

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 October 20, 2021 at the GBRA, Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Don B. Meador William Carbonara, Kenneth Motl, Steven B. Ehrig, Sheila Old, Andra Wisian and Emanuel Valdez. Director Patillo and Director Fogle were not present. Present in the Annex Building at 905 Nolan Street, Seguin, Texas were 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; Tommy Hill, Senior Advisor to the General Manager; Travis Sales, Outside Counsel; Joe Cole, General Counsel; Courtney Kerr-Moore, 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; Bridget Webber, Strategic and Community Affairs Manager and Lindsey Campbell, Public Relations/Communication Manager.

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:

Direct Valdez led the Pledge of Allegiance to the United States flag and the Texas flag.

The Vice-Chairman then called for **Consent Item 2 - Consideration of and possible action approving the minutes of the September 15, 2021 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for August 2021; Consent Item 4 - Consideration of and possible action approving the monthly operations report for September 2021; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers and Consent Item 6 - Consideration of and possible action approving the disposal of equipment in accordance with GBRA Board Policy 411-Capital Assets.** Upon Motion by Director Motl, seconded by Director Ehrig, the Board unanimously approved Consent Item 2 - Consideration of and possible action approving the minutes of the September 15, 2021 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for August 2021; Consent Item 4 - Consideration of and possible action approving the monthly operations report for September 2021; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers and Consent Item 6 - Consideration of and possible action approving the disposal of equipment in accordance with GBRA Board Policy 411-Capital Assets.

The Vice-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.** Darrell Nichols, Senior Deputy General Manager introduced Joe Cole, new GBRA General Counsel. Next, Amanda Reichle, Safety and Risk Manager, gave a report indicating that there were no lost time accidents or injuries in the last month. Zero positive Covid-19 cases were reported this month and six for the previous month. GBRA continues to monitor Covid-data in the surrounding counties as well as continued review of the Safety Training Online update. The Board was briefed on the Safety Committee meeting held last month, education tours and site visits relating to chemical lists and SDS Compliance for chemical storage. Next, David Harris, Executive Manager of Operations, briefed the Board on new employee's licenses, safety, training and project progress to include Johnson Ranch, Calhoun Rural Water line upgrade and Coletto Creek Park on-site sewage facilities.

Next, Charlie Hickman, Executive Manager of Engineering, briefed the Board on the new engineering department organizational chart. A Dunlap Dam Construction update was provided to the Board along with a Lake Placid gate control situation update. During the flood event, the Lake Placid operator attempted to lower the second gate, however, the gate became unresponsive and remains in the flat position until further analysis. Inspections were performed inside the gate and the locking bars showed significant scraping and Black and Veatch inspection determined the gate had significant bowing of the upstream gate. Mr. Hickman also discussed the design updates and schedules for dam construction on Lake Placid, Lake McQueeney and the Carrizo Groundwater Supply Project.

The Vice-Chairman called for **Chairman Item 2 - Comments from the public.** There were no public comments.

Vice-Chairman Meador called for a twenty-minute recess at 11:00 a.m.

Vice-Chairman Meador reconvened in open session at 11:20 a.m.

The Vice-Chairman called for **Action Item - 8 Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Infrastructure Reimbursement Agreement with one or more property owners upstream of the Hilltop Meadows residential development.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization to execute a Wastewater Infrastructure Reimbursement Agreement with one or more property owners upstream of the Hilltop Meadows residential development, Blackwell Tract, to oversize the line. Upon Motion by Director Carbonara, seconded by Director Motl, the Board unanimously

approved Action Item 8 authorizing the General Manager/CEO to negotiate and execute a Wastewater Infrastructure Reimbursement Agreement with one or more property owners upstream of the Hilltop Meadows residential development.

Next, the Vice-Chairman called for **Action Item 9 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority to determine that it is in the public interest for the Guadalupe-Blanco River Authority to assign a weighted value of 36.9 percent to price in a request for competitive sealed proposal for a civil works project and delegating to the General Manager/CEO the authority to determine, for a civil works project, when to assign price a weighted value of more than 36.9 percent of the total weighted value of all selection criteria.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization, pursuant to new requirement in Government Code 2269 – Subchapter D, to assign a weighted value of 36.9 percent to price in a request for competitive sealed proposal for a civil works project. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved Action Item 9 to authorize a Resolution to assign a weighted value of 36.9 percent to price in a request for competitive sealed proposal for a civil works project and delegating to the General Manager/CEO the authority to determine, for a civil works project, when to assign price a weighted value of more than 36.9 percent of the total weighted value of all selection criteria. A copy of the Resolution is attached and made a part of these minutes.

The Vice-Chairman then 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 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 a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2022. The proposed project includes construction of a new surface water intake structure for the Luling Water Treatment Plant. Tim Dusek, Grant Writer/Administrator, is seeking approval of a Resolution authorizing the General Manager 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 a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Drought Response Program in the amount of two million dollars. Upon Motion by Director Wisian, seconded by Director Carbonara, the Board unanimously approved Action Item 10 authorizing a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager 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 a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2022. A copy of the Resolution is attached and made a part of these minutes.

The Vice-Chairman called for **Action Item 11 - Consideration of and possible action approving a Resolution of the Board of Directors of the Guadalupe-Blanco River Authority authorizing the General Manager 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 a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022. The proposed project includes relocation of the Hog Bayou Control Structure in Calhoun County.** Tim Dusek, Grant Writer/Administrator, is seeking approval of a Resolution authorizing the General Manager, or his designee, to furnish information and execute documents for a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved Action Item 11 authorizing the Resolution authorizing the authorizing the General Manager 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 a grant application to the U.S. Department of the Interior, Bureau of Reclamation in regards to the WaterSMART Grants: Water and Energy Efficiency Grants for Fiscal Year 2022. A copy of the Resolution is attached and made a part of these minutes.

Next, the Vice-Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to execute a Grant**

Agreement with a private entity for design and construction related to the Goff Bayou Radial Gates Replacement Project. Brian Perkins, Deputy Executive Manager of Engineering, is seeking authorization for the General Manager/CEO to execute a Grant Agreement with Pepsi Cola Advertising and Marketing, Inc. in the amount of \$1.2 million for the replacement of Bayou Radial Gates. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO to execute a Grant Agreement with a private entity in the amount of \$1.2 million for the replacement of Bayou Radial Gates.

Next, the Vice-Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Interruptible Raw and Reclaimed Water Supply Agreement with Green Valley Special Utility District for non-potable use.** Darrell Nichols, Senior Deputy General Manager, briefed the Board on the request from the City of New Braunfels for Green Valley Special Utility District to provide non-potable water for irrigation purposes for the new sports park. This would involve Green Valley Special Utility District to tap into GBRA's raw water treated effluent line that provides water to Calpine Power Plant. Upon Motion by Director Wisian, seconded by Director Carbonara, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to negotiate and execute an Interruptible Raw and Reclaimed Water Supply Agreement with Green Valley Special Utility District for non-potable use.

Next, the Vice-Chairman called for **Action Item 14 - Consideration of and possible action adopting GBRA's Financial Practices & Strategies including**

establishing a minimum financial reserves level. Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the purpose of the Financial Practices and Strategies document, the practices, strategies, current reserve goals, reserve requirements and target reserve levels. Upon Motion by Director Carbonara, seconded by Director Motl, the Board unanimously voted to table Action Item 14 for possible action adopting GBRA's Financial Practices & Strategies including establishing a minimum financial reserves level for further discussion.

The Vice-Chairman called for **Action Item 15 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$59,135,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021 (Low-Interest Financing) (Carrizo Groundwater Supply Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; Authorizing the Authority to obtain \$13,115,000 of additional funds for the project pursuant to a previously approved Master Agreement between the Authority and the TWDB relating to the TWDB (a) providing up to \$85,255,000 of financial assistance through the TWDB's Board Participation Loan Program under the SWIFT Program, and (b) receiving an Ownership Interest in GBRA's interest in the Carrizo Groundwater Supply Project for a period of time; approving an amendment to the Master Agreement; approving and authorizing all other instruments and procedures**

related thereto; and providing for an immediate effective date. Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval of a Resolution for the fourth round of financing for the Carrizo Groundwater Supply Project. Upon Motion by Director Carbonara, seconded by Director Motl, the Board unanimously voted to approve a Resolution authorizing the Issuance of \$59,135,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021 (Low-Interest Financing) (Carrizo Groundwater Supply Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; Authorizing the Authority to obtain \$13,115,000 of additional funds for the project pursuant to a previously approved Master Agreement between the Authority and the TWDB relating to the TWDB (a) providing up to \$85,255,000 of financial assistance through the TWDB's Board Participation Loan Program under the SWIFT Program, and (b) receiving an Ownership Interest in GBRA's interest in the Carrizo Groundwater Supply Project for a period of time; approving an amendment to the Master Agreement; approving and authorizing all other instruments and procedures related thereto; and providing for an immediate effective date. A copy of the Resolution is attached and made a part of these minutes.

Next, the Vice-Chairman called for **Action Item 16 - Consideration of and possible action approving the January 1, 2021 Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the**

recommended contribution of \$942,428 included therein. Randy Staats, Executive Manager of Finance/Chief Financial Officer is seeking approval of the January 1, 2021 Actuarial Valuation for the Retirement Plan for employees of GBRA. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved the January 1, 2021 Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the recommended contribution of \$942,428.

Next, the Vice-Chairman called for **Discussion Item 17 - Discussion regarding Base Flow Report, Water Quality Index, long-term weather Pattern and condition of the Guadalupe Basin** Charlie Hickman, Executive Manager of Engineering, briefed the Board on the Guadalupe River Basin hydrologic conditions. The October 14, 2021 rainfall event, produced by the Pacific hurricane combining with gulf moisture, produced rainfall in excess of three inches per hour over the area for a two day period. The hydrograph was presented showing the effect of the excessive rain on the hydro dams topping out at 40,000 cfs at Dunlap Dam. The Edwards Aquifer and the majority of the basin are showing average conditions with medium flow. Canyon Lake is showing about 908.84 feet. Currently, Comal Springs is flowing around 160 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 12:29 p.m. subject to call by the Chairman and convened the meeting in executive session at 1:00 p.m. pursuant to Chapter 551, Texas.

The Board reconvened in open session at 01:31 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:31 p.m. subject to call by the Chairman.

Chairman

Secretary