

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
June 21, 2023

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on June 21, 2023, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Don B. Meador, Sheila Old, William Carbonara, Emanuel Valdez, Patrick Cohoon, John Cyrier and Robert Blaschke. Director Ehrig 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; and Joe Cole, 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 office in Seguin, Texas, 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 Blaschke 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 comments from the public.

The Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the May 17, 2023 Board meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for May 2023; Consent Item 4 - Consideration of and possible action approving the monthly operations report for May 2023; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for May 2023**. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Consent Items 2, 3, 4, and 5. Director Old was not present for this vote only.

The Chairman then called for **General Manager/CEO Item 6 - 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, informed the Board that the Notice to Proceed had been issued for the Lake McQueeney and Lake

Placid Spillgate Dam Replacement and Armoring projects. The agreement has been signed with the contractor and the amendments to the Financing and Operations Agreements with both WCIDs for each project have been executed. Next, Vanessa Guerrero, Executive Manager of Administration, briefed the Board on the current organizational chart for the Administration Department followed by a discussion of the strategic five-year initiative plan objectives achieved and in progress for the department so far in FY 2023 which focus on information technology, community affairs, and education. Twenty-five percent of the initiatives are complete, sixty-one percent are in progress, and fourteen percent are in the initial stage. Ms. Guerrero introduced Kiki Cory of the Texas Parks and Wildlife Project Wild program, to present to Cinde Thomas-Jimenez, GBRA Education Manager, and Elizabeth Gutierrez, GBRA Environmental Education Specialist, the Texas Parks and Wildlife Facilitator of the Year 2023 award. 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, and five incidents were reported. Highlights from the previous month included continued heat stress prevention training and heat prevention plan. Training this month will focus on defensive driving preparedness and respiratory protection.

Next, the Chairman called for **Action Item 7 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute Contract No. 582-24-50117 with the Texas Commission on Environmental Quality for the Texas Clean Rivers Program within the Guadalupe River Basin.** Elizabeth Edgerton, Water Quality Program Supervisor, briefed the Board on the Texas Clean Rivers Program. GBRA has been a partner in the Texas Clean Rivers Program since 1996. The program is a partnership between the Texas Commission on Environmental Quality and GBRA to coordinate and conduct water quality monitoring,

assessment, and stakeholder participation to improve the quality of surface water within the Guadalupe River Basin. The performance period is September 1, 2023 through August 31, 2025, with a total reimbursable amount of \$322,390.00 to fund: (1) project administration, (2) development of a Quality Assurance Project Plan, (3) water quality monitoring, (4) data management, (5) data analysis and reporting, and (6) stakeholder participation. Upon Motion by Director Carbonara, seconded by Director Old, the Board unanimously approved Action Item 7 authorizing the General Manager/CEO to negotiate and execute Contract No. 582-24-50117 with the Texas Commission on Environmental Quality for the Texas Clean Rivers Program within the Guadalupe River Basin.

The Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to seek bids, negotiate and execute contracts to purchase and install variable frequency drives (VFDs) and upgrade electrical controls for the Regional Raw Water Delivery System.** David Harris, Executive Manager of Operations, is seeking authorization to purchase and install new VFDs, replace the existing control cabinets, maintain the two replaced VFDs as spares or repurpose, and other necessary electrical upgrades. The Regional Raw Water Delivery System includes three pump stations to deliver water from Lake Dunlap to the San Marcos Water Treatment Plant for treatment. Upon Motion by Director Old, seconded by Director Carbonara, the Board unanimously approved Action Item 8 authorizing the General Manager/CEO to seek bids, negotiate and execute contracts to purchase and install variable frequency drives (VFDs) and upgrade electrical controls for the Regional Raw Water Delivery System.

The Chairman called for **Action Item 9 - Consideration of and possible action approving a Resolution authorizing the issuance of \$7,505,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2023 (Lake Placid Dam Facilities Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its Clean Water State Revolving Fund Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; approving and authorizing all other instruments and procedures related thereto; and providing for an immediate effective date.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval of a Resolution to authorize the issuance of contract revenue bonds to the Texas Water Development Board (“TWDB”) for the Lake Placid Dam Facilities Project. This final action will authorize GBRA to obtain \$7,505,000.00 of bond funds to finance planning and design costs relating to the construction of improvements at Lake Placid Dam. The Lake Placid WCID held an election on May 6, 2023 and obtained voter authorization to independently issue bonds to secure additional funds for the project. This below market financing is being issued through the TWDB Clean Water State Revolving Fund program. Upon Motion by Director Cryrier, seconded by Director Carbonara, the Board unanimously approved Action Item 9 approving a Resolution authorizing the issuance of \$7,505,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2023 (Lake Placid Dam Facilities Project); authorizing the sale thereof to the Texas Water Development Board (TWDB) through its Clean Water State Revolving Fund Program; approving and authorizing the execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; 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 10 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Firm Water Supply Agreement with Seadrift Coke L.P.** Courtney Kerr-Moore, Associate General Counsel, is seeking authorization for the General Manager/CEO to negotiate and execute an agreement with Seadrift Coke, L.P. (“Coke”) In 1982, GBRA and Coke executed a water supply agreement for 1,000 acre feet of raw water that expires on July 15, 2023. GBRA and Coke are negotiating a new raw water agreement with a proposed end date of December 31, 2060. The key terms of the new agreement include: (1) on a monthly basis, Coke will pay GBRA’s firm water rate on a take or pay basis, pay canal system charges, pay operational charges and pay canal system operational charges, (2) GBRA retains the right to adjust the rates, as modified by the Board of Directors, and (3) GBRA has the right to expand the Lower Basin Off-Channel Reservoir, the Calhoun County Canal System and the Calhoun County Delivery Facilities to meet the water supply needs of Coke and other customers. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 10 authorizing the General Manager/CEO to negotiate and execute a Firm Water Supply Agreement with Seadrift Coke L.P.

The Chairman then called for **Discussion Item 11 - Discussion and presentation of the Fiscal Year 2024 proposed Guadalupe-Blanco River Authority Work Plan and Budget.** Randy Staats, Executive Manager of Finance/CFO, gave an overview of the Fiscal Year 2024 proposed Work Plan and Budget to include the background and a summary of the budget and associated challenges. Mr. Staats discussed the budget process for the 29 operating divisions to

include budget and financial reporting, operating systems, debt issuance, economic impacts, staffing additions, growth, expenses, and revenues.

The Chairman then called for **Discussion Item 12 - Discussion and update on the 88th Texas Legislative Session.** Lauren Willis, Director of Government & Community Affairs, updated the Board on the progress made during the Texas 88th Texas Legislative Session, which ended on May 29, 2023. There was a 15 percent passing rate with about 1,038 bills signed by the Governor and 76 vetoed. There were 13 constitutional amendments filed, and voting will take place on November 7, 2023. Ms. Willis also briefed the Board on Texas Water Day 2023 participation. The total budget for Texas for the 2024-2025 biennium is \$321 billion. One of the constitutional amendments (SB 28) creates the Texas Water Fund to assist in financing water projects in the state to cover new water supplies and pre-existing funding programs. Also discussed were other bills relating to GBRA.

The Chairman then called for **Discussion Item 13 - 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 Niño modeled forecast, and elevation of Canyon Reservoir. Canyon Lake is showing about 896.55 feet. Currently, Comal Springs is flowing around 163 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:21 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:35 a.m. pursuant to Chapter 551, Texas Government Code.

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

There being no further business to be brought before the Board, the meeting was adjourned at 11:55 a.m. subject to call by the Chairman.

Chairman

Secretary