

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 August 18 2021, at the GBRA, Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, William Carbonara, Kenneth Motl, Don B. Meador, Oscar Fogle, Steven B. Ehrig, Sheila Old, Andra Wisian and Emanuel Valdez. 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; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Emily Rogers, Outside Counsel; Courtney Kerr-Moore, Associate General Counsel; Earnie Granville, Associate General Counsel; Chad Norris, Deputy Executive Manager of Environmental Science; Lauren Willis, Director of Regulatory and Customer Affairs, Brian Perkins, Senior Water Resource Engineer, Peter Newell, Senior Water Resource Engineer, and Lindsey Campbell, Public Relations/Communication Manager.

Chairman Patillo 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 - Welcome new Director and administer Oath of Office to Emanuel Valdez.** Director Patillo administered the Oath of office to Emanuel Valdez.

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

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 July 21, 2021 Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for July 2021; Consent Item 5 - Consideration of and possible action approving the monthly operations report for July 2021 and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers.** Upon Motion by Director Meador, seconded by Director Valdez, the Board unanimously approved Consent Items 3, 4, 5 and 6.

The Chairman then called for **General Manager/CEO Item 7 - Update regarding issues related to the Guadalupe Valley Hydroelectric System, recent spillgate failure at H4 Dam/Lake Gonzales, construction at Lake Dunlap, design for lakes Placid and McQueeney, and public safety violations within the Prohibited Unsafe Zones along the Guadalupe Valley Lakes.** Charlie Hickman, Executive Manager of

Engineering, briefed the Board on the spillgate failure at H4 dam. The final recommendation, after a survey and inspection by GBRA Operations and Engineering staff, is the gates should remain in their current position for safety concerns of operators, pending search for potential funding to replace the spillgates. Lake Dunlap construction updates were provided to the Board including updates related to the cofferdam and the emergency spillway. The Lake McQueeney/Placid project is currently at a 90% design completion stage and should be set for bidding in November 2021. In order to accomplish the dam work on the various projects, it will require a lowering of the reservoirs in early 2022. Chad Norris, Deputy Executive Manager of Environmental Science, briefed the Board on the impact on Lake Gonzales after the August 3, 2021 spillgate failure. Texas Parks and Wildlife Department (TPWD) was immediately notified regarding the failure at Lake Gonzales. On August 4, 2021, GBRA environmental staff meet with TPWD to identify and access impacted areas. A drone was used to view areas that were not accessible by foot. GBRA and TPWD staff were able to relocate and salvage over 2300 freshwater mussels from eleven (11) different species. US Fish and Wildlife Service was able to collect some gravid female mussels for research. Also, GBRA did not notice any impact to fish. Regarding Lake Dunlap, GBRA is working with TPWD and Protect Lake Dunlap Association to host an environmental workshop for homeowners to enhance and add to the aquatic habitat of Lake Dunlap and establish a long-term relationship for collaboration on future projects. Next, Vanessa Guerrero, Executive Manager of Administration, briefed the Board on 218 safety violations in the prohibited zones relating to lakes at McQueeney, Placid, Meadow, Dunlap and Gonzales.

The Chairman then 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.** Charlie Hickman, Executive Manager of Engineering, introduced the Board to a new employee, Peter Newell, Senior Water Resource Engineer.

The Chairman called for **Action Item 9 - Consideration of and possible action approving the Fiscal Year 2022 Work Plan and Budget including rates and compensation tables for the following divisions and giving authority to the General Manager/CEO to expend funds pursuant to the budget as well as execute contracts consistent with those expenditures within limitations allowed under policy:**

- a. Guadalupe Valley Hydroelectric Division**
- b. Shadow Creek Wastewater Reclamation System**
- c. Canyon Park Estates Wastewater Reclamation System**
- d. Stein Falls Wastewater Reclamation System**
- e. Sunfield Wastewater Treatment Plant**

- f. Water Sales System**
- g. Calhoun Canal System**
- h. San Marcos Water Treatment Plant System**
- i. Buda Wastewater Treatment Plant System**
- j. Carrizo Groundwater System**
- k. Western Canyon Treated Water System**
- l. 4S Ranch Wastewater Reclamation System**
- m. Cordillera Water Distribution System**
- n. Cordillera Wastewater Treatment Plant**
- o. Comal Trace Water Delivery System**
- p. Johnson Ranch Water Distribution System**
- q. Johnson Ranch Wastewater Treatment System**
- r. Bulverde Singing Hills Wastewater Treatment System**
- s. Park Village Wastewater Reclamation System**
- t. Boerne Independent School District Wastewater System**
- u. Port Lavaca Water Treatment Plant Division**
- v. Calhoun County Rural Water Supply Division**
- w. Coledo Creek Reservoir System**
- x. Coledo Creek Recreation System**
- y. Luling Water Treatment Plant Division**
- z. Canyon Hydroelectric Division**
- aa. Lockhart Wastewater Reclamation System**
- bb. Lockhart Water Treatment Plant System**
- cc. Dietz Wastewater System**
- dd. General Division**

Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval for the Fiscal Year 2022 Work Plan and Budget including rates and compensation tables for the following divisions (a-dd) and giving authority to the General Manager/CEO to expend funds pursuant to the budget as well as execute contracts consistent with those expenditures within limitations allowed under policy. Mr. Staats briefed the Board on FY 22 budget growth, revenue comparison and highlights, projected new retail connections, expense comparison and rate changes. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 9 approving the Fiscal Year 2022 Work Plan and Budget.

Next, the Chairman called for **Action Item 10 - Consideration of and possible action approving a Resolution Approving and Authorizing the Execution of Financing Agreements with the Texas Water Development Board (TWDB) Relating to Financial Assistance Being Provided by the TWDB for the Carrizo Groundwater Supply Project.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval for a Resolution approving and authorizing the execution of Financing Agreements with the Texas Water Development Board (TWDB) relating to financial assistance being provided by the TWDB for the Carrizo Groundwater Supply Project. GBRA has obtained a funding commitment from the TWDB totaling \$212,955,000 for this project. Over the last three years, \$140,705,000 in bonds have been issued through the TWDB's SWIRFT program. This fourth tranche of funding represents \$72,250,000 in low interest and Board participation financing. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action Item 10 approving and authorizing the execution of Financing Agreements with the Texas Water Development Board (TWDB) Relating to Financial Assistance Being Provided by the TWDB for the Carrizo Groundwater Supply Project. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to utilize the Construction Manager At Risk (CMAR) procurement process set forth in Government Code Chapter 2269, for construction of the Sunfield Wastewater Treatment Plant (WWTP) Expansion and to negotiate and execute a contract and subsequent guaranteed maximum**

prices and related contingencies for each work package with the highest ranked bidder for said project.

Amy Uniacke presented information regarding the Construction Manager At Risk (CMAR) procurement process set forth in Government Code Chapter 2269, for construction of the Sunfield Wastewater Treatment Plant (WWTP) Expansion; and to request authorization for the General Manager/CEO to negotiate and execute a CMAR contract and subsequent guaranteed maximum prices and related contingencies for each work package with the highest ranked bidder for said project. Ms. Uniacke briefed the Board on the Sunfield WWTP service area of about 2600 homes including the existing plant and the expansion project overview. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to utilize the Construction Manager At Risk (CMAR) procurement process set forth in Government Code Chapter 2269, for construction of the Sunfield Wastewater Treatment Plant (WWTP) Expansion and to negotiate and execute a contract and subsequent guaranteed maximum prices and related contingencies for each work package with the highest ranked bidder for said project.

The Chairman called **for Action Item 12 - 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.** Vanessa Guerrero, Executive Manager of Administration, is seeking authorization for the General Manager/CEO to appoint Mike Urrutia, Deputy Executive Manager of Operations to serve on the Guadalupe-Blanco

River Authority Retirement and Benefit Committee. Mr. Urrutia is taking the position represented by a staff member who participates in the defined benefit plan that was previously held by Susan Hubbert. Upon Motion by Director Meador, seconded by Director Wisian, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO to appoint Mike Urrutia to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.

Next, the Chairman called for **Discussion Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Engineering Services Agreement with one or more firms to provide on-call services for unspecified projects.** Charlie Hickman, Executive Manager of Engineering, is seeking authorization for the General Manager/CEO to negotiate and execute an Engineering Services Agreement with one or more firms to provide on-call services for unspecified projects. The existing contracts are currently expiring and therefore seeking renewal of seven categories of engineering services for a two-year contract with no scope identified. Upon Motion by Director Meador, seconded by Director Wisian, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to negotiate and execute an Engineering Services Agreement with one or more firms to provide on-call services for unspecified projects.

Chairman Patillo called for a ten-minute recess at 11:11 a.m.

Chairman Patillo reconvened in open session at 11:25 a.m.

Next, 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 Guadalupe River Basin hydrologic conditions. The Edwards Aquifer and the majority of the basin are showing average conditions with medium flow. Canyon Lake is showing about 906.69 feet. Currently, Comal Springs is flowing around 292 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:25 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:25 a.m. pursuant to Chapter 551, Texas.

The Board reconvened in open session at 12:24 p.m.

Next, 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 fee estates, water pipeline easements, temporary construction easements, related rights of ingress and egress, and other water system related facilities for diversion, treatment and delivery of water in connection therewith the Carrizo Groundwater Supply Project over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the General Manager/CEO, staff, retained attorneys, agents, engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed fee estates, easements, 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 E010G – Dorothy Weltner Oelkers, Warren H. Weltner and Carol Weltner Smith-2 Tracts: Tract 1 being approximately 0.8721 acres more or less of permanent easement and Tract 2 being approximately 0.5814 acres more or less of temporary construction easement both situated in the A.M. Esnaurizar Survey Abstract No. 20, in Guadalupe County, Texas, and being a portion of that certain 127.78 acres conveyed by Deed recorded in Document No. 201899027921, Official Public Records of Guadalupe County, Texas, attached as Exhibit “A”;

Parcel W014ac- Michael Lee Evans, being approximately 0.016 acres more or less of permanent easement situated in the Samuel Hayslett Survey, Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 1.0 acres conveyed by Deed recorded in Volume 553, Page 225, Official Public Records of Caldwell County, Texas, attached as Exhibit “B”;

Parcel W014C- Michael Lee Evans-2 Tracts:

Tract 1 being approximately 1.670 acres more or less of permanent easement and Tract 2 being approximately 1.897 acres more or less of permanent easement, both situated in the Samuel Hayslett Survey, Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 199.1 acres conveyed by Deed recorded in Volume 274, Page 50, Official Public Records of Caldwell County, Texas, attached as Exhibit “C”;

Parcel W015C- Michael Lee Evans – 3 Tracts:

Tract 1 being approximately 0.448 acres more or less of permanent easement situated in the Samuel Hayslett Survey, Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 194.5 acres conveyed by Deed recorded in Volume 274, Page 50, Official Public Records of Caldwell County, Texas, attached as Exhibit “D”;

Tract 2 being approximately 0.120 acres more or less of permanent easement situated in the Samuel Hayslett Survey, Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 9.24 acres conveyed by Deed recorded in Volume 59, Page 851, Official Public Records of Caldwell County, Texas, attached as Exhibit “E”;

Tract 3 being approximately 1.251 acres more or less of permanent easement situated in the Samuel Hayslett Survey, Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 9.375 acres conveyed by Deed recorded in Volume 448, Page 632, Official Public Records of Caldwell County, Texas, attached as Exhibit “F”;

Parcel 035C-Helen Anderson Detert-2 Tracts:

Tract 1 being approximately 0.7237 acres more or less of permanent easement and Tract 2 being approximately 0.4825 acres more or less of temporary easement both situated in the James George Survey, Abstract No. 9, in Caldwell County, Texas, and being a portion of that certain 70.125 acres conveyed by Deed recorded in Volume 555, Page 668, Official Public Records of Caldwell County, Texas, attached as Exhibit "G"; and

Parcel W016C-George E. Dittmar and wife, Peggy J. Dittmar-2 Tracts:

Tract 1 being approximately 1.488 acres more or less of permanent easement and Tract 2 being approximately 2.407 acres more or less of permanent easement both situated in the Samuel Hayslett Survey Abstract No. 11, in Caldwell County, Texas, and being a portion of that certain 192.29 acres conveyed by Deed recorded in Volume 128, Page 913, Official Public Records of Caldwell County, Texas, attached as Exhibit "H".

Courtney Kerr-Moore, Associate General Counsel, is seeking approval of a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain fee estates, water pipeline easements, temporary construction easements, related rights of ingress and egress, and other water system related facilities for diversion, treatment and delivery of water in connection therewith the Carrizo Groundwater Supply Project. Upon Motion by Director Carbonara, seconded by Director Meador, the Board unanimously approved Action Item 14 approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain fee estates, water pipeline easements, temporary construction easements, related rights of ingress and egress, and other water system related facilities for diversion, treatment and delivery of water in connection therewith the Carrizo Groundwater Supply Project over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the General Manager/CEO, staff, retained attorneys, agents, engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed fee estates, easements, 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:

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

Next, the Chairman called for **Action Item 15 - Consideration of and possible action authorizing the General Manager/CEO to initiate and follow through to resolution, judicial proceedings against James Hardy related to breach of a permanent and temporary construction easement granted to GBRA on or about August 21, 2020, for the Stein Falls Collection Capital Improvement Project.**

Courtney Kerr-Moore, Associate General Counsel is seeking authorization for the General Manager/CEO to initiate and follow through to resolution, judicial proceedings against James Hardy related to breach of a permanent and temporary construction easement granted to GBRA on or about August 21, 2020, for the Stein Falls Collection Capital Improvement Project. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 15 authorizing the General

Manager/CEO to initiate and follow through to resolution, judicial proceedings against James Hardy related to breach of a permanent and temporary construction easement granted to GBRA.

Next, the Chairman called for Supplemental Agenda Item covered under the Notices – **Consideration of and possible action authorizing the General Manager/CEO to initiate and follow through to resolution, judicial proceedings against Vacquero Bulverde Partners, LP related to breach of a permanent easement granted to GBRA on or about December 3, 2003, for the Western Canyon Treated Water Supply Project.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization for the General Manager/CEO to initiate judicial proceedings against Vacquero Bulverde Partners, LP to enforce easement rights. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved the Supplemental Action Item authorizing the General Manager/CEO to initiate and follow through to resolution, judicial proceedings against Vacquero Bulverde Partners, LP related to breach of a permanent easement granted to GBRA on or about December 3, 2003, for the Western Canyon Treated Water Supply Project.

Director Meador offered a Motion seeking Board approval of a merit increase of 5.8% (Five and eight tenths) for the General Manager/CEO of his current salary based on the Board of Directors review based on his job performance over the past review period. The Motion is seconded by Director Old, and the Board unanimously approved the merit increase of 5.85% for the General Manager/CEO effective September 4, 2021.

There being no further business to be brought before the Board, the meeting was adjourned at 12:40 p.m. subject to call by the Chairman.

Chairman

Secretary