

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 April 20, 2022, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don Meador, William Carbonara, Sheila Old, Kenneth Motl, Steve Ehrig, Oscar Fogle, Andra Wisian and Emanuel Valdez. 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; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Joe Cole, General Counsel; Courtney Kerr-Moore, Assistant General Counsel; and Justin Adkins, Assistant General Counsel.

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:

Director Wisian led the Pledges of Allegiance to the United States flag and the Texas flag.

The Chairman then called for **Public Comments - 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 March 23, 2022 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for March 2022; Consent Item 4 - Consideration of and possible action approving the monthly operations report for March 2022; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for March 2022; 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 Meador, seconded by Director Carbonara, the Board unanimously approved Consent Items 2, 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. David Harris, Executive Manager of Operations, briefed the Board on new operator licenses recently obtained by operations staff. Staff conducted pigging on the Regional Raw Water Delivery Service line to the San Marcos Water Treatment Plant which has the benefit of cost savings and increasing capacity of the line. Next, Vanessa Guerrero, Executive Manager of Administration, introduced new GBRA employees, Jorge Medina, Network Administrator and Lemanda Del Toro, Media Specialist. The Board was briefed on the Administration Department's activities including the strategic plan development, community affairs, education, information technology, communications and human resources. Next, Amanda Reichle, Safety and Risk Manager, gave an update stating that in the past month there were no lost time incidents, two near miss reports, two incident reports, and zero COVID-19 cases reported. April's safety instruction classes focused on data and information security and electrical safety.

The Chairman then called for **Action Item 8 - Action authorizing the General Manager/CEO or designee to approve a multi-year Customer Service Agreement with UniFirst.** David Harris, Executive Manager of Operations, is seeking authorization for the General Manager/CEO to approve a three-year contract with Unifirst for operations uniforms. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 8 authorizing the General Manager/CEO or designee to approve a multi-year Customer Service Agreement with UniFirst.

Next, the Chairman called for **Action Item 9 - Action authorizing the General Manager/CEO to approve a multi-year maintenance contract with Aqua Metrology Systems, Limited.** David Harris, Executive Manager of Operation, is seeking authorization for the General Manager/CEO to approve a maintenance contract with Aqua Metrology systems for the online water quality analyzer system at the Western Canyon Water Treatment Plant. Upon Motion by Director Wisian, seconded by Director Fogle, the Board unanimously approved Action Item 9 authorizing the General Manager/CEO to approve a multi-year maintenance contract with Aqua Metrology Systems, Limited.

The Chairman then called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an extension of Contract No. 19-06 with the Texas State Soil and Water Conservation Board for the Surface Water Quality Monitoring to Support the Implementation of the Plum Creek Watershed Protection Plan.** Elizabeth Edgerton, Water Quality Program Supervisor, is seeking authorization of a 13-month extension to the Texas State Soil and Water Conservation Board Contract 19-06 in order to use remaining funds and add additional staff. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Action Item 10 authorizing the General Manager/CEO to negotiate and execute an extension of Contract No.19-06 with the Texas State Soil and Water Conservation Board for the Surface Water Quality Monitoring to Support the Implementation of the Plum Creek Watershed Protection Plan.

The Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an extension of**

Contract No. 19-07 with the Texas State Soil and Water Conservation Board for the Surface Water Quality Monitoring to Support the Implementation of the Geronimo and Alligator Creeks Watershed Protection Plan. Elizabeth Edgerton, Water Quality Program Supervisor, is seeking authorization of a twelve (12) month extension to the Texas State Soil and Water Conservation Board Contract 19-07 in order to use remaining funds and add additional staff. Upon Motion by Director Fogle, seconded by Director Carbonara, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to negotiate and execute an extension of Contract No. 19-07 with the Texas State Soil and Water Conservation Board for the Surface Water Quality Monitoring to Support the Implementation of the Geronimo and Alligator Creeks Watershed Protection Plan.

The Chairman called for **Action Item 12 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2022 Work Plan and Budget to adopt a wholesale wastewater treatment rate for the Sunfield wastewater system.** Sandra Terry, Deputy Executive Manager of Finance, is seeking authorization for approval of the proposed amendment to the Fiscal Year 2022 GBRA Work Plan and Budget to establish a new wholesale wastewater treatment rate for a new subdivision near the Sunfield wastewater system plant that will receive wholesale treatment. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 12 approving an amendment to the GBRA Fiscal Year 2022 Work Plan and Budget to adopt a wholesale wastewater treatment rate for the Sunfield wastewater system.

The Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an engagement agreement for the performance of a management audit.** Randy Staats, Executive Manager of Finance/CFO, is seeking authorization for the General Manager/CEO to execute an engagement agreement for a management audit required under Texas Administrative Code (30 TAC §292.13(6) (A) to be performed every five (5) years. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to negotiate and execute an engagement agreement – Board did not recommend which entity for the performance of a management audit.

The Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an engagement agreement for the performance of the financial audit for fiscal year 2022.** Randy Staats, Executive Manager of Finance/CFO, is seeking authorization for the General Manager/CEO to execute an engagement agreement for a financial audit required under Section 7 of GBRA's Enabling Act, Section 49.191 of the Texas Water Code, GBRA Board Policy 410-Audits and various other provisions of numerous bond resolutions. Upon Motion by Director Ehrig, seconded by Director Old, the Board unanimously approved Action Item 14 authorizing the General Manager/CEO to negotiate and execute an engagement agreement - Board did not name firm for the performance of the financial audit for fiscal year 2022.

The Chairman called for **Action Item 15 - Consideration of and possible action adopting a Resolution requesting financial assistance from the Texas Water Development Board for an expansion of the Carrizo Groundwater Supply Project; authorizing the filing of an application for financial assistance; and making certain findings in connection therein.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval for a Resolution requesting financial assistance for expansion of the Carrizo Groundwater Supply Project for the construction and other costs associated with the expansion in order to meet current needs. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Action Item 15 adopting a Resolution requesting financial assistance up to \$165,000,000 from the Texas Water Development Board for an expansion of the Carrizo Groundwater Supply Project; authorizing the filing of an application for financial assistance; and making certain findings in connection therein. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 16 - Consideration of and possible action approving the initial use of financial reserves for easement acquisitions and other costs related to GBRA's water delivery pipeline for Phase I of the Texas Department of Transportation's State Highway 46 roadway widening project.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval for the initial use of financial reserves to acquire easements and other associated costs for the Western Canyon treated water pipeline relocation required as a result of the roadway expansion of State Highway 46 by Texas Department of Transportation. Upon Motion by Director Carbonara,

seconded by Director Wisian, the Board unanimously approved Action Item 16 approving the initial use of financial reserves for easement acquisitions and other costs related to GBRA's water delivery pipeline for Phase I of the Texas Department of Transportation's State Highway 46 roadway widening project.

The Chairman called for **Action Item 17 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract with Optimum Consultancy Services, for the design and implementation of a work automation and project management solution for the Engineering Department.**

Peter Newell, Engineering Director, is seeking authorization to negotiate a contract for a technological infrastructure upgrade to help drive the standardization, project management excellence and efficiency, and improvement of project communication for 160 current engineering projects and future projects. Upon Motion by Director Wisian, seconded by Director Valdez, the Board unanimously approved Action Item 17 authorizing the General Manager/CEO to negotiate and execute a Contract with Optimum Consultancy Services, for the design and implementation of a work automation and project management solution for the Engineering Department.

Next, the Chairman called for **Action Item 18 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Raw Water Contract between Guadalupe-Blanco River Authority and the City of Seguin.**

Courtney Kerr-Moore, Assistant General Counsel, is seeking approval to negotiate a new agreement with the City of Seguin for an initial five (5) year term to provide 1,000-acre feet of raw water. Upon Motion by Director Old, seconded by Director Carbonara, the Board

unanimously approved Action Item 18 authorizing the General Manager/CEO to negotiate and execute a Raw Water Contract between Guadalupe-Blanco River Authority and the City of Seguin.

The Chairman called for **Action Item 19 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain treated water pipeline easements and temporary construction easements for the Western Canyon Hwy. 46 Water Pipeline Relocation Project 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 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 including necessary acts for any applicable lienholders for such properties; 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 property to be identified to wit:**

Parcel 1 - 281 Partners, Ltd., a Texas limited partnership, being approximately 0.1385 acre (6,035 square feet) tract of land situated in the Theodore Miller Survey, Abstract No. 384 in Comal County, City of Bulverde, Texas, said 0.1385 acre tract being a portion of a 14.51 acre tract of land (by deed) deeded to 281 Partners, Ltd. by deed recorded in Document No. 201806040311 of the Official Public Records of Comal County, Texas (O.P.R.C.C.T.), attached as Exhibit “A”;
and

Parcel 9 - M2G Highway 46, Ltd., being a 0.1697 acre (7,393 square feet) tract of land situated in the Jacobs Moos Survey, Abstract No. 745 and the Theodore Miller Survey, Abstract No. 384 in the City of Bulverde, Comal County, Texas, said 0.1697 acre tract being a portion of Lot 1 of The Crossing at Ridgeview, a subdivision recorded in Document No. 200806036871 of the Map and Plat Records of Comal County, Texas (M.P.R.C.C.T.), said Lot 1 being comprised of tracts conveyed to B & M Highway 46 LTD (now M2G Highway 46 LTD by name change) recorded in Document Nos. 200606053512, 200606053513, 200606053514 and 200606053515 of the Official Public Records of Comal County, Texas (O.P.R.C.C.T.), attached as Exhibit “B”. Courtney Kerr-Moore, Assistant General Counsel, is seeking approval of a Resolution to potentially move forward with proceedings in eminent domain to acquire certain properties for the Western Canyon Highway 46 Water Pipeline Relocation Projects. The negotiations for the acquisition of Parcels 1 and 9 have been unsuccessful. Upon Motion by Director Carbonara, seconded by Director Fogle, the roll call was taken; and the Board unanimously approved Action Item 19 approving a Resolution by the

Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain treated water pipeline easements and temporary construction easements for the Western Canyon Hwy. 46 Water Pipeline Relocation Project 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 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 including necessary acts for any applicable lienholders for such properties; 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 property to be identified to wit. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 20 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute Gonzales Carrizo Water Supply Project Treated Water Supply Agreements with Maxwell Special Utility District, Goforth Special Utility District, County Line Special Utility District and Camino Real Utility Company, LLC.** Darrell Nichols, Senior Deputy

General Manager, is seeking approval to negotiate Water Supply Agreements in order to expand the Carrizo Groundwater Supply Project to add an additional 9,000-acre feet of water for the identified customers due to the continued growth in the area. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Action Item 20 authorizing the General Manager/CEO to negotiate and execute Gonzales Carrizo Water Supply Project Treated Water Supply Agreements with Maxwell Special Utility District, Goforth Special Utility District, County Line Special Utility District and Camino Real Utility Company, LLC.

Chairman Patillo recessed the open meeting at 11:17 a.m. The Chairman reconvened the open meeting at 11:30 a.m.

Next, the Chairman called for **Action Item 21 - Consideration of and possible action to amend GBRA Board Policy 102.204, Delegations to the General Manager/CEO, to grant authority to the General Manager/CEO to approve change orders to construction, equipment, materials and machinery contracts that involve the decrease or increase of \$50,000.00 or less.** Joe Cole, General Counsel, is seeking approval to amend GBRA Board Policy 102.204 to grant authority to the General Manager/CEO to approve change orders that involve the decrease or increase of \$50,000.00 or less. GBRA's current Board Policy does not specifically make such delegation as allowed pursuant to Texas Water Code Section 49.273(i). Upon Motion by Director Ehrig, seconded by Director Old, the Board unanimously approved Action Item 21 to amend GBRA Board Policy 102.204, Delegations to the General Manager/CEO, to grant authority to the General Manager/CEO to approve change orders to construction,

equipment, materials and machinery contracts that involve the decrease or increase of \$50,000.00 or less.

Next, the Chairman called for **Action Item 22 - Consideration of and possible action to approve a change order in the amount of \$126,351.00 to excavate additional subgrade below the elevation indicated in contract documents of the GBRA contract with Zachry Construction titled Lake Dunlap Dam Spillgate Replacement and Dam Armoring Project.** Joe Cole, General Counsel, is seeking the approval of Zachry Construction Change Order No. 10 for Bay 1 Foundation additional excavation and concrete for the Lake Dunlap Dam Spillgate Replacement and Dam Armoring Project. Upon Motion by Director Old, seconded by Director Wisian, the Board unanimously approved Action Item 22 approving a change order in the amount of \$126,351.00 to excavate additional subgrade below the elevation indicated in contract documents of the GBRA contract with Zachry Construction titled Lake Dunlap Dam Spillgate Replacement and Dam Armoring Project.

Next, the Chairman called for **Discussion Item 23 - Mid-Year presentation and update on GBRA's Fiscal Year 2022 Work Plan and Budget.** Randy Staats, Executive Manager of Finance/CFO, briefed the Board on FY 2022 status, from September 2021 to February 2022, to include the following: Consumer Price Index and the economic impact to GBRA including cost increases, delays and limitations; Summary Comparisons of revenues and expenses to include retail connection trends and legal expenses; and the FY 2023 Budget.

Next, the Chairman called for **Discussion Item 24 - 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 dry conditions with moderate flow. Canyon Lake is showing about 907.56 feet. Currently, Comal Springs is flowing around 237 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 12:02 p.m. subject to call by the Chairman and convened the meeting in executive session at 12:15 p.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 2:32 p.m.

A Motion was made by Director Carbonara, seconded by Director Motl, to delegate authority to Chairman Patillo to finalize, implement and monitor return to work and performance plan for the General Manager/CEO. The Board unanimously approved the Motion to delegate authority to Chairman Patillo to finalize, implement and monitor return to work and performance plan for the General Manager/CEO.

There being no further business to be brought before the Board, the meeting was adjourned at 2:32 p.m. subject to call by the Chairman.

Chairman

Secretary