

GUADALUPE-BLANCO RIVER AUTHORITY
Meeting Minutes of the Board of Directors
February 15, 2023

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on February 15, 2023, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don B. Meador, Oscar Fogle, Sheila Old, Steve Ehrig, William Carbonara, Kenneth Motl and Emanuel Valdez. Present in the Annex Building in Seguin, Texas were Darrell Nichols, Acting General Manager/CEO; Jonathan Stinson, Deputy General Manager; Vanessa Guerrero, Executive Manager of Administration; Randy Staats, Executive Manager of Finance/CFO; Nathan Pence, Executive Manager of Environmental Science; Charlie Hickman, Executive Manager of Engineering; David Harris, Executive Manager of Operations; Brian Perkins, Deputy Executive Manager of Engineering; Joe Cole, General Counsel; Justin Adkins, Assistant General Counsel; and Peter Newell, Senior Engineering Director.

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

The Chairman called for **Chairman Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2023 retiree Ronnie**

Parenica. Chairman Patillo recognized Ronnie Parenica for his thirty (30) years of service with the Guadalupe-Blanco River Authority. Upon Motion by Director Motl, seconded by Director Meador, the Board unanimously approved a Resolution honoring GBRA retiree Ronnie Parenica. A copy of the Resolution is attached and made a part of these minutes.

The Chairman then called for **Chairman Item 2 - Appointment of a Nominating Committee for Officers of the Board of Directors for calendar year 2023.** Chairman Patillo nominated Director Meador to chair the Nominating Committee for Officers of the Board of Directors for calendar year 2023. Director Carbonara will also sit on the Nominating Committee.

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

The Chairman called for Consent Item 4 - Consideration of and possible action approving the minutes of the January 18, 2023 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for January 2023; Consent Item 6 - Consideration of and possible action approving the monthly operations report for January 2023; and Consent Item 7 - Consideration of and possible action approving Directors' expense vouchers for January 2023. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Consent Items 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, presented the Board with the Engineering department quarterly report to include updates on five (5) major projects. A mechanical building has been constructed on the saltwater barrier dam project along with the Obermeyer gate fabrication. At the Lake Dunlap Dam project, the spillway has been completed, gate installation in bay two took place earlier this week, and the contractor is working on completion of the maintenance bridge. The New Braunfels campus is moving forward for completion in early April. Updates at the Sunfield Wastewater Treatment Plant consist of a new concrete basin and a jet aerator for the interim phase of construction. Seven miles of pipeline have been laid and seven wells have been drilled with positive outcomes at Carrizo Groundwater Supply Project raw water facilities. Next, Amanda Buchanan, Safety and Risk Manager, gave a safety update stating in the past month there were no lost time incidents of injuries or illnesses. A safety visit was held at the saltwater barrier project this month, and onsite training in March and April will be focused on CPR/First Aid. The emergency response plan with past vulnerability assessments is being streamlined to assist with required documentation.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action approving and accepting the biennial Investment Policy and Portfolio Review.** Sandra Terry,

Deputy Executive Manager of Finance, is seeking approval of the biennial investment portfolio review completed by Hilltop Securities pursuant to Section 403.305 of the GBRA Investment Policy. The report concluded that the investments are in compliance with GBRA's Investment Policy, and the portfolio contains minimal credit risk and provides sufficient liquidity to meet cash flow needs. The report also noted that the portfolio was well diversified. Upon Motion by Director Meadow, seconded by Director Fogle, the Board unanimously approved Action Item 9 approving and accepting the biennial Investment Policy and Portfolio Review.

The Chairman called for **Action Item 10 - Consideration of and possible action approving a Resolution of the Board of Directors of Guadalupe-Blanco River Authority adopting Board Policy – 403 Investment Policy and the investment strategy contained therein.** Sandra Terry, Deputy Executive Manager of Finance, is seeking approval of a Resolution adopting GBRA Board Policy 403 – Investment Policy. The proposed Investment Policy includes only minor updates to include a change in the portfolio concentration maximums as well as designation of a new investment officer position. Upon Motion by Director Motl, seconded by Director Carbonara, the Board unanimously approved Action Item 10 approving a Resolution of the Board of Directors of Guadalupe-Blanco River Authority adopting Board Policy – 403 Investment Policy and the investment strategy contained therein. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Action Item 11 - Consideration of and possible action accepting the Acting General Manager/CEO's recommendation to appoint a current GBRA employee to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.** Christina Chavez, Human Resources Director, is seeking the acceptance of the

Acting General Manager/CEO's recommendation to appoint Jesi Mann, Hays Wastewater Manager, to serve on the GBRA Retirement and Benefit Committee to take the place of a recently retired employee. Upon Motion by Director Motl, seconded by Director Ehrig, the Board unanimously approved Action Item 11 accepting the Acting General Manager/CEO's recommendation to appoint a current GBRA employee to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.

The Chairman called for **Action Item 12 - Consideration of and possible action authorizing the GBRA Acting General Manager/CEO to negotiate and execute a Texas Water Code Section 13.248 Agreement between GBRA and Green Valley Special Utility District (GVSUD) pursuant to which GBRA will provide wastewater service in a small section of GVSUD's sewer Certificate of Convenience and Necessity.** Justin Adkins, Assistant General Counsel, is seeking authorization to negotiate and execute a proposed Agreement to authorize GBRA to provide retail wastewater service in a small section of GVSUD's sewer Certificate of Convenience and Necessity No. 20973 located in Guadalupe County, Texas. It was determined by GVSUD, GBRA, and landowners requesting wastewater service, that this agreement is in the best interests of all parties. Upon Motion by Director Fogle, seconded by Director Carbonara, the Board unanimously approved Action Item 12 authorizing the GBRA Acting General Manager/CEO to negotiate and execute a Texas Water Code Section 13.248 Agreement between GBRA and GVSUD pursuant to which GBRA will provide wastewater service in a small section of GVSUD's sewer Certificate of Convenience and Necessity.

The Chairman then called for **Action Item 13 - Consideration of and possible action to approve a change order with SJ Louis Construction in the amount of \$634,824.52 for the**

Carrizo Groundwater Supply Project Wellfield and Transmission Main Surface Facilities (Change Order #5). Peter Newell, Senior Engineering Director, is seeking approval of Change Order #5 with SJ Louis Construction, which includes additions and deletions to the Carrizo Groundwater Supply project costs due to upsizing the raw water pipeline from 30-inch to 36-inch diameter. The necessary changes reflect an upsizing of the transmission pipeline, changes to the pump requirements, market conditions, an increase in steel prices, revised pumping conditions and adjustments to the pipeline to avoid conflicts with an existing gas line. Upon Motion by Director Meador, seconded by Director Fogle, the Board unanimously approved Action Item 13 approving a change order with SJ Louis Construction in the amount of \$634,824.52 for the Carrizo Groundwater Supply Project Wellfield and Transmission Main Surface Facilities (Change Order #5).

The Chairman then called for **Action Item 14 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of a certain wastewater pipeline easement and temporary construction easement for the expansion of the Stein Falls Reclamation System 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 and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed easement and temporary construction easement 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:

Dorothy M. Rheinlaender, individually and Larry Guy Rheinlaender, Lana Jean Rheinlaender Cole, and Lisa Kay Rheinlaender Whitehouse, as Trustees of the Rheinlaender Credit Trust created under the Last Will and Testament of James G. Rheinlaender filed in Case No. 2009-PC-0106, Probate Records, Guadalupe County, Texas, being approximately 0.44 acre 30 foot wide sanitary sewer easement out of the Sarah Dewitt Survey No. 48, Abstract No. 103, Guadalupe County, Texas; a 0.28 acre 20 foot wide temporary construction easement out of the Sarah Dewitt Survey No. 48, Abstract No. 103, Guadalupe County, Texas; and being out of a 33.0 acre tract described in Deed to Dorothy M. Rheinlaender of Record in Document No. 20219903386, Official Public Records, Guadalupe County, Texas, attached as Exhibit "A".

Justin Adkins, Assistant General Counsel, is seeking authorization of a Resolution to potentially move forward with proceedings in eminent domain to acquire certain properties for the expansion of the wastewater collection system for the Stein Falls Reclamation System in Guadalupe County, Texas. The efforts to negotiate for the acquisition of this property have been unsuccessful. Upon Motion by Director Meador, seconded by Director Carbonara, the roll call was taken; and the Board unanimously approved Action Item 14 approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of a certain wastewater pipeline easement and temporary construction easement for the expansion of the Stein Falls Reclamation System 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 and engineering and technical consultants in the institution and prosecution of condemnation proceedings to acquire any such needed easement and temporary

construction easement 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.

The Chairman then called for **Action Item 15 - Consideration of and possible action to select and employ the General Manager/CEO for the Guadalupe-Blanco River Authority.**

Chairman Patillo called for this item to be moved for discussion after Executive Session.

The Chairman then called for **Action Item 16 - Consideration of and possible action approving the salary, compensation and benefits for the General Manager/CEO of the Guadalupe-Blanco River Authority.** Chairman Patillo called for this item to be moved for discussion after Executive Session.

The Chairman then called for **Discussion Item 17 - Discussion, presentation, and update on GBRA's Organizational Rebrand.** Vanessa Guerrero, Executive Manager of Administration, briefed the Board on the work with Anderson Marketing Group on the new visual identity for the GBRA brand. Next, Shannon Anderson, Communications Director, presented an overview on the GBRA rebrand initiative, which includes the Workmark, Wordmark with Positioning Line and the Subsidiary Brand Workmarks. Anderson Marketing Group is in the final stages of preparing the

new official GBRA branding guide and creating templates for business cards, building signage, letterhead, email signatures, PowerPoint presentation, etc. The new GBRA brand guideline will be gradually rolled out over the next 18 months.

The Chairman then called for **Discussion Item 18 - 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 898.12 (MSI). Comal Springs is flowing around 120 cfs.

The open meeting was recessed at 11:05 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:20 a.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 11:42 a.m.

The Chairman recalled **Action Item 15 - Consideration of and possible action to select and employ the General Manager/CEO for the Guadalupe-Blanco River Authority.** The Board of Directors recommended Darrell Nichols for the position of General Manager/CEO for the Guadalupe-Blanco River Authority. Upon Motion by Director Motl, seconded by Director Fogle, the Board unanimously approved Action Item 15 authorizing the selection and employment of Darrell Nichols as the General Manager/CEO for the Guadalupe-Blanco River Authority.

The Chairman recalled **Action Item 16 - Consideration of and possible action approving the salary, compensation and benefits for the General Manager/CEO of the Guadalupe-Blanco River Authority.** Upon Motion by Director Ehrig, seconded by Director Meador, the

Board unanimously approved Action Item 16 approving salary, compensation and benefits for Darrell Nichols, General Manager/CEO of the Guadalupe-Blanco River Authority.

There being no further business to be brought before the Board, the meeting was adjourned at 11:43 a.m. subject to call by the Chairman.

Chairman

Secretary