

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
August 17, 2022

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on August 17, 2022, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don Meador, Sheila Old, William Carbonara, Andra Wisian, Steve Ehrig, Kenneth Motl, Oscar Fogle and Emanuel Valdez. Present in the Annex Building at 905 Nolan Street, Seguin, Texas were Kevin Patteson; Darrell Nichols, Acting General Manager/CEO; 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; Nathan Pence, Executive Manager of Environmental Science; Tommy Hill, Senior Advisor to the General Manager; 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 Carbonara led the Pledges of Allegiance to the United States flag and the Texas flag.

The Chairman then called for **Public Comments from the public**. There were no public comments.

The Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the July 20, 2022 Board meeting; Consent Item 3 - Consideration of and possible action approving the minutes of the August 10, 2022 Workshop; Consent Item 4 - Consideration of and possible action approving the monthly financial report for July 2022; Consent Item 5 - Consideration of and possible action approving the monthly operations report for July 2022 and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers for July 2022**. Upon Motion by Director Meador, seconded by Director Fogle, 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. Vanessa Guerrero, Executive Manager of Administration, gave a safety update stating that in the past month there were no lost time incidents, one incident report, and nineteen active COVID-19 cases reported. GBRA safety instruction classes conducted in July focused on emergency drills at the Gorge and active shooter notification testing at Seguin office. The Board was also briefed on current activities relating to community affairs, information technology, education, communication, regulatory affairs and human resources. Nathan Pence, Executive Manager of Environmental Science, briefed the Board on the Habitat Conservation Plan to include the first stakeholders public meeting and the plan updates to include participation from the Army Corps of Engineers and TXDOT. The plan also encompasses mussel collection in collaboration with Bio-West, which includes approximately 60 survey sites. Mr. Pence also discussed some general information on the GBRA lab and its history, the GBRA Canyon Lake Gorge 20-Year Reflection Exhibit, the new Gorge Yoga program and the Growing Up Wild program. Charlie Hickman, Executive Manager of Engineering, introduced two new members of the construction division, Richard Woody and Eric Bradley.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action adopting a Resolution Approving and Authorizing the Execution of a Financing Agreement with the Texas Water Development Board (TWDB) Relating to Financial Assistance Being Provided by the TWDB for the Carrizo Groundwater Supply Expansion Project.** Randy Staats, Executive Manager of Finance/CFO, is seeking a resolution authorizing the execution of a financing agreement between GBRA

and the TWDB that will provide funds to close on a portion of the \$112,335,000 in low interest financing from the TWDB over a two-year period. The TWDB requires financing agreements with GBRA to demonstrate a commitment to the sale of bonds. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved Action Item 8 adopting a Resolution Approving and Authorizing the Execution of a Financing Agreement with the Texas Water Development Board (TWDB) Relating to Financial Assistance Being Provided by the TWDB for the Carrizo Groundwater Supply Expansion Project. 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 approving an amendment to the GBRA Fiscal Year 2023 Work Plan and Budget to adopt rates for the new schools opening in the Sunfield Wastewater System.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval of an amendment to the GBRA Fiscal Year 2023 Work Plan and Budget to include a rate schedule for two new schools opening in August 2022 within the Sunfield Wastewater System. Upon Motion by Director Carbonara, seconded by Director Meador, the Board unanimously approved Action Item 9 approving an amendment to the GBRA Fiscal Year 2023 Work Plan and Budget to adopt rates for the new schools opening in the Sunfield wastewater system.

The Chairman called for **Action Item 10 - 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 Acting 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. Coleto Creek Reservoir System
- x. Coleto 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/CFO, is seeking approval of the Fiscal Year 2022 Work Plan and Budget to include rates and compensation tables for the divisions listed above (a-dd) and authority to expend funds and execute contracts consistent with those expenditures. Mr. Staats provided the Board with the Fiscal Year 2023 budget summary comparison, revenue changes, rate changes, expense changes

and designated/capital improvement program. Upon Motion by Director Fogle, seconded by Director Old, the Board unanimously approved Action Item 10 approving the Fiscal Year 2022 Work Plan and Budget including rates and compensation tables for the divisions listed above (a-dd) and giving authority to the Acting General Manager/CEO to expend funds pursuant to the budget as well as execute contracts consistent with those expenditures within limitations allowed under GBRA policy.

The Chairman called for **Action Item 11 - Consideration of and possible action approving full funding of the Guadalupe-Blanco River Trust FY 2022 Block Conservation Grant.** Nathan Pence, Executive Manager of Environmental Science, is seeking approval to fully fund the Guadalupe-Blanco River Trust Fiscal Year 2022 Block Conservation Grant in the amount of \$244,000 to be spread out over nine projects. Tyler Sanderson, GBRA Trust Director, introduced the GBRA Trust members and briefed the Board on the specifics of the nine projects in the grant application. Upon Motion by Director Old, seconded by Director Carbonara, the Board unanimously approved Action Item 11 approving full funding of the Guadalupe-Blanco River Trust FY 2022 Block Conservation Grant.

The Chairman called for **Action Item 12 - Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an Amended and Restated Wholesale Treated Water Supply Agreement with SJWTX, Inc. dba Canyon Lake Water Service Company.** Courtney Kerr-Moore, Assistant General Counsel, is seeking authorization to execute an Amended and Restated Wholesale Treated Water Supply Agreement with SJWTX, Inc. d\|a Canyon lake Water Service

company 9 (“SJWTX”) for the Park Village and Bulverde area and the recently acquired Kendall County Utility Company by SJWTX. The term of the agreement will remain the same with an expiration date of 2040, with the option to extend to 2050 with three years advance notice. Upon Motion by Director Wisian, seconded by Director Fogle, the Board unanimously approved Action Item 12 authorizing the Acting General Manager/CEO to negotiate and execute an Amended and Restated Wholesale Treated Water Supply Agreement with SJWTX, Inc. dba Canyon Lake Water Service Company.

The Chairman called for a brief recess at 11:06 a.m. and reconvened in open session at 11:20 a.m.

The Chairman then called for **Discussion Item 13 - Discussion and update on GBRA’s Strategic Plan FY 2023-2028**. Jonathan Stinson, Deputy General Manager, reviewed the current 2018-2028 Strategic Plan. The 2019 Texas Sunset Advisory Commission Recommendations modified the ten-year planning cycle to a five-year cycle. Mr. Stinson reviewed the current vision, mission and values statements for GBRA. The preparation for the 2023-2028 Strategic Plan consisted of the selection of Baker Tilly as consultants in 2021, stakeholder interviews and surveys in 2021 and a plan development retreat in 2021 to prepare for the next steps of board adoption, implementation and annual report. The Board was briefed on the continued commitment and promise of GBRA to “lead cooperative stewardship of the water resources within the Guadalupe River Basin to promote quality of life for all” with a “passion for service”. Mr. Stinson also reviewed the five-year strategic commitments, strategic map and initiatives.

The Chairman then 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 Guadalupe River Basin hydrologic conditions. The Edwards Aquifer and the majority of the basin are showing below-average precipitation conditions with declining flows. Canyon Lake is showing about 903.36 feet. Currently, Comal Springs is flowing around 96 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 12:03 p.m. subject to call by the Chairman and convened the meeting in executive session at 12:03 p.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 1:08 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 1:08 p.m. subject to call by the Chairman.

Chairman

Secretary