

GUADALUPE-BLANCO RIVER AUTHORITY

Minutes of the Board of Directors

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on January 20, 2021, by teleconference and at the GBRA, 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 and extensions, this meeting was conducted by teleconference in accordance with provisions in Sections 551.125 of the Texas Government Code that have not been suspended by order of the Governor under Chapter 418 of the Government Code. Directors present were Don B. Meador, Kenneth Motl, William R. Carbonara, Steven B. Ehrig, Oscar H. Fogle, Ronald J. Hermes, and Tommy Mathews. Director Patillo was absent. Present in the Annex Building at 905 Nolan Street, Seguin, Texas were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Tommy Hill, Senior Advisor to the General Manager; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; David Harris, Executive Manager of Operations; Charlie Hickman, Executive Manager of Engineering and Development; 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 Chad Norris, Deputy Executive Manager of Environmental Science.

General Manager/CEO Patteson addressed all regarding the conducting of the meeting. The Public had access to the proceedings through the following means: 1. by webinar link on computer or smart phone; Webinar Link: <https://attendee.gotowebinar.com/register/1915222121602648846>; 2. by using the GoToWebinar App on computer or smartphone (access will be available for public comments during the designated portion of the meeting) - use the webinar ID: 448-308-027; 3. by telephone (for listening purposes only) - Call In Number: 562-247-8422; Audio Access Code: 599-211-467; and 4. by appearing at GBRA Seguin Offices to make comments. The public was also able to view presentations.

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

Chairman Meador called the meeting to order at 10:04 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, at the GBRA main office and at the GBRA 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 - Report from the Nominating Committee and Election of Officers of the Board of Directors for calendar year**

2021. No other action was taken on Chairman Item 1. General Manager/CEO Kevin Patteson requested that this report be postponed until the February meeting.

Next, the Chairman called for **Chairman Item 2 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2021 Darel Ball.** Chairman Meador read a Resolution honoring Darel Ball for his 41 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Meador thanked Darel Ball for his 41 years of dedication to GBRA. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved a Resolution honoring GBRA 2021 retiree Darel Ball. A copy of the Resolution is attached and made a part of these minutes.

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

The Chairman then called for **Consent Item 4 - Consideration of and possible action approving the minutes of the December 16, 2020 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for December 2020; Consent Item 6 - Consideration of and possible action approving the monthly operations report for December 2020; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers.** Upon Motion by Director Fogle, seconded by Director Carbonara, the Board unanimously approved Consent Items 4, 5, 6 and 7.

The Chairman called for **Consent Item 8 - Consideration of and possible action approving the disposal of equipment in accordance with GBRA Board Policy 411-**

Capital Assets. Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the disposal of equipment in accordance with GBRA Board Policy 411 – Capital Assets. This particular action item is a question authorization from the Board for the sale of capital assets. There is a list of a number of assets that have been identified by the different divisions that they no longer need, either the useful life has been depleted, or that we're in the process of replacing that particular asset item. We are requesting the Board's authorization to move forward with potential sale of these items. Upon motion by Director Fogle, seconded by Director Meador, the Board unanimously approved the disposal of equipment in accordance with GBRA Board Policy 411-Capital Assets.

The Chairman then called for **General Manager/CEO Item 9 - 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.** Amanda Reichle, Safety and risk Manager, gave a report indicating that there were no lost time accidents

or injuries in the previous month. Five positive Covid-19 cases were reported. She also informed the Board that GBRA employees on the Water and Wastewater Operations staff are currently classified generally as Phase 1C for COVID vaccination purposes. However, those employees have been made aware of possible eligibility in those eligible in Phase 1B, and have been briefed on the process to receive vaccinations as prescribed by the Texas Department of State and Health Services. GBRA Staff is working through GBRA's benefits broker to host an on-site vaccine clinic when Phase IC is eligible for vaccinations. . GBRA is also updating the Tier II Reporting to the TCEQ, which relates to operational sites that have hazardous chemicals within a certain threshold limit quantity that GBRA must report to the TCEQ.

Next, Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the quarterly finance update. There has been a rebound, since the beginning of the pandemic, in the defined benefit pension plan and the year was closed out at a 17% return, compared to a 19% return in 2019. The actual investment portfolio balance is \$36.8 million. GBRA is also working on completion of a purchasing card program that will replace credit cards with benefits to the card holder and finance. Mr. Staats also briefed the Board on Purchasing and Grants, Records Management and Debt Planning Management. GBRA has agreed to implement an additional electronic procurement system to supplement what we already have. This will help to attract additional bids and increase competition as well. There have been a total of six grants submitted this fiscal year and GBRA has received been awarded \$213,000 from FEMA, that actually was submitted in the last fiscal year. Mr. Staats discussed information requests, which are

down somewhat from last year. He reported that GBRA is implementing a contract routing module to aid with routing and the approval process. Mr. Staats said that, pursuant the annual Audit presented the previous month by Baker Tilly, revenues increased \$6.3 million dollars over the previous fiscal year. The total assets increased \$38.6 million in part due to the sale of Carrizo bonds and the receipt of those bonds in 2020. He said that GBRA had continual growth in operations with a number of new retail connections. With regard to debt planning and management, Mr. Staats informed the Board that GBRA had three different bond sales: Western Canyon bonds, Carrizo Groundwater Supply Project and Lake Dunlap dam bond. Finance is working to align payment dates on the same dates each month throughout the year in order the streamline the process in order to create additional savings.

Next, Nathan Pence, Executive Manager of Environmental Science and Community Affairs introduced to the Board Chad Norris, the new Deputy Executive Manager of Environmental Science and Community Affairs. Mr. Pence discussed the continued work on the Habitat Conservation Plan. GBRA received a Section 6 Grant of \$1Million dollars from the Department of the Interior. He said GBRA is negotiating with Blanton & Associates, a local biological consulting firm, to assist in the HCP process. ICF, a national consulting firm in the United States, has been engaged to assist in endangered species issues and drafting the habitat conservation plan. These firms will help to promote GBRA as a regional leader in the endangered species issues for Central Texas and the nation in general. Through this HCP coalition, Mr. Pence noted that GBRA will have the opportunity to network the endangered species professionals from around the country.

Mr. Pence briefed the Board on the current improvements at Canyon Lake Gorge including breaking ground on the outdoor lab. This building will also serve as a check-in point for visitors, and include public restrooms. The Preservation Society has assisted GBRA in opening up a series of new trails. Mr. Pence further discussed the continued dedication to sponsorships and community affairs in the basin.

The Chairman called for **Action Item 10 - Consideration of and possible action accepting the General Manager/CEO's recommendation to appoint a current GBRA employee to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.** Christina Chavez, Human Resources Manager, requested the Board to appoint Scott Kolbe to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee. Mr. Kolbe will serve for an indefinite term of office. Upon Motion by Director Motl, and seconded by Director Fogle, the Board unanimously approved the appointment of Scott Kolbe to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action approving and accepting the biennial Investment Policy and Portfolio Review.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the biennial investment portfolio review. GBRA's investment policy requires an outside contractor to review the performance of the investment portfolio. It was determined that GBRA is in compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The contractor noted that GBRA has minimal credit risk and sufficient liquidity. Upon Motion by Director Hermes and seconded

by Director Fogle, the Board unanimously approved the approval and acceptance of the biennial Investment Policy and Portfolio Review.

The Chairman then called for **Action Item 12 - Consideration of and possible action adopting a Resolution authorizing participation in the U.S. Fixed Income Trust Investment Pools and Designating Authorized Representatives.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the U.S. Fixed Income Trusts Investment Pools to increase the investment earnings. The federal funds rate of 0.25% is anticipated to be there for some time and actually was the highest performing investment pool. Upon Motion by Director Matthews and seconded by Director Fogle, the Board unanimously approved adopting a Resolution Authorizing Participation in the U.S. Fixed Income Trust Investment Pools and Designating authorized Representatives.

The Chairman called for **Action Item 13 - 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, Executive Manager of Finance/Chief Financial Officer, briefed the Board that under the Texas Public Funds Investment Act, the Board must approve the investment policy and the investment strategy contained therein annually. He said that the proposed Investment Policy included two minor changes outlined within the Resolution related to restricted funds investment thresholds and acknowledgement of the investment policy by investment firm personnel. Additionally, an amendment to the Policy was proposed to add an additional public funds

investment pool. Upon Motion by Director Motl and seconded by Director Hermes, the Board unanimously approved the Resolution adopting Board Policy – 403 Investment Policy and the investment strategy contained therein.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute one or more contracts with the highest ranked contractor for the construction of the Stein Falls Collection Capital Improvement Project (CIP) Force Main, the Stein Falls Collection CIP Gravity Main Wastewater Pipeline, and the Stein Falls Collection CIP Grove Lane Lift Station in Guadalupe County.** Charlie Hickman, Executive Manager of Engineering and Development, briefed the Board on the Stein Falls Collection Capital Improvement Project to include the three projects: Force Main, Gravity Main Wastewater Pipeline and the Grove Lane Lift Station. He reported that GBRA authorized Cobb, Fendley & Associates, Inc. to complete the design based on the existing masterplan for the area. Expansion of the collection system is necessary to accommodate the growth in existing and new subdivisions. The three projects will be bid separately. The first two projects (Force Main and Lift Station) are in the active procurement process. He said that staff anticipates the two bids will be awarded this month with a twelve (12) month substantial completion date for both projects. Mr. Hickman is expecting to submit requests for proposal on the third project this month. The last right-of-way acquisition has been completed for the three projects. Upon Motion by Director Motl and seconded by Director Hermes, the Board unanimously approved the action authorizing the General Manager/CEO to negotiate and execute one or more contracts with the highest ranked

contractor for the construction of the Stein Falls Collection Capital Improvement Project (CIP) Force Main, the Stein Falls Collection CIP Gravity Main Wastewater Pipeline, and the Stein Falls Collection CIP Grove Lane Lift Station in Guadalupe County.

The Chairman called **for Action Item 15 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute any such agreements necessary to effectuate this real property exchange with Lennar Homes of Texas including without limitation a letter of conditional release and Easement Release and acceptance of a new access easement.** Courtney Kerr-Moore, Associate General Counsel, briefed the Board on the exchange of an Easement and in return, a new Easement will be used for the same purpose. She told the Board that GBRA is working with Lennar Homes on this exchange and would provide Lennar Homes with a letter stating GBRA is conditionally releasing its current Easement. Once a recorded plat is received indicating the new Easement, Ms. Kerr-Moore indicated that GBRA would file a full release of the existing easement with the county. Upon Motion by Director Motl and seconded by Director Hermes, the Board unanimously approved the action authorizing the General Manager/CEO to negotiate and execute any such agreements necessary to effectuate this real property exchange with Lennar Homes of Texas including without limitation a letter of conditional release and Easement Release and acceptance of a new access easement.

The Chairman called for **Discussion Item 16 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Charlie Hickman, Executive Manager of Engineering and

Development, briefed the Board on the condition of the Guadalupe Basin. He reported some reprieve from the drought conditions in the mid to lower basin. Canyon reservoir remains in the severe drought category along with a portion of the recharge zone of the Edwards Aquifer. In summary for 2020, the basin is in the 30-35 inches of average annual precipitation with indicates rainfall deficits for the Canyon reservoir. The Edwards Aquifer had a very average year for Comal Springs flow. For the 2021 forecast, the basin is in line for drought improvement and persistence.

There being no further business to be brought before the Board, the open meeting was recessed at 11:22 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:35 a.m. pursuant to Chapter 551, Texas.

The Board reconvened in open session at 11:40 a.m. There being no further business to be brought before the Board, the meeting was adjourned at 11:42 a.m. subject to call by the Chairman.

Chairman

Secretary