

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 September 15, 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; Nathan Pence, Executive Manager of Environmental Science; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Tommy Hill, Senior Advisor to the General Manager; Emily Rogers, Outside Counsel; Courtney Kerr-Moore, Associate General Counsel; Amanda Reichle, Safety and Risk Manager Chad Norris, Deputy Executive Manager of Environmental Science; Mike Urrutia, Deputy Executive Manager of Operations; Lauren Willis, Director of Regulatory and Customer Affairs, Brian Perkins, Senior Water Resource Engineer, Peter Newell, Senior Water Resource Engineer, Bridget Weber, Strategic and Community Affairs Manager 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 - Consideration of and possible action accepting Board of Directors' Committee Assignments.** Chairman Patillo is recommending the following Committee Assignments: (1) Director Old to the Audit Committee replacing former Director Brockman (2) Direct Wisian to the Non-Profit Committee replacing former Director Matthews and (3) Director Valdez to the Retirement and Benefits Committee replacing former Director Hermes. Director Molt was not present for Chairman Item 1. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Chairman Item 1 recommending acceptance of the Board of Directors' Committee Assignments as follows: (1) Director Old to the Audit Committee (2) Direct Wisian to the Non-Profit Committee and (3) Director Valdez to the Retirement and Benefits Committee.

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 August 18, 2021 Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly operations report for August 2021; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.** Upon Motion by Director Meador, seconded

by Director Carbonara, the Board unanimously approved Consent Item 3 - Consideration of and possible action approving the minutes of the August 18, 2021 Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly operations report for August 2021; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers.

The Chairman then called for **General Manager/CEO Item 6 - 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. Six positive Covid-19 cases were reported this month and three for the previous month. GBRA continues to monitor Covid-data in the surrounding counties as well as continued review of the Safety Manual update. Next, Nathan Pence, Executive Manager of Environmental Science, briefed the Board on the Quarterly Report

from Environmental Science to include water quality, endangered species, hydrilla, mussel collections, aquatic life monitoring events and the Gorge update. GBRA is presenting a Lake Dunlap Homeowner Workshop in October, 2021 to enhance habitat restoration and commitments to Lake Dunlap.

Next, Randy Staats, Executive Manager of Finance/Chief Financial Officer, briefed the Board on the FY 21 Audit and financial updates. Debt planning at Dietz and Stein Falls was discussed along with purchasing and grants.

The Chairman called for **Action Item - 7 Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Joint Funding Agreement between the United States Geological Survey and GBRA for the period October 2021 through September 2022 for stream gauge monitoring.** Tommy Hill, Senior Advisor to the General Manager, is seeking authorization for the General Manager/CEO to execute a Joint Funding Agreement for approximately 54 stream gauges in GBRA's basin at a cost of \$207,000. Upon Motion by Director Carbonara, seconded by Director Meador, the Board unanimously approved Action Item 7 authorizing the General Manager/CEO to negotiate and execute a Joint Funding Agreement between the United States Geological Survey and GBRA for the period October 2021 through September 2022 for stream gauge monitoring.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Continental Homes of Texas LP for the Winding Creek Ranch development.**

Courtney Kerr-Moore, Associate General Counsel, is seeking authorization for the General Manager/CEO to execute a Wastewater Service Agreement with Continental Homes of Texas LP in the Winding Creek Ranch development to service approximately 1011 homes in the Stein Falls service area with standard wastewater terms. Upon Motion by Director Wisian, seconded by Director Motl, the Board unanimously approved Action Item 8 to authorize the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and Continental Homes of Texas LP for the Winding Creek Ranch development.

The Chairman then called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and KB Homes for the South Point development.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization for the General Manager/CEO to execute a Wastewater Service Agreement with KB Homes in the South Point development to service approximately 490 homes in the Stein Falls service area with standard wastewater terms. Upon Motion by Director Motl, seconded by Director Fogle, the Board unanimously approved Action Item 9 authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between Guadalupe-Blanco River Authority and KB Homes for the South Point development.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to execute an Easement Release for Plastics Management LLC, aka Republic Plastics.** Courtney Kerr-Moore, Associate General

Counsel, is seeking authorization for the General Manager/CEO to execute an easement release relating to the relocation of GBRA's electric transmission line. Upon Motion by Director Old, seconded by Director Fogle, the Board unanimously approved Action Item 10 authorizing the General Manager/CEO to execute an Easement Release for Plastics Management LLC, aka Republic Plastics.

Next, the Chairman called for **Discussion Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 4) to the 1978 Agreement between the Guadalupe-Blanco River Authority and the Guadalupe Valley Electric Cooperative, Inc. for power sales.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization for the General Manager/CEO to reduce the generation monthly rate to \$62,500 pursuant to recent diminished water capacity at Lake Gonzales. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 4) to the 1978 Agreement between the Guadalupe-Blanco River Authority and the Guadalupe Valley Electric Cooperative, Inc. for power sales.

Next, the Chairman called for **Discussion Item 12 - Discussion regarding recent United States Fish and Wildlife Service decision to propose three Guadalupe River freshwater mussels for listing as Endangered under the Endangered Species Act.** Nathan Pence, Executive Manager of Environmental Science, briefed the Board on the proposed USFWS four new rules in the Federal Register recommending freshwater

mussels for the Endangered Species Act Protection list and identifying proposed critical habitat. The three mussels in GBRA's region listed in the August 26, 2021 Federal Register are the Guadalupe Orb, Guadalupe Fatmucket and the False Spike. The purpose of GBRA's Habitat Conservation Plan is to be prepared to take the necessary steps to mitigate any impact to the environment and will continue to work with USFWS.

Next, the Chairman called for **Discussion Item 13 - 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 906.0 feet. Currently, Comal Springs is flowing around 260 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:21 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 01:02 p.m.

The Chairman called for Additional Action Item for **Consideration of and possible action authorizing the General Manager/CEO to file a protest and follow through to resolution any subsequent administrative proceedings related to Water Use Permit No. 13098 filed by San Antonio Water System and accepted for filing by the Texas Commission on Environmental Quality on or about May 9, 2016.** Courtney Kerr-Moore, Associate General Counsel is seeking authorization for the General Manager/CEO

to file a protest to the draft Water Use Permit No. 13098 to protect the rights of GBRA. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Additional Action Item authorizing the General Manager/CEO to file a protest and follow through to resolution any subsequent administrative proceedings related to Water Use Permit No. 13098 filed by San Antonio Water System and accepted for filing by the Texas Commission on Environmental Quality on or about May 9, 2016.

There being no further business to be brought before the Board, the meeting was adjourned at 1:04 p.m. subject to call by the Chairman.

Chairman

Secretary