

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**Minutes of the Board of Directors**  
**October 19, 2022**

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on October 19, 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, Steve Ehrig, Kenneth Motl, and Oscar Fogle. Directors Andra Wisian and Emanuel Valdez were not present. Present in the Annex Building at 905 Nolan Street, Seguin, Texas were 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 Old 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 September 21, 2022 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for September 2022; Consent Item 4 - Consideration of and possible action approving the monthly operations report for September 2022; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for September 2022; Consent Item 6 - Consideration of and possible action approving the sale of equipment in accordance with GBRA Board Policy 411-Capital Assets; and Consent Item 7 - Consideration of and possible action approving a change order with M5 Utilities, LLC in the amount of \$93,516.29 for additional work for the Carrizo Groundwater Supply Program Delivery Points Pipeline Project**. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Consent Items 2, 3, 4, 5, 6 and 7.

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, briefed the Board on various projects to include the New Braunfels Campus II Building, Dunlap, McQueeney and Placid dam projects and the Carrizo Water Treatment booster pump station. Mr. Hickman also discussed the TX 130 Water Supply Project, the Mid-Basin Phase 3 Project and the Sunfield and Stein Falls Wastewater Treatment Plant expansions. Next, Amanda Reichle, Safety and Risk Manager, gave a safety update stating that in the past month there were no lost time incidents of injuries or illnesses and one reported Covid case. Training this month will be focused on machine guarding and fire extinguisher use.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the Acting General Manager/CEO to seek competitive quotes, negotiate and execute a contract to rehabilitate and repave portions of Coletto Creek Park Roads.** David Harris, Executive Manager of Operations, is seeking authorization to execute a contract to rehabilitate and repave certain high traffic portions of the roads including the main entrance to provide better access to the park and dam for maintenance. Upon Motion by Director Fogle, seconded by Director Carbonara, the Board unanimously approved Action Item 9 authorizing the Acting General Manager/CEO to

seek competitive quotes, negotiate and execute a contract to rehabilitate and repave portions of Coleta Creek Park Roads.

The Chairman then called for **Action Item 10 - Consideration of and possible action approving the January 1, 2022 Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority, the recommended contribution of \$708,115 included therein, and a supplemental contribution of \$91,885.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking approval for the Defined Benefit Pension Plan Actuarial Valuation and Annual Contribution. Upon Motion by Director Meador, seconded by Director Motl, the Board unanimously approved Action Item 10 approving the January 1, 2022 Actuarial Valuation for the Defined Benefit Pension Plan for Employees of the Guadalupe-Blanco River Authority, the recommended contribution of \$708,115 included therein, and a supplemental contribution of \$91,885.

The Chairman called for **Action Item 11 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$39,670,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2022 (Low-Interest Financing) (Carrizo Groundwater Supply Expansion Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; approving and authorizing the execution of separate Continuing Disclosure Agreements with County Line Special**

**Utility District, Goforth Special Utility District, and Maxwell Special Utility District; 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 a Resolution for authorization for the issuance of Bonds to the Texas Water Development Board (TWDB) to obtain initial funding for expansion of the Carrizo Groundwater Supply Project. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Action Item 11 approving a Resolution authorizing the Issuance of \$39,670,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2022 (Low-Interest Financing) (Carrizo Groundwater Supply Expansion Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its State Water Implementation Fund for Texas (SWIFT) Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement related to such bonds; approving and authorizing the execution of separate Continuing Disclosure Agreements with County Line Special Utility District, Goforth Special Utility District, and Maxwell Special Utility District; 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 called for **Action Item 12 - Consideration of and possible action approving a Resolution authorizing the issuance of up to \$5,000,000 in principal amount of Guadalupe-Blanco River Authority General Improvement Revenue Bonds, for the primary purpose of financing improvements to the Diversion Dam**

**and Saltwater Barrier; authorizing the sale thereof pursuant to a competitive sale; delegating authority to the Acting General Manager/CEO and the Executive Manager of Finance/CFO to approve all final terms of the Bonds; approving and authorizing the execution of all instruments and procedures related thereto including a Paying Agent/Registrar Agreement; authorizing the preparation and distribution of an Official Statement; and containing other provisions related thereto.** Randy Staats, Executive Manager of Finance/Chief Financial Officer, is seeking adoption of a Resolution to authorize the issuance of General Improvement Revenue Bonds to finance the design, construction, and equipping of infrastructure repairs and replacement to the Diversion Dam and Saltwater Barrier. Upon Motion by Director Motl, seconded by Director Ehrig, the Board unanimously approved Action Item 12 approving a Resolution authorizing the issuance of up to \$5,000,000 in principal amount of Guadalupe-Blanco River Authority General Improvement Revenue Bonds, for the primary purpose of financing improvements to the Diversion Dam and Saltwater Barrier; authorizing the sale thereof pursuant to a competitive sale; delegating authority to the Acting General Manager/CEO and the Executive Manager of Finance/CFO to approve all final terms of the Bonds; approving and authorizing the execution of all instruments and procedures related thereto including a Paying Agent/Registrar Agreement; authorizing the preparation and distribution of an Official Statement; and containing other provisions related thereto. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 13 - 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 improvements to the Diversion Dam and Saltwater Barrier.** Sandra Terry, Deputy Executive Manager of Finance, is seeking approval to open two new bank accounts to account for funds for debt service repayment purposes and investment of construction proceeds for the improvements to the Diversion Dam and Saltwater Barrier. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved Action Item 13 authorizing Guadalupe-Blanco River Authority staff to open bank and investment accounts for management of bond proceeds and debt service obligations for improvements to the Diversion Dam and Saltwater Barrier.

The Chairman then called for **Action Item 14 - Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an asset purchase agreement with Undine Wholesale Supply, LLC for the sale and transfer of the GBRA Port Lavaca Water Treatment Plant property and assets in Calhoun County, Texas.** Darrell Nichols, Acting General Manager/CEO, is seeking authorization to execute an asset purchase agreement with Undine Wholesale Supply, LLC, for the sale and transfer of assets of the GBRA Port Lavaca Water Treatment Plant in Calhoun County, Texas. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 14 authorizing the Acting General Manager/CEO to negotiate and execute an asset purchase agreement with

Undine Wholesale Supply, LLC for the sale and transfer of the GBRA Port Lavaca Water Treatment Plant property and assets in Calhoun County, Texas.

The Chairman then called for **Action Item 15 - Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an asset purchase agreement with Undine Texas, LLC, and Undine Texas Environmental, LLC for the sale and transfer of the GBRA Calhoun County Rural Water System and Crestview Wastewater System properties and assets in Calhoun County, Texas.** Darrell Nichols, Acting General Manager, CEO, is seeking authorization to execute an asset purchase agreement with Undine Texas, LLC, and Undine Texas Environmental, LLC, for the sale and transfer of assets of the GBRA Calhoun County Rural Waster System and Crestview Wastewater System. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 15 authorizing the Acting General Manager/CEO to negotiate and execute the Asset Purchase Agreement with Undine Texas, LLC, and Undine Texas Environmental, LLC for the sale and transfer of the GBRA Calhoun County Rural Water System and Crestview Wastewater System properties and assets in Calhoun County, Texas.

The Chairman then called for **Action Item 16 - Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an Operations and Maintenance Agreement with Undine Texas, LLC and Undine Wholesale Supply, LLC to operate the Calhoun County Rural Water System.** Courtney Kerr-Moore, Assistant General Counsel, is seeking authorization to negotiate and execute an Operations and Maintenance Agreement with Undine Texas, LLC and



Undine Wholesale Supply, LLC, in order to operate the Calhoun County Rural Water System until such time as the parties close on the transfer of such system to Undine. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Action Item 16 authorizing the Acting General Manager/CEO to negotiate and execute an Operations and Maintenance Agreement with Undine Texas, LLC and Undine Wholesale Supply, LLC to operate the Calhoun County Rural Water System.

Next, the Chairman then called for **Action Item 17 - Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an Operations and Maintenance Agreement with Undine Texas Environmental, LLC to operate the Crestview Wastewater System.** Courtney Kerr-Moore, Assistant General Counsel, is seeking authorization to negotiate and execute an Operations and Maintenance Agreement for Undine Texas Environmental, LLC to operate the Crestview Wastewater System in Calhoun County, Texas until such time as the parties close on the transfer of such system to Undine. Upon Motion by Director Fogle, seconded by Director Wisian, the Board unanimously approved Action Item 17 authorizing the Acting General Manager/CEO to negotiate and execute an Operations and Maintenance Agreement with Undine Texas Environmental, LLC to operate the Crestview Wastewater System.

Next, the Chairman then called for **Action Item 18 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain water pipeline easements for the San Marcos Raw Water Pipeline – FM 621/CR 266 Safety Improvement**

**Project in connection therewith, over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the Acting General Manager/CEO, staff, retained attorneys, other governmental entities conducting eminent domain proceedings on GBRA's behalf, and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed 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, and other governmental entities conducting eminent domain proceedings on GBRA's behalf 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 7 – HK Riley's Pointe, LLC, a Texas limited liability company, being approximately 0.040 acre or 1,744 square feet, and 0.004 acre or 161 square feet out of the Jesse W. Wilson Survey, Abstract No. 481, in Hays County, Texas, being a portion of that called 267.339 acre tract conveyed to HK Riley's Pointe, LLC by Special Warranty Deed, as recorded in Document No. 20011114 of the Official Public Records of Hays County, Texas, attached as Exhibit "A", and;**

**Parcel 6 – HK Baugh Ranch, LLC, a Texas limited liability company, being approximately 0.021 acre tract of land (approximately 906 sq. ft.), out of the John McGuire Survey, Abstract No. 320, in Hays County, Texas, being a portion of that 119.988 acre tract conveyed to HK Baugh Ranch, LLC by Special Warranty Deed with Vendor’s Lien dated October 30, 2019, as recorded in Document No. 19040023 of the Official Public Records of Hays County, Texas, attached as Exhibit “B”.**

Courtney Kerr-Moore, Assistant General Counsel, is seeking a Resolution approving acquisition of property through proceedings in eminent domain to acquire certain properties, in easement, for the San Marcos Raw Water Pipeline – FM 621/CR 266 Safety Improvement Project. Efforts to negotiate for the acquisition of these properties have so far been unsuccessful. Upon Motion by Director Meador, seconded by Director Fogle, the roll call was taken and the Board unanimously approved Action Item 18 approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain water pipeline easements for the San Marcos Raw Water Pipeline – FM 621/CR 266 Safety Improvement Project in connection therewith, over, across, upon and under certain privately owned real properties; authorizing all appropriate action by the Acting General Manager/CEO, staff, retained attorneys, other governmental entities conducting eminent domain proceedings on GBRA’s behalf, and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed 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, and other governmental entities conducting eminent domain proceedings on GBRA's behalf 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 7 – HK Riley's Pointe, LLC, a Texas limited liability company, being approximately 0.040 acre or 1,744 square feet, and 0.004 acre or 161 square feet out of the Jesse W. Wilson Survey, Abstract No. 481, in Hays County, Texas, being a portion of that called 267.339 acre tract conveyed to HK Riley's Pointe, LLC by Special Warranty Deed, as recorded in Document No. 20011114 of the Official Public Records of Hays County, Texas, attached as Exhibit "A", and;

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The Chairman then called for **Discussion Item 19 - 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 below-average precipitation conditions with declining flows. Canyon Lake is showing about 900.93 feet. Comal Springs is flowing around 98 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:00 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:15 a.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 11:55 a.m.

The Chairman called for a vote on the Motion for **Consideration of and possible action authorizing the Acting General Manager/CEO to negotiate and execute an Access and Entry Agreement with Audra L. Henke, Artie E. Henke, and Leslie Henke for the GBRA Calhoun County Canal.** Courtney Kerr-Moore, Assistant General Counsel, is seeking authorization to negotiate an Access and Entry Agreement with Audra L. Henke, Artie E. Henke, and Leslie Henke for the GBRA Calhoun County Canal. Upon Motion by Director Fogle, seconded by Director Meador, the Board unanimously approved the Motion authorizing the Acting General Manager/CEO to negotiate and execute an Access and Entry Agreement with Audra L. Henke, Artie E. Henke, and Leslie Henke for the GBRA Calhoun County Canal.

There being no further business to be brought before the Board, the meeting was adjourned at 11:56 a.m. subject to call by the Chairman.

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Chairman

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Secretary