

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
April 19, 2023

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on April 19, 2023, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don B. Meador, Sheila Old, Steve Ehrig, Emanuel Valdez, Patrick Cohoon, John Cyrier and Robert Blaschke. Director Carbonara was not present. Present in the Annex Building in Seguin, Texas were Darrell Nichols, 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 Cyrier led the Pledges of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Chairman Item 1 – Welcome new and re-appointed Directors and administer Oath of Office to John P. Cyrier, James P. Cohoon, Robert E. Blaschke, and Emanuel Valdez, Jr.** Chairman Patillo welcomed Patrick Cohoon, John Cyrier and Robert Blaschke to the Board. The Honorable Kirsten Cohoon, 451st Judicial District Judge of Kendall County, Texas, administered the Oath of Office to Patrick Cohoon, John Cyrier, Robert Blaschke and Emanuel Valdez.

The Chairman then called for **Chairman Item 2 - Consideration of and possible action regarding Board of Directors’ Committee Assignments.** Chairman Patillo commented on the standing committees consisting of the Executive Committee (chaired by Chairman Patillo, Director Old and Director Ehrig), Audit Committee, Retirement and Benefits Committee. The Non-Profit Committee will no longer stand, but GBRA will remain committed to non-profit projects.

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

The Chairman called for **Consent Item 4 - Consideration of and possible action approving the minutes of the March 22, 2023 Board meeting; Consent Item 5 - Consideration of and possible action approving the monthly financial report for March 2023; Consent Item 6 - Consideration of and possible action approving the monthly operations report for March 2023; and Consent Item 7 - Consideration of and possible action approving Directors’ expense vouchers for March 2023.** Upon Motion by Director Old, seconded by Director Ehrig, 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.** Darrell Nichols, General Manager/CEO, briefed the Board on the completion of the drawdown of Lake Meadow and Lake McQueeney during the week of March 27, 2023. The successful drawdown took place over a two-day period, and the release was well below the targeted 5000 cfs flow release rate. This targeted release rate was consistent with the Aquatic Resource Relocation Plan with Texas Parks and Wildlife for protection of various species. The GBRA Environmental Science group lead a team effort, along with Operations and Gorge personnel, to collect mussels and other species for relocation back to the river channel. Also participating were staff from the San Antonio River Authority, US Fish and Wildlife Services, and Texas Parks and Wildlife Department. During the drawdown, GBRA was in communication with the WCIDs in order to educate them and keep them informed and to answer any questions. A Board work session is to be scheduled for early summer to discuss any needs in the basin over the next few years. Next, Randy Staats, Executive Manager of

Finance/CFO, introduced and welcomed Bailey Dziuk, GBRA's new Finance department Accountant. Charlie Hickman, Executive Manager of Engineering, provided a department update beginning with the current engineering organizational chart. The Carrizo Groundwater Supply Project has multiple construction contracts that are underway consisting of installation of the emergency generators at each well, completion of the installation of the filter units in the filter building, completion of all of the major tunnels linking the treatment plant, 80% completion of the pipeline installation, and the installation of the delivery pipeline is nearing completion. FA Nunnally achieved a major project milestone and received the Certificate of Occupancy for the New Braunfels Campus II Project. At the Saltwater Barrier Dam, Obermeyer Hydro, Inc. has installed Gate 1 and has made progress on the installation of the anchor bolts and air supply piping needed for the second gate. Zachry Construction is near completion on the installation of the second of three spillgates at Lake Dunlap Dam and has begun preliminary activities for installation of the third spillgate. The maintenance bridge spanning the river channel has been installed and is currently accessible for the contractor's staff. The contractor is anticipating delivery of the next spillgate and the hydraulic power unit that will operate all three gates in May. Christina Chavez, Human Resources and Safety Director, gave a safety update stating in the past month there were two lost time incidents of injuries or illnesses and two incidents were reported. Highlights from the previous month include development of the forklift inspection checklist integrated into NEXGEN, creation of a Provider Care Map List for incident/illness case management, safety observations for the Coletto Creek Education field trip program, and dam dewatering safety tailgate meetings. Training this month will continue to focus on site specific CPR/First Aid at facilities and at the Seguin location in May.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action approving and accepting the Drought Contingency Plans associated with Western Canyon Public Water Supply for Cordillera Ranch, Johnson Ranch, and Comal Trace.** Hunter Duncan, Deputy Executive Manager of Operations, briefed the Board on the Drought Contingency Plans associated with the Western Canyon Public Water Supply for Cordillera Ranch, Johnson Ranch, and Comal Trace. The goals of the Drought Contingency Plans are to: (1) provide an adequate supply of water to meet customer needs; and to (2) encourage customers to implement water conservation techniques. Drought Contingency Plans seek to ensure efficient use of water resources. These plans will be communicated to water customers and/or Homeowner Associations, through the GBRA website, to include an emergency management software notification system and water conservation information brochures. Upon Motion by Director Ehrig, seconded by Director Meador, the Board unanimously approved Action Item 9 approving and accepting the Drought Contingency Plans associated with Western Canyon Public Water Supply for Cordillera Ranch, Johnson Ranch, and Comal Trace. A copy of the Drought Contingency Plans for Western Canyon Public Water Supply for Cordillera Ranch, Johnson Ranch, and Comal Trace are attached and made a part of these minutes.

The Chairman called for **Action Item 10 - Consideration of and possible action approving a resolution authorizing the redemption of Guadalupe-Blanco River Authority General Improvement Revenue Bonds, Series 2015, maturing on and after August 15, 2026 and approving other related matters.** Randy Staats, Executive Manager of Finance/CFO, briefed the Board on the resolution authorizing the redemption of Guadalupe-Blanco River Authority General Improvement Revenue Bonds, Series 2015, maturing on and after August 15,

2026. In 2015, GBRA issued \$2 million in tax-exempt bonds for a feasibility study for an Integrated Water-Power Project. Only \$207,187 of the bond proceeds were spent before it was halted due to the initial results of the study. The bond resolution allows for the redemption and early defeasance of the related debt. The Board was also briefed on the summary of funds, status of the project and the next steps. Upon Motion by Director Ehrig, seconded by Director Old, the Board unanimously approved Action Item 10 - approving a resolution authorizing the redemption of Guadalupe-Blanco River Authority General Improvement Revenue Bonds, Series 2015, maturing on and after August 15, 2026 and approving other related matters. 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 approving the use of up to \$379,654 of financial reserves for debt service obligations in FY 24 and FY 25 for the General Improvement Revenue Bonds, Series 2015, which are being called for early defeasance.** Randy Staats, Executive Manager of Finance/CFO, is asking for approval for use of financial reserves to make debt service payments on a bond issue that is being requested for early defeasance. In 2015, GBRA issued \$2 million in tax-exempt bonds for a feasibility study for an Integrated Water-Power Project. The recommendation to call the bonds in 2026 was included earlier on the Board agenda. Upon approval of a call of the bonds, two years of debt service payments are required prior to defeasance. It is recommended that financial reserves be used to meet those service obligations. Upon Motion by Director Ehrig, seconded by Director Old, the Board unanimously approved Action Item 11 approving the use of up to \$379,654 of financial reserves for debt service obligations in FY 24 and FY 25 for the General Improvement Revenue Bonds, Series 2015, which are being called for early defeasance.

The Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute amendment number one to the Contract for Financing and Operation of Lake Dunlap Dam and Hydroelectric Facilities.**

Darrell Nichols, General Manager/CEO, is seeking authorization to negotiate and execute Amendment No. 1 to the Contract for Financing and Operation of Lake Dunlap Dam and Hydroelectric Facilities initially signed in December 2020. The original contract between GBRA and the Lake Dunlap Water Control and Improvement District (“WDIC”) was developed prior to bidding the project and obtaining financing from the Texas Water Development Board (TWDB). The proposed Amendment No. 1 will better address the anticipated construction completion, beginning of operations, and the WCID establishing the tax rate for repayment of the TWDB bonds that were not contemplated in the original contract. Upon Motion by Director Blaschke, seconded by Director Cohoon, the Board unanimously approved Action Item 12 - authorizing the General Manager/CEO to negotiate and execute amendment number one to the Contract for Financing and Operation of Lake Dunlap Dam and Hydroelectric Facilities.

The Chairman then called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute amendment number one to the Contract for Financing and Operation of Lake McQueeney Dam and Hydroelectric Facilities and amendment number one to the Contract for Financing and Operation of Lake Placid Dam and Hydroelectric Facilities.** Darrell Nichols, General Manager/CEO, is seeking authorization to negotiate and execute Amendment No. 1 to the Contract for Financing and Operation of Lake McQueeney Dam and Hydroelectric Facilities and the Contract for Financing and Operation of Lake Placid Dam and Hydroelectric Facilities. The original contracts were

executed in October 2020 with the Lake McQueeney Water Control and Improvement District and the Lake Placid Water Control and Improvement District (WCIDs) for financing and operation of the dam and hydroelectric facilities at each lake. The proposed amendments to each contract will provide for each WDIC to issue its own debt to obtain proceeds that shall be provided to GBRA as additional funding to pay for increased costs associated with the facility improvements at each dam. Key changes to the contracts and voter authorization of additional tax supported debt by the WCIDs are needed to complete the projects. Upon Motion by Director Cyrier, seconded by Director Old, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to negotiate and execute amendment number one to the Contract for Financing and Operation of Lake McQueeney Dam and Hydroelectric Facilities and amendment number one to the Contract for Financing and Operation of Lake Placid Dam and Hydroelectric Facilities.

The Chairman then called for **Action Item 14 - Consideration of and possible action to approve a change order with Zachry Construction in the amount of \$60,160.19 for the Lake Dunlap Spillgate Replacement and Dam Armoring Project (Change Order #24)**. Peter Newell, Senior Engineering Director, briefed the Board on Change Order #24 for the Lake Dunlap Spillgate Replacement and Dam Armoring Project. The proposed change order provides Zachry with zero days of additional contract time associated with the structural reinforcing for the gantry system beams to account for the additional weight of the stoplog panels. Upon Motion by Director Ehrig, seconded by Director Old, the Board unanimously approved Action Item 14 approving a change order with Zachry Construction in the amount of \$60,160.19 for the Lake Dunlap Spillgate Replacement and Dam Armoring Project (Change Order #24).

The Chairman then called for **Action Item 15 - Consideration of and possible action to approve a change order with Zachry Construction for the Lake Dunlap Spillgate Replacement and Dam Armoring Project in the amount of \$802,514.38 for additional work associated with the demolition of the emergency pump station in the Dunlap Canal (Change Order #29).** Charlie Hickman, Executive Manager of Engineering, briefed the Board on Change Order #29 for the Lake Dunlap Spillgate Replacement and Dam Armoring Project. In May 2019, GBRA installed an emergency pump station in the Dunlap Canal in order to allow for reliable water supply operation to resume while the solution to the dam repair could be determined. Upon completion of the dam project, removal of the emergency pump station will be necessary to allow hydroelectric generation to resume at the powerhouse at the end of the Dunlap Canal. The demolition is anticipated to take three weeks to be initiated upon completion of all functional testing for the new spillgates at Dunlap Dam and will be performed during the re-filling of Lake Dunlap. This proposed change order provides Zachry with 21 days of additional days of contract time. GBRA will be responsible for the cost. Upon Motion by Director Meador, seconded by Director Old, the Board unanimously approved Action Item 15 approving a change order with Zachry Construction for the Lake Dunlap Spillgate Replacement and Dam Armoring Project in the amount of \$802,514.38 for additional work associated with the demolition of the emergency pump station in the Dunlap Canal (Change Order #29).

The Chairman then called for **Action Item 16 - Consideration of and possible action repealing one or more ordinances of the Guadalupe-Blanco River Authority relating to boating, swimming, fishing, and other water-related activities on the GBRA Hydroelectric Lakes to-wit: Lake Dunlap, Lake McQueeney, Lake Placid, Lake Nolte (Meadow Lake),**

Lake Gonzales (H-4), and Lake Wood (H-5) located in Comal, Guadalupe, and Gonzales Counties, Texas. Joe Cole, General Counsel, briefed the Board on the various 2019 and 2020 ordinances that remain in effect that addressed navigation, recreation, and other water-related activities on the GBRA Hydrolakes as required by an Order of the 25th Judicial District Court of Guadalupe County, Texas. These various ordinances are no longer required following the actions by the District Court to dissolve the Temporary Injunction and dismissal of all causes of action asserted against GBRA. A repeal of these ordinances resets the GBRA restrictions previously in place for the lakes and provides the opportunity for GBRA to work with existing Water Conservation and Improvement Districts and other stakeholders when considering if any updates by GBRA are needed for navigation, water safety and recreation on the lakes. Upon Motion by Director Meador, seconded by Director Ehrig, the Board unanimously approved Action Item 16 repealing one or more ordinances of the Guadalupe-Blanco River Authority relating to boating, swimming, fishing, and other water-related activities on the GBRA Hydroelectric Lakes to-wit: Lake Dunlap, Lake McQueeney, Lake Placid, Lake Nolte (Meadow Lake), Lake Gonzales (H-4), and Lake Wood (H-5) located in Comal, Guadalupe, and Gonzales Counties, Texas. A copy of the Order of the Board of Directors of GBRA Amending the October 23, 2019 Interim Ordinance Relating to Activities on Lake Dunlap, Lake McQueeney, Lake Placid, Meadow Lake and Lake Gonzales is attached and made a part of these minutes.

The Chairman called for **Action Item 17 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain wastewater pipeline easements and temporary construction easements for GBRA to provide wastewater service to the East Hays County**

MUD-Ky-Tex Prairie Lakes 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; 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 properties to be identified to wit.

Parcel 2 - AH Satterwhite, LLC, being approximately 1.003 acre or 43,699 square feet mostly 22 feet wide of permanent wastewater easement and approximately 1.400 acre or 60,984 square feet 30 foot wide temporary construction easement being out of the Z. Hinton Survey No. 4, Abstract 219, Alexander McKowne Survey, Abstract 329 and William P. Corben Survey No. 7, Abstract 81, all in Hays County, Texas; being a portion of a called 84.80 acre tract as conveyed to AH Satterwhite, LLC by General Warranty Deed recorded in Document Number 20056884 of the Deed Records of Hays County, Texas, attached as Exhibit "A."

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

The Chairman called for a recess at 11:24 a.m. and reconvened the meeting in open session at 11:40 a.m.

The Chairman then called for **Discussion Item 18 - Discussion and update on the Guadalupe-Blanco River Trust (Trust) Block Conservation Grant.** Nathan Pence, Executive

Manager of Environmental Science, briefed the Board on the Guadalupe-Blanco River Trust (“GBRT”) Block Conservation Grant. In 2019, GBRA entered into an Amended Agreement with the GBRT, which contained the potential for a Block Conservation Grant. In FY 2022, GBRT applied to GBRA for a Block Conservation Plan in the amount of \$224,000 to be spread over nine (9) projects. The grant funds were intended to further conservation and support GBRT activities that also support the mission of GBRA. Grant funds cannot be used for administrative costs. Mr. Pence introduced Tyler Sanderson, Executive Director of the GBRT. The current GBRT trustees were introduced to the Board: Dennis Mueller, Secretary Treasurer; Oscar Fogle, Vice-President; Steve Wilson, Trustee; and Steve Wisinger, Conservation Stewardship Manager. Tyler Sanderson briefed the Board on the status of some of the nine projects in the grant application to include the Texas Mid-Coast initiative, the Conservations Easement Assistance fund, San Antonio Bay Crab Trap Removal, the Plum Creek Wetlands Preserve Master Development Plan and the Plum Creek Re-Leaf program.

The Chairman then called for **Discussion Item 19 - Mid-Year presentation and update on GBRA’s Fiscal Year 2023 Work Plan and Budget.** Randy Staats, Executive Manager of Finance/CFO, briefed the Board on FY 2023 status, from September 2022 to February 2023, to include the following: Summary Comparisons of revenues and expenses to include retail connection trends and legal expenses; staffing additions; economic environment, bond arbitrage, financial reserves and the FY 2024 Budget.

The Chairman then called for **Discussion Item 20 and update on the 88th Texas Legislative Session.** Jonathan Stinson, Deputy General Manager, briefed the Board on the current 88th Texas Regular Legislative Session, which convened on January 10, 2023 and will continue

through the end of May. There have been approximately 7980 bills filed and currently 340 bills have been passed by the Senate and 180 bills passed by the House. GBRA is currently monitoring about 179 bills. Key issues for the 88th Legislative session include budget, water supply and infrastructure project funding, water availability model updates, program development regulation, and economic development incentives. Mr. Stinson also discussed additional relevant issues relating to the River Authority Sunset reviews of five river authorities and bills relating to the Board of Director terms and across-the-board recommendations. The last day of the 88th Regular Session is May 29, 2023.

The Chairman then called for **Discussion Item 21 - 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 Base Flow Report, condition of the Guadalupe Basin including rainfall percentages, events and totals, the U. S. Drought Monitor Seasonal Outlook, Edwards Aquifer levels, Comal Springs level, Guadalupe River stream flows, El Nino modeled forecast, and elevation of Canyon Reservoir.

The open meeting was recessed at 12:39 p.m. subject to call by the Chairman and the meeting was convened in executive session at 12:39 p.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 1:10 p.m.

The Chairman recalled **Action Item 17 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the**

acquisition of certain wastewater pipeline easements and temporary construction easements for GBRA to provide wastewater service to the East Hays County MUD-Ky-Tex Prairie Lakes 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; 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 properties to be identified to wit:

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Upon Motion by Director Old, seconded by Director Meador, a record vote was taken and the Board unanimously approved Action Item 17 approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain wastewater pipeline easements and temporary construction easements for GBRA to provide wastewater service to the

East Hays County MUD-Ky-Tex Prairie Lakes 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; 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. A copy of the Resolution is attached and made a part of these minutes.

There being no further business to be brought before the Board, the meeting was adjourned at 1:15 p.m. a.m. subject to call by the Chairman.

Chairman

Secretary