

## **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 November 17, 2021 at the GBRA, Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don B. Meador, William Carbonara, Kenneth Motl, Steven B. Ehrig, Sheila Old, and Andra Wisian. Director Fogle and Director Valdez were not present. Present in the Annex Building at 905 Nolan Street, Seguin, Texas were Kevin Patteson, General Manager/CEO, 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, Samia Broadaway, Outside Counsel; Joe Cole, General Counsel and Courtney Kerr-Moore, Associate General Counsel.

Chairman Patillo called the meeting to order at 10:01 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 Carbonara led the Pledge of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Chairman Item 1 - Comments from the public**. There were no public comments.

The Chairman then called for **Consent Item 2 - Consideration of and possible action approving the minutes of the October 20, 2021 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for September 2021; Consent Item 4 - Consideration of and possible action approving the monthly operations report for October 2021; 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 2 - Consideration of and possible action approving the minutes of the October 20, 2021 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for September 2021; Consent Item 4 - Consideration of and possible action approving the monthly operations report for October 2021; 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. There were no positive COVID-19 cases reported this month by GBRA employees. GBRA continues to monitor COVID-19 data in the surrounding counties and the State of Texas is continually decreasing and remaining steady. Cold Stress and Preparedness Training for employees will occur in December. The Board was briefed on the TCEQ Tier II Reports due in March 2022. Randy Staats, Executive Manager of Finance/Chief Financial Officer introduced Michelle Reyes, new GBRA employee who will assume the role of buyer within the purchasing department.

The Chairman called for **Action Item – 7 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, is seeking adoption of GBRA’s Financial Practices & Strategies to document and provide guidance for financial related activities. The Board was briefed on GBRA’s current financial reserve goals, the assessment of these goals, and the use of reserves and the replenishment of these reserves. Upon Motion by Director

Carbonara, seconded by Director Meador, the Board unanimously approved Action Item 8 adopting GBRA's Financial Practices & Strategies including establishing a minimum financial reserves level.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$40,000,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021 (Lake McQueeney 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 the issuance of bonds through the Texas Water Development Board (TWDB) for the Lake McQueeney Dam Facilities project. This action was approved by the Lake McQueeney Water Control and Improvement District on November 16, 2021. Upon Motion by Director Meador, seconded by Director Motl, the Board unanimously approved Action Item 8 for a Resolution authorizing the Issuance of \$40,000,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2021 (Lake McQueeney 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 then 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 for the Lake McQueeney Dam facilities project.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking authorization to open new accounts to account for the upcoming receipt of funds through the Texas Water Development Board for the Lake McQueeney Dam Facilities Project. Upon Motion by Director Carbonara, seconded by Director Meador, 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 for the Lake McQueeney Dam Facilities Project.

The Chairman called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 5) 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 execute a (Amendment No. 5) Letter Agreement with Guadalupe Valley Electric Cooperative (“GVEC”) to reduce the fixed monthly charge that GVEC pays to GBRA as a result of the spillgate failure at Lake Placid.

The decrease would be a reduction in the fixed charge from \$62,500.00 to \$41,666.67 monthly. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action Item 10 authorizing the General Manager/CEO to negotiate and execute a Letter Amendment (Letter Amendment Number 5) 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 **Action Item 11 - 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 which provides the best value for the Guadalupe-Blanco River Authority, for the Carrizo Groundwater Supply Project (CGSP) Delivery Point Pipelines Project.** Brian Perkins, Deputy Executive Manager of Engineering, briefed the Board on the Carrizo Groundwater Supply Project to include the project overview, summary of the delivery pipelines, the competitive sealed proposal scoring criteria and the estimated completion date of fall 2022. Upon Motion by Director Meador, seconded by Director Wisian, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to negotiate and execute a Contract with the highest ranked bidder, based on a Competitive Sealed Proposal process which provides the best value for the Guadalupe-Blanco River Authority, for the Carrizo Groundwater Supply Project (CGSP).

Next, the Chairman called for **Action Item 12 - 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**

**which provides the best value for the Guadalupe-Blanco River Authority, for the Lockhart WTP Tank Improvements Project as it relates to the Carrizo Groundwater Supply Project.** Brian Perkins, Deputy Executive Manager of Engineering, briefed the Board on the Lockhart WTP Tank Improvement Project to include the project overview, summary of improvements, the competitive sealed bid proposal scoring criteria and the estimated completion date of spring 2022. Upon Motion by Director Wisian, seconded by Director Motl, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO the General Manager/CEO to negotiate and execute a Contract with the highest ranked bidder, based on a Competitive Sealed Proposal process which provides the best value for the Guadalupe-Blanco River Authority, for the Lockhart WTP Tank Improvements Project as it relates to the Carrizo Groundwater Supply Project.

Next, the Chairman called for **Action Item 13 - 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. 12607 filed by Cibolo Creek Municipal Authority and accepted for filing by the Texas Commission on Environmental Quality on or about July 25, 2011.** Chairman Patillo called for this item to be moved for discussion after Executive Session.

Next, 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, 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 909.12 feet. Currently, Comal Springs is flowing around 288 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 10:36 a.m. subject to call by the Chairman and convened the meeting in executive session at 10:45 a.m. pursuant to Chapter 551, Texas Government Code.

The Board reconvened in open session at 11:31 a.m.

Next, the Chairman called for **Action Item 13 - 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. 12607 filed by Cibolo Creek Municipal Authority and accepted for filing by the Texas Commission on Environmental Quality on or about July 25, 2011.** Joe Cole, General Counsel, is seeking consideration of and possible action authorizing the General Manager/CEO to file a protest on the pending TCEQ draft Water Use Permit No. 12607 filed by Cibolo Creek Municipal Authority. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to file a protest and follow through to resolution any subsequent administrative proceedings related to Water Use Permit No. 12607 filed by Cibolo Creek Municipal Authority and accepted for filing by the Texas Commission on Environmental Quality on or about July 25, 2011.

There being no further business to be brought before the Board, the meeting was adjourned at 11:33 a.m. subject to call by the Chairman.



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Chairman

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Secretary