

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 May 19, 2021, at the GBRA, Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Chairman, Dennis Patillo and Director Oscar Fogle were not present. Directors present were Don B. Meador, Kenneth Motl, William R. Carbonara, Steven B. Ehrig, Sheila Old, and Andra Wisian. 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; Vanessa Guerrero, Executive Manager of Administration; David Harris, Executive Manager of Operations; Charlie Hickman, Executive Manager of Engineering; Nathan Pence, Executive Manager of Environmental Science; 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; Chad Norris, Deputy Executive Manager of Environmental Science; Lauren Willis, Director of Regulatory and Customer Affairs; Lindsey Campbell, Public Relations/Communication Manager and Bridget Hinze Weber, Strategic and Community Affairs.

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/318245259391640332> 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 236-442-187; by telephone (for listening purposes only) - Call In Number: 914-614-3221; Audio Access Code: 814-300-367; and 4. by appearing at GBRA Seguin Offices to make comments. The public was also able to view presentations.

Vice-Chairman Meador 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, 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 - Consideration of and possible action approving a Resolution honoring Tommy Mathews for his outstanding leadership during his service as a Director of the Guadalupe-Blanco River Authority Board of Directors.** Upon Motion by Director Wisian, seconded by Director Motl, the Board unanimously approved a Resolution honoring GBRA Board of Director Tommy Mathews. A copy of the Resolution 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 Item 3 - Consideration of and possible action approving the minutes of the April 21, 2021 Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for**

April 2021; Consent Item 5 - Consideration of and possible action approving the monthly operations report for April 2021; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers. Upon Motion by Director Carbonara, seconded by Director Motl, 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.** Amanda Reichle, Safety and Risk Manager, gave a report indicating that there were no lost time accidents or injuries in the last month. One positive Covid-19 case was reported and GBRA continues to monitor Covid-Data in the surrounding counties. GBRA is continuing to implement additional annual trainings and safety programs involving Annual Respirator Fit Tests, hearing audiograms, and hazardous analysis of chlorine tasks. A signage

assessment was conducted at Stein Falls and GBRA is continuing to work with Safety Outreach. Next, Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on Business Continuity, Audit and Budget for 2021 and 2022, Debt Planning (recent and upcoming), Financial Transparency and Grants and Purchasing.

Next, Kevin Patteson briefed the Board on the construction status of Lake Dunlap and Zachry Construction has received the Notice to Proceed.

The Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract with the Technical Consultant on behalf of the Region 11 Guadalupe Regional Flood Planning Group.** Lauren Willis, Director of Regulatory and Customer Affairs, is seeking approval to authorize Kevin Patteson, General Manager/CEO to negotiate and execute a contract with the technical consultant team for preparation of the Region 11 Guadalupe Regional Flood Plan. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved Action Item 8 authorizing the General Manager/CEO to negotiate and execute a contract with the Technical Consultant on behalf of the Region 11 Guadalupe Regional Flood Planning Group.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract with the highest ranked bidder, based on a Competitive Sealed Proposal process, for the construction of the Carrizo Groundwater Supply Project Surface Facilities Package.** Brian Perkins, Senior Water Resource Engineer, is seeking approval to authorize Kevin Patteson, General Manager/CEO to negotiate and execute a contract

with the highest ranked bidder, based on a Competitive Sealed Proposal process for the Carrizo Groundwater Supply Project Surface Facilities Package to consist of installation and setting of the pumps and the motor wellheads for seven (7) Carrizo Aquifer wells.. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved Action Item 9 authorizing the General Manager/CEO to negotiate and execute a contract with the highest ranked bidder, based on a Competitive Sealed Proposal process, for the construction of the Carrizo Groundwater Supply Project Surface Facilities Package.

The Chairman then called for **Action Item 10 - Consideration of and possible action approving the use of financial reserves to payoff the outstanding principal and accrued interest associated with equipment financing loans in the Stein Falls WWTP and Water Sales divisions.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval to use financial reserves for early payoff of the outstanding balances associated with the financing loan for equipment at the Stein Falls Wastewater Treatment Plant. The current loan payment schedule concludes in December 2026. Due to the current low interest rate, it would be beneficial to payoff the outstanding balances with reserves. Upon Motion by Director Wisian, seconded by Director Carbonara, the Board unanimously approved Action Item 10 approving the use of financial reserves to payoff the outstanding principal and accrued interest associated with equipment financing loans in the Stein Falls WWTP and Water Sales divisions.

The Chairman called **for Action Item 11 - 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, is seeking approval to authorize GBRA to obtain \$1,560,000 of funds to finance planning and design costs relating to the construction of improvements at Lake Placid Dam. In March 2021, the Board approved the issuance of \$1.56 million in bonds. The Lake Placid WCID has now received authorization from the TCEQ clearing the way for the issuance of the bonds. The interest rate has shifted since March and it is advantageous to re-establish interest rates along with the maturity schedule. Upon Motion by Director Old, seconded by Director Carbonara, the Board unanimously approved Action Item 11 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. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Century Land Holdings II, LLC.** Courtney Kerr-Moore, Associate General Counsel, is seeking approval for the General Manager/CEO to negotiate and execute a Wastewater Service Agreement with Century Land Holdings II, LLC for the Stein Falls service area Park Place Unit B tract. The pace of new housing development within the service area has increased requiring the construction of new wastewater infrastructure to interconnect with GBRA's existing infrastructure. Upon Motion by Director Carbonara, seconded by Director Wisian, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Century Land Holdings II, LLC.

Next, the Chairman called for Discussion Item 15 - **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 Guadalupe River Basin hydrologic conditions. The Edwards Aquifer and the majority of the basin is showing laxing in the drought level category. Inflow into Canyon Lake is about 3000 cfs. Currently, Comal Springs is flowing around 270 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 10:47 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:00 a.m. pursuant to Chapter 551, Texas.

The Board reconvened in open session at 12:00 p.m.

The Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager to file any and all judicial proceedings necessary to protect GBRA's easement rights for property located within the Centennial Ridge Development.** Courtney Kerr-Moore, Associate General Counsel, is seeking approval to authorize the General Manager to file any and all judicial proceedings necessary to protect GBRA's easements for the installation and operation of the regional treated water transmission line from GBRA's Western Canyon Water Treatment Plant to municipal and others customers that has been encroached by the developer. Upon Motion by Director Motl, seconded by Director Wisian, the Board unanimously approved Action Item 13 authorizing the General Manager to file any and all judicial proceedings necessary to protect GBRA's easement rights for property located within the Centennial Ridge Development.

The Chairman called for **Action Item 14 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain water pipeline easements and temporary construction easements for the Carrizo Groundwater Supply Project – Lockhart Delivery System in connection therewith, over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the General Manager/CEO, staff, retained attorneys and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed fee estates and easements and temporary construction**

easements and related rights of ingress and egress that cannot be acquired through negotiation; declaring further negotiations futile; ratifying and affirming all acts and proceedings heretofore done or initiated by employees, agents, and attorneys of GBRA to acquire such property interests; authorizing all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary interests in real property; declaring the sections of the Resolution to be severable one from the other in the event any section of the Resolution is determined to be invalid; said properties to be identified to wit:

Parcel 2 – Trina Roberts, being a 0.8184 acre or 35,650 square feet, more or less of permanent easement and 0.5253 acre or 22,883 square feet, more of less of temporary construction easement situated in the James George Survey, Abstract No. 9, Caldwell County Texas, being a portion of a 49.781 acre tract of land (by deed) deeded to Trina Roberts by Deed recorded in Document No. 2015002336, Official Public Records, Caldwell County, Texas, and attached as Exhibit “A”;

Parcel 4 – Bonnie L. Hazelett, Individually and as Independent Executrix of the Estate of George Hazelett, Deceased, being a 0.9874 acre or 43,013 square feet, more or less of permanent easement and 0.6584 acre or 28,682 square feet, more or less of temporary construction easement situated in the James George Survey, Abstract No. 9 in Caldwell County, Texas, being a portion of 145.708 acre tract of land (by deed) deeded to George Hazelett by deed recorded in Volume 323, Page 390, of the Official Public Records of Caldwell County, Texas, and attached as Exhibit “B”.

Courtney Kerr-Morre, Associated General Counsel, is seeking approval for a Resolution by the Guadalupe-Blanco River Authority to declare a public necessity for the acquisition of certain water pipeline easements and temporary construction easements for the Carrizo Groudwater Supply Project – Lockhart Delivery System. Upon Motion by Director Carbonara, seconded by Director Wisian, the roll call was taken and the Board

unanimously approved **Action Item 14: Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain water pipeline easements and temporary construction easements for the Carrizo Groundwater Supply Project – Lockhart Delivery System in connection therewith, over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the General Manager/CEO, staff, retained attorneys and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed fee estates and easements and temporary construction easements and related rights of ingress and egress that cannot be acquired through negotiation; declaring further negotiations futile; ratifying and affirming all acts and proceedings heretofore done or initiated by employees, agents, and attorneys of GBRA to acquire such property interests; authorizing all other lawful action necessary and incidental to such acquisitions or eminent domain proceedings to survey, specify, define, and secure the necessary interests in real property; declaring the sections of the Resolution to be severable one from the other in the event any section of the Resolution is determined to be invalid; said properties to be identified to wit:**

Parcel 2 – Trina Roberts, being a 0.8184 acre or 35,650 square feet, more or less of permanent easement and 0.5253 acre or 22,883 square feet, more or less of temporary construction easement situated in the James George Survey, Abstract No. 9, Caldwell County Texas, being a portion of a 49.781 acre tract of land (by deed) deeded to Trina Roberts by Deed recorded in Document No. 2015002336, Official Public Records, Caldwell County, Texas, and attached as Exhibit “A”;

Parcel 4 – Bonnie L. Hazelett, Individually and as Independent Executrix of the Estate of George Hazelett, Deceased, being a 0.9874 acre or 43,013 square feet,

more or less of permanent easement and 0.6584 acre or 28,682 square feet, more or less of temporary construction easement situated in the James George Survey, Abstract No. 9 in Caldwell County, Texas, being a portion of 145.708 acre tract of land (by deed) deeded to George Hazelett by deed recorded in Volume 323, Page 390, of the Official Public Records of Caldwell County, Texas, and attached as Exhibit "B".

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

Director Old- Yea

Director Wisian- Yea

Director Motl – Yea

Director Meador- Yea

Director Carbonara- Yea

Director Ehrig- Yea

There being no further business to be brought before the Board, the meeting was adjourned at 12:13 p.m. subject to call by the Chairman.

Chairman

Secretary