

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 March 17, 2021, at the GBRA, Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don B. Meador, Kenneth Motl, William R. Carbonara, Steven B. Ehrig, Ronald J. Hermes, and Tommy Mathews. Director Oscar Fogle was not present. 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; 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/5005641448027760139>; 2. by using the GoToWebinar App on computer or smartphone (access will be available for public comments during the designated portion of the meeting) 3.- use the webinar ID 413-232-

179; by telephone (for listening purposes only) - Call In Number: 415-930-5321; Audio Access Code: 358-802-179; and 4. by appearing at GBRA Seguin Offices to make comments. The public was also able to view presentations.

Chairman Patillo called the meeting to order at 10:02 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:

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

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**. The Nominating Committee for 2021, consisting of Director Mathews recommended the following Directors for nomination and election to serve as Board of Directors through Calendar Year 2021 in accordance with Section 6.01 and 6.02 of the GBRA By-Laws of the Board of Directors: **Vice-Chairman – Don B. Meador; and Secretary-Treasurer – William Carbonara**. Pursuant to Section 5 of SB 626 (86th Legislative, R.S., 2019), amending Section 5 of the GBRA Enabling Act, the Chairman of the Board of Directors is to be appointed by, and shall serve at the pleasure of the Governor. Director Dennis L. Patillo continues in office as Chairman. Upon motion by Director Mathews, seconded by Director Motl, the Board unanimously approved by acclamation the slate of officers for

calendar year 2021 as recommended by the Nominating Committee. A copy of the Nominating Committee Report is attached and made a part of these minutes.

Next, the Chairman called for **Chairman Item 2 - Comments from the public.**

There were no public comments.

The Chairman then called for **Consent Items 3, 4, 5, and 6:** 3-Consideration of and possible action approving the minutes of the January 20, 2021 Board meeting; Consent Item 4-Consideration of and possible action approving the monthly financial report for January and February 2021; Consent Item 5-Consideration of and possible action approving the monthly operations report for January and February 2021; and Consent Item 6-Consideration of and possible action approving Directors' expense vouchers. Upon Motion by Director Matthews, seconded by Director Hermes, the Board unanimously approved Consent Items 3, 4, 5 and 6.

The Chairman then 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, public and private entities**

partnering with GBRA, water quality services, community affairs, environmental programs, stewardship, and update on GBRA Safety Work Plan. David Harris, Executive Manager of Operations, briefed the Board on current Safety and Operator Training, primarily focusing on customer, travel, plant safety and damage issues relating to the Ice Storm in February. GBRA is currently working on an After Action Review to evaluate strengths and weaknesses of GBRA's storm preparation and operations. GBRA reported there were no injuries or accidents during the previous month. GBRA staff performed well in the storm and took appropriate cautions to maintain the safety record. Current projects include completion of removing and replacing the multi-media filters at Port Lavaca Water Treatment Plant, CIP (Clean in Place Containment) at Western Canyon rehabilitation; and PACL (coagulant) Containment also at Western Canyon. Tier II Reporting is complete relating to areas with hazardous chemicals. A backwash blower was replaced at San Marcos Water Treatment Plant. The San Marcos Comanche Pump Station project rehab has also been successfully completed. GBRA received a clean TCEQ inspection on Johnson Ranch Wastewater Treatment Plant along with a "no violation" letter on the TCEQ Lockhart FM 20 Wastewater Treatment Plant. All other water and wastewater treatment plants met all parameters in rules and permits. The Coleto Park playground project has also been completed.

Next, Vanessa Guerrero, Executive Manager of Administration, briefed the Board on projects completed and in progress since the January Board meeting regarding human resources, regulatory and customer affairs, safety, education and information technology communication and the winter storm update. The IT and Customer Service team will

complete an After Action Review regarding preparedness and identification of areas of improvement. Next Charlie Hickman, Executive Director of Engineering and Development briefed the Board on projects in the Design Phase and the Construction Phase. In the design phase, GBRA currently has fifteen (15) developer utilities projects (mainly subdivisions), eight (8) wastewater projects, seven (7) utility relocation projects, two (2) water projects and six (6) other projects. GBRA has twenty-nine (29) developer utilities projects, twelve (12) wastewater projects, two (2) utility relocation projects, three (3) water projects and two (2) other projects all in the construction phase. Mr. Hickman reported on the status of the Carrizo Groundwater Supply Project. The first well has been tested up to and past the original design rate so GBRA is confident the wells will produce at the rate needed for the project. The water quality sampling was also done on this initial well and with the positive data the plant designers are able to confirm the process laid out for the treatment plant is sufficient on the treatment side. Two additional wells are currently being drilled. GBRA will move into the construction phase in the next few quarters. The Board was briefed on the Canyon zebra mussel mitigation project from a treatment perspective. The scope of the project is just to limit their formation and have an initial kill in the raw water pipes out to the screens with a chemical feed system. Mr. Hickman discussed the Crestview project and the startup up testing on the facility to begin this summer. The McQueeney and Placid projects are on schedule to achieve a final bid at the end of this year. Next, Amanda Reichle, Safety and Risk Manager, gave a report indicating that there were not lost time accidents or injuries in the previous two months. Four positive Covid-19 cases were reported and GBRA continues to monitor Covid19

Data in the surrounding counties. GBRA will be implementing some annual refresher trainings in the next few months to include first aid, CPR basic life support, defensive driving and an active shooter course. GBRA is also updating the Tier II Reporting to the TCEQ, which related to operational sites that have hazardous chemicals within a certain threshold limit quantity that GBRA must report to the TCEQ. GBRA is also developing new SOPs (Safe Operating Procedures) with the Gorge staff. Next, Jonathan Stinson, Deputy General Manager, briefed the Board on the current 87th Texas Regular Legislative Session summary for 2021, which convened in January and will go through the end of May. The 60 day deadline to file bills was March 12, 2021 in order to make it through the process. Currently, there are about 6900 bills filed and GBRA is tracking and impacted by about 170 of these bills relating to wastewater rates, purchasing, eminent domain, HR and other issues.

The Chairman called for **Action Item 8 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$1,560,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021A (Lake Placid Dam Facilities Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its Clean Water State revolving Fund Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; approving and authorizing all other instruments and procedures related thereto; and providing for an immediate effective date.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board that this is the next step to move forward on the project at Lake

Placid. The Texas Water Board authorized funds up to \$40 million in the previous month. This is the first sale on this project and the maximum maturity is 30 years. The next sale will take place later this year. Upon Motion by Director Ehrig, seconded by Director Hermes, the Board unanimously approved Action Item 8 authorizing the Issuance of \$1,560,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021A (Lake Placid Dam Facilities Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its Clean Water State revolving Fund Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; approving and authorizing all other instruments and procedures related thereto; and providing for an immediate effective date.

Next, the Chairman called for **Action Item 9 – Consideration of and possible action authorizing Guadalupe-Blanco River Authority staff to open bank and investment accounts for management of bond proceeds and debt service obligations regarding Lake Placid Dam facilities project.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, requested that the Board approve a new bank account to account for funds for debt service repayment purposes and investment of excess construction proceeds relating to the Lake Placid dam facilities projects. Upon Motion by Director Motl, seconded by Director Hermes, the Board unanimously approved Action Item 9 authorizing Guadalupe-Blanco River Authority staff to open bank and investment accounts for management of bond proceeds and debt service obligations regarding Lake Placid Dam facilities project.

The Chairman then called for **Action Item 10 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2021 Work Plan and Budget to adopt wastewater rates and a late charge penalty for the Sunfield wastewater system and update and expand fees for the Canyon Lake Gorge.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is requesting the Board to consider approval to establish retail rates of Sunfield retail customers for monthly billing purposes. GBRA, under the contract, obtained ownership of the Sunfield Wastewater Treatment Plant and collection system this year. The rates proposed are the same wastewater rates previously charged to customers by the municipal utility districts. GBRA also seeks to update and expand fees for the Canyon Lake Gorge. Upon Motion by Director Hermes, seconded by Director Meador, the Board unanimously approved Action Item 10 approving an amendment to the GBRA Fiscal Year 2021 Work Plan and Budget to adopt wastewater rates and a late charge penalty for the Sunfield wastewater system and update and expand fees for the Canyon Lake Gorge.

The Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement with Goforth Special Utility District for billing services for GBRA Sunfield retail wastewater customers and to enter into an Assignment and Assumption Agreement with Sunfield Municipal Utility District No. 4 relating to billing of Sunfield sewer customers.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval to authorize Kevin Patteson to negotiate and execute an agreement with GoForth Special Utility District, Sunfield Municipal Utility

District No. 4 relating to billing services. With the transition of the Sunfield wastewater system to GBRA's ownership, retail billing for the sewer customers will now be required of GBRA. GoForth provides the water for this development and is currently billing for water and wastewater. It is in GBRA's best interest to continue to allow GoForth to bill retail customers for wastewater. The agreement would provide GoForth authority to bill for wastewater services on behalf of GBRA. Upon Motion by Director Meador, seconded by Director Ehrig, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to negotiate and execute an agreement with Goforth Special Utility District for billing services for GBRA Sunfield retail wastewater customers and to enter into an Assignment and Assumption Agreement with Sunfield Municipal Utility District No. 4 relating to billing of Sunfield sewer customers. A copy of the Resolution and is attached and made a part of these minutes.

The Chairman called for **Action Item 12 - Consideration of and possible action adopting a Resolution Expressing Official Intent to reimburse costs incurred to construct improvements and expansions to the Sunfield Wastewater Treatment Plant and System.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the need for expansion of the Sunfield Wastewater Treatment Plant and collection system to service anticipated future growth. GBRA is requesting a Reimbursement Resolution for the financing of costs incurred to construct the necessary improvements and expansions to the Sunfield Wastewater Treatment Plant and System. IRS rules require GBRA to declare its official intent to reimburse costs. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action

Item 12 authorizing the adoption of a Resolution Expressing Official Intent to reimburse costs incurred to construct improvements and expansions to the Sunfield Wastewater Treatment Plant and System. A copy of the Reimbursement Resolution is attached and made a part of these minutes.

The Chairman called **for Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate the sale, acquisition, and/or transfer of GBRA water treatment and distribution assets in Calhoun County.**

Action Item 13 was discussed in Executive Session.

The Chairman called **for Discussion Item 14 - 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 first quarter of 2021 with a deficit across the entire basin with a range between severe to moderate. The Edwards Aquifer is at a level of 661 just above the stage one level of 660. Before the recent freeze, San Antonio was pumping around 200 million gallons a day from the aquifer. During the Freeze, the city was pumping about 400 million gallons a day thereby lowering the Edwards by about thirteen (13) feet. The aquifer rebounded about nine (9) feet, but this shows the dramatic impact of municipal pumping. Comal Spring Flow was not severely affected by the recent freeze. Currently, Comal Springs is flowing around 260 cfs. Surface flows across the entire basin are well below median flows.

There being no further business to be brought before the Board, the open meeting was recessed at 11:40 a.m. subject to call by the Chairman and convened the meeting in executive session at 12:15 p.m. pursuant to Chapter 551, Texas.

The Board reconvened in open session at 1:30p.m. There being no further business to be brought before the Board, the meeting was adjourned at 1:30 p.m. subject to call by the Chairman.

Chairman

Secretary