 2021 are callable on August 15, 2020. With the current low interest rate environment, an opportunity is available to lower borrowing costs by issuing refunding bonds to refund and redeem the callable Series 2011 Bonds. Interest rates on the callable Series 2011 Bonds currently range from 3.625% to 4.625%. Achievable interest rates through a refunding

and redemption could be as low as 1.9%. Several scenarios are being analyzed with GBRA's financial advisor and bond counsel to determine the best outcome. A final debt schedule, along with other pertinent factors including the timing of entering the market, will be determined in consultation from the financial advisor. However, the following parameters are established as thresholds for the bond resolution: minimum net present value savings: 3.00% NPV savings; maximum true interest cost: 4.00%; final maturity: August 15, 2030; and not to Exceed Principal Amount: \$6,500,000. Net present value interest savings are projected to be approximately \$500,000 or 8% of the principal amount of the refunded bonds, which would be significant savings based on the principal amount outstanding and the remaining life of the Series 2011 Bonds. The Water Supply budget will receive the benefits of these savings. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously approved a Resolution authorizing the issuance of Guadalupe-Blanco River Authority General Improvement Revenue Refunding Bonds, Series 2020, to refund and redeem the Series 2011 Bonds within the parameters outlined in the resolution; authorized the General Manager/CEO and the Executive Manager of Finance/CFO to approve all final terms of the Series 2020 Bonds; authorized the execution of a paying agent/registrars agreement, an escrow agreement, and a purchase contract; approved an official statement; calling certain bonds for redemption; and authorized all other instruments and procedures related thereto. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman then called for **Discussion Item 20 – Mid-Year presentation and up-date on GBRA's Fiscal Year 2020 Work Plan and Budget.** Randy Staats

briefed the Board on liquidity position during COVID-19; summary of revenues and expenses; revenues comparison to budget; expenses comparison to budget; new budgeted positions; use of reserves; preparation and challenges for the Fiscal Year 2021 Work Plan and Budget; and budget timeline and calendar change.

The Chairman recessed the open meeting at 11:14 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:25 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:20 p.m. and recessed the meeting at 12:21 p.m. The Chairman reconvened in open session at 12:30 p.m. and General Counsel Bohl called roll of Board members. All members were present.

The Chairman then called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with Lake Dunlap Water Control and Improvement District for financing and operation of Lake Dunlap Dam and Hydroelectric Facilities.** General Manager/CEO Patteson briefed the Board on the contract. This proposed contract is between the Guadalupe-Blanco River Authority and Lake Dunlap Water Control and Improvement District, a conservation and reclamation district created under Chapter 51 of the Texas Water Code and located around Lake Dunlap in Guadalupe and Comal Counties. The contract addresses the financing of repairs to Lake Dunlap Dam, operation of the dam and hydroelectric facilities and maintenance and operation expenses related thereto. The Lake Dunlap Water Control and Improvement District is in the process of seeking voter confirmation from the landowners adjacent to Lake Dunlap for the creation of Lake Dunlap

Water Control and Improvement District. With voter approval, the Lake Dunlap Water Control and Improvement District intends to enter into a contract with GBRA for the funding, repair, rehabilitation, improvement and operation of the Lake Dunlap dam facilities and related improvements in order to restore Lake Dunlap. GBRA will provide financial assistance for the design of repairs to Lake Dunlap Dam, provide the revenues from hydroelectric generation at Lake Dunlap Dam, will operate the facility, and contribute to the routine operation and maintenance expenses. Lake Dunlap Water Control and Improvement District will provide tax-supported revenues to pay for construction costs to replace the spill gates and will be responsible for repair costs of Lake Dunlap Dam and hydroelectric facilities. It is anticipated that the agreement will be executed after appropriate voter approvals are obtained by the Lake Dunlap Water Control and Improvement District and GBRA/Lake Dunlap Water Control and Improvement District obtain approval of acceptable financing for the construction to replace the spill gates. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with Lake Dunlap Water Control and Improvement District for financing and operation of Lake Dunlap Dam and Hydroelectric Facilities.

The Chairman called for **Action Item 13 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain property rights for the Stein Falls Collection Capital Improvement Project, including by condemnation if necessary, of the following properties: approximately 0.1630 acres of permanent easement**

and 0.0997 acres temporary construction easement located in a tract of land owned by KB Home Lone Star, Inc., a Texas Corporation, as shown in deed recorded in Document No. 2015025849, Official Public Records of Guadalupe County, Texas; approximately 2.107 acres of permanent easement and 1.509 acres of temporary construction easement located in a tract of land owned by NB Corridor Investments, LLC, a Texas limited liability company, as shown in deed recorded in Document No. 201999019522, Official Public Records of Guadalupe County, Texas; approximately 0.0968 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Board of Trustees of the New Braunfels Independent School District, an independent school district and political subdivision of the State of Texas, as recorded in Volume 8, Page 6, of the Map and Plat Records of Guadalupe County, Texas; approximately 0.113 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Nancy Grier and Walter Grier a/k/a W.A. Grier, as shown in deed recorded in Volume 966, Page 244, Official Public Records of Guadalupe County, Texas; approximately 4.227 acres of permanent easement and 2.485 acres of temporary construction for easement #1, and 0.3162 acres of temporary construction for easement #2 located in a tract of land owned by Jeannette Fay Altenhof Barber as shown in Deed of Gift recorded in Volume 492, Page 888, Official Public Records of Guadalupe County, Texas; approximately 2.144 acres of permanent easement and 1.526 acres of temporary construction easement located in a tract of land owned by The Unknown Heirs at Law of Lulu Mae Schwab, also

known as Lulu Mae Altenhof Schwab, deceased, as recorded in Volume 1282, Page 693, Official Public Records of Guadalupe County, Texas; approximately 1.832 acres of permanent easement and 1.310 acres of temporary construction easement located in a tract of land owned by Marilyn McConkey as shown in deed recorded in Document No. 201999007446, Official Public Records of Guadalupe County, Texas; approximately 1.286 acres of permanent easement and 0.8857 acres of temporary construction easement located in a tract of land owned by 625 Altwein LN, a Series under Brite Organic Blessings, LLC, a Texas Limited Liability Company, as shown in deed recorded in Document No. 2017029155, Official Public Records of Guadalupe County, Texas; approximately 0.6061 acres of permanent easement and 0.4625 acres of temporary construction easement for Easement #1 located in a tract of land owned by Ramon Davila, Jr., as shown in the map or plat recorded in Volume 5, Page 240A, Map and Plat Records, Guadalupe County, Texas, and approximately 0.1903 acres of permanent easement, and 0.1615 acres of temporary construction easement for Easement #2 located in a tract of land owned by Ramon Davila, Jr. as shown in the map or plat thereof recorded in Volume 5, Page 240A, Map and Plat Records, Guadalupe County, Texas; approximately 0.5059 acres for a lift station located in a tract of land owned by Southern Central Holdings, LLC, as recorded in Volume 2678, Page 165 of the Official Public Records of Guadalupe County, Texas, and 0.2792 acres of permanent easement and 0.0566 acres of temporary construction easement located in a tract of land owned by Southern Central Holdings, LLC as shown in deed recorded in Volume 2678, Page

165, Official Public Records of Guadalupe County, Texas; approximately 1.191 acres of permanent easement and 0.2370 acres of temporary construction easement for Easement #1; and approximately 0.0354 acres of permanent easement and 0.0071 acres of temporary construction easement for Easement #2 located in a tract of land owned by Marilyn Altwein aka Marilyn Schleicher Altwein, as shown in deed recorded in Volume 430, Page 361, Deed Records of Guadalupe County, Texas; approximately 0.2964 acres of permanent easement and 0.0604 acres of temporary construction easement located in a tract of land owned by Susan Altwein Thibodeaux a/k/a Susan I. Thibodeaux, as shown in deed recorded in Volume 1271, Page 243, Official Public Records of Guadalupe County, Texas; approximately 0.7128 acres of permanent easement and 0.1426 acres of temporary construction easement located in a tract of land owned by Benito Marungo, Jr., as shown in deed recorded in Volume 2449, Page 937, Deed Records of Guadalupe County, Texas; and approximately 0.1480 acres of permanent easement located in a tract of land owned by Mark T. Longoria and Deloris L. Kraft Longoria as recorded in Volume 1865, Page 558 of the Official Public Records of Guadalupe County, Texas. Courtney Kerr-Moore briefed the Board on progress of right-of-way acquisition for the Stein Falls Collection Capital Improvement Project. The Guadalupe-Blanco River Authority has continued to experience high growth in the area served by the Stein Falls Wastewater Reclamation System and expansion of the collection system is necessary to accommodate the growth in existing and new subdivisions. Efforts to negotiate for the acquisition of the listed properties have so far been unsuccessful so proceedings in

eminent domain may be necessary to acquire certain properties for the Stein Falls Collection Capital Improvement Project. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously approved a Resolution authorizing the use of the power of eminent domain to acquire the following properties located in Guadalupe County, Texas: 0.1630 acres of permanent easement and 0.0997 acres temporary construction easement located in a tract of land owned by KB Home Lone Star, Inc., a Texas Corporation; 2.107 acres of permanent easement and 1.509 acres of temporary construction easement located in a tract of land owned by NB Corridor Investments, LLC, a Texas limited liability company; 0.0968 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Board of Trustees of the New Braunfels Independent School District, an independent school district and political subdivision of the State of Texas; 0.113 acres of permanent easement and 1.465 acres of temporary construction easement located in a tract of land owned by Nancy Grier and Walter Grier, a/k/a W.A. Grier; 4.227 acres of permanent easement and 2.485 acres of temporary construction easement #1, and 0.3162 acres of temporary construction for easement #2 located in a tract of land owned by Jeannette Fay Altenhof Barber; 2.144 acres of permanent easement and 1.526 acres of temporary construction easement located in a tract of land owned by The Unknown Heirs at Law of Lulu Mae Schwab, also known as Lulu Mae Altenhof Schwab, deceased; 1.832 acres of permanent easement and 1.310 acres of temporary construction easement located in a tract of land owned by Marilyn McConkey; 1.286 acres of permanent easement and 0.8857 acres of temporary construction easement located in a tract of land owned by 625 Altwein LN , a Series under

Brite Organic Blessings, LLC, a Texas Limited Liability Company; 0.6061 acres of permanent easement and 0.4625 acres of temporary construction easement for Easement #1 and 0.1903 acres of permanent easement, and 0.1615 acres of temporary construction easement for Easement #2 located in a tract of land owned by Ramon Davila, Jr.; 0.5059 acres for a lift station and 0.2792 acres of permanent easement and 0.0566 acres of temporary construction easement located in a tract of land owned by Southern Central Holdings, LLC, 1.191 acres of permanent easement and 0.2370 acres of temporary construction easement for Easement #1; and approximately 0.0354 acres of permanent easement and 0.0071 acres of temporary construction easement for Easement #2 located in a tract of land owned by Marilyn Altwein, aka Marilyn Schleicher Altwein; 0.2964 acres of permanent easement and 0.0604 acres of temporary construction easement located in a tract of land owned by Susan Altwein Thibodeaux, a/k/a Susan I. Thibodeaux; 0.7128 acres of permanent easement and 0.1426 acres of temporary construction easement located in a tract of land owned by Benito Marungo, Jr.; and 0.1480 acres of permanent easement located in a tract of land owned by Mark T. Longoria and Deloris L. Kraft Longoria, for the construction, operation, and maintenance of certain wastewater diversion facilities and a wastewater pipeline system and wastewater treatment lift station and other system related improvements for the Stein Falls Collection Capital Improvement Project located in portions of Guadalupe County. The motion includes approval of the proposed Resolution and intends that the record vote on this matter applies to all units of property to be condemned by the following vote:

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

NOES: None

ABSTENTIONS: None

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

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a settlement agreement with CFG Industries, LLC relating to contract to make repairs on the Guadalupe Valley Hydroelectric System.** General Manager/CEO Patteson briefed the Board on the settlement agreement. This contemplated agreement would compromise and settle all claims which CFG and GBRA may have against one another relating to a contract between the parties for repairs to be made on some of the Guadalupe Valley Hydro Lake dams. CFG is a contractor hired in 2017 to make repairs on the gates on Lake McQueeney, Lake Placid, Meadow Lake, and Lake Gonzales Dams. The gate failure at Lake Dunlap, led to CFG's expressing concerns about safety working in the other dams, This eventually led to GBRA's terminating the 2017 agreement in August, 2019. CFG disagreed with GBRA regarding the amount of money that remained due and owing to CFG under the 2017 agreement after termination. This proposed settlement compromises and settles claims that CFG has raised regarding the termination, as well as any other claims the parties may have against one another relating to the underlying agreement. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO to negotiate and execute a settlement

agreement with CFG Industries, LLC relating to contract to make repairs on the Guadalupe Valley Hydroelectric System.

There being no further business to be brought before the Board, the meeting was adjourned at 12:54 p.m. subject to call by the Chairman.

Chairman

Secretary