

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
August 16, 2023

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on August 16, 2023, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Sheila Old, Stephen B. Ehrig, Don B. Meador, William Carbonara, Emanuel Valdez, John Cyrier, and Robert Blaschke. Director James P. Cohoon 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; Charles Hickman, Executive Manager of Engineering; David Harris, Executive Manager of Operations; Joseph 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 Valdez 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 July 19, 2023 Board meeting and Board workshop; Consent**

Item 3 - Consideration of and possible action approving the minutes of the July 28, 2023 Budget Workshop; Consent Item 4 - Consideration of and possible action approving the monthly financial report for July 2023; Consent Item 5 - Consideration of and possible action approving the monthly operations report for July 2023; and Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers for July 2023.

Upon Motion by Director Ehrig, seconded by Director Old, 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.** Randy Staats, Executive Manager of Finance/CFO, introduced and welcomed Andi Heppell, GBRA's new Finance department Payroll Coordinator. Next, Charles Hickman, Executive Manager of Engineering, congratulated Clay Sanderford, Construction Analyst, for being selected as Employee of the Quarter. Mr. Hickman briefed the Board on the current GBRA engineering projects in the basin. The new Saltwater

Barrier Project in Calhoun County is complete, and the Obermeyer gates are operating as expected. All systems have been installed on the Dunlap Dam project, and Zachry Construction is currently performing testing. The gantry crane has also been installed and being tested. During the testing, Zachry noticed a bearing in one of the cylinder arms was seizing up. The matter has now been resolved, and testing is continuing. The temporary work bridge has been removed, and the temporary electrical panel located in the control building has been replaced with a permanent panel. The temporary bypass pump will continue to run to maintain raw water service to wholesale water supply customers while the emergency pump station is being demolished. Upon completion of successful testing, Lake Dunlap will begin to refill, and the decommissioning of the emergency pump will commence. The replacement of the head gates on the hydroelectric canal has begun. This will not affect the re-ponding of the lake. The Lake McQueeney and Lake Placid dam replacement projects are underway, including widening the access roads, instituting retaining wall changes, and installing the temporary work bridges needed for construction. Mr. Hickman provided an overview of the Carrizo Groundwater Supply Project, including the raw water facilities, shared booster pump station, pipeline construction status, and schedule update. HDR Engineering has provided the 60% plans and specifications for the eastern pipeline section and the booster pump station associated with the TX 130 expansion of the Carrizo Groundwater Supply Project. Next, Darrell Nichols, General Manager/CEO, commented on the population projections and noted that GBRA is in active communication with various customers in the basin to discuss future plans for implementation of wastewater, water, and other activities for the next 10 to 15 years. Next, Joseph Cole, General Counsel, briefed the Board on proposed updates to the GBRA by-laws to align with the legislative actions taken in the recent regular session. These proposed

updates could include changes to increase the General Manager/CEO's delegated authority to authorize change orders up to \$150,000, the posting of meeting agendas, a change to the amount of fees GBRA Directors may receive for GBRA-related service, references to the administrative and principal GBRA office location, and any other necessary clarifications of policies or procedures. Next, Allen Spelce, President of the Texas Water Safari, spoke to the Board and expressed his gratitude for the support GBRA has provided to the Texas Water Safari over the years. Mr. Spelce provided a brief summary of the history of the race. This year, 161 teams entered, and 93 teams completed the race consisting of teams from all over the United States, as well as international teams. Bob Spain, Texas Water Safari organizer, further briefed the Board on the history of the race in more detail. Next, Amanda Buchanan, Safety and Risk Manager, gave a safety and risk department update stating in the past month there was one no lost time incident of injuries or illnesses, and three incidents were reported. Highlights from the previous month include ergonomics training and site visits to the San Marcos WWTP for hazard work discussion and lagoon sludge dewatering activities, Lab training for tire repair safety, and operations staff training, including trenching service training involving soil type, cave-ins and inspections, were conducted. Lastly, Mr. Nichols, briefed the Board on the Clean Rivers Program five-year summary report.

Next, the Chairman called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wholesale Wastewater Service Agreement between Guadalupe-Blanco River Authority and Long Creek RV Park.**

Justin Adkins, Assistant General Counsel, is seeking authorization to negotiate an agreement with Long Creek RV Park to provide wholesale wastewater service on a tract of land near the Long

Creek residential development to which GBRA currently provides wastewater services. This proposed RV park is in the Stein Falls System within Guadalupe County. The development as currently planned will include 120 pads for recreational vehicles. Upon Motion by Director Old, seconded by Director Ehrig, the Board unanimously approved Action Item 8 authorizing the General Manager/CEO to negotiate and execute a Wholesale Wastewater Service Agreement between Guadalupe-Blanco River Authority and Long Creek RV Park.

The Chairman called for **Action Item 9 - 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 to authorize the financing agreement between GBRA and the TWDB that will provide funds to close on the remaining \$72,665,000.00 of the total funding commitment from the TWDB for the Carrizo Groundwater Supply Expansion Project. The TWDB requires financing agreements with GBRA to demonstrate a commitment to the sale of bonds. A Bond Resolution action item will be included in the October GBRA Board Agenda with a bond closing planned for November this year. Upon Motion by Director Valdez, seconded by Director Carbonara, the Board unanimously approved Action Item 9 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 called for **Action Item 10 - Consideration of and possible action approving the use of to \$3,000,000 of financial reserves for professional fees and related costs to study, plan, design, and develop potential water supply projects for use within the Guadalupe River Basin.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval to identify and utilize financial reserves of up to \$3,000,000 to invest in the development of water supply projects within the Guadalupe River Basin to meet future demands. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 10 approving the use of up to \$3,000,000 of financial reserves for professional fees and related costs to study, plan, design, and develop potential water supply projects for use within the Guadalupe River Basin.

The Chairman called for **Action Item 11 - Consideration of and possible action adopting a Resolution Expressing Official Intent to use proceeds of tax-exempt obligations to reimburse GBRA for costs incurred to study, plan, design, and develop potential water supply projects for use within the Guadalupe River Basin.** Randy Staats, Executive Manager of Finance/CFO, is seeking a Reimbursement Resolution for the financing of costs incurred to study and develop plans for water supply projects for use within the Guadalupe River Basin per Internal Revenue Service rules requiring GBRA to declare its official intent to reimburse costs. Upon Motion by Director Old, seconded by Director Carbonara, the Board unanimously approved Action Item 11 adopting a Resolution Expressing Official Intent to use proceeds of tax-exempt obligations to reimburse GBRA for costs incurred to study, plan, design, and develop potential water supply projects for use within the Guadalupe River Basin. A copy of the Resolution is attached and made part of these minutes.

The Chairman called for **Action Item 12 - Consideration of and possible action approving the Fiscal Year 2024 Work Plan and Budget including rates, compensation tables, and asset management program, for the following divisions and giving authority to the 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. Alliance Treated Water System**
- l. Western Canyon Treated Water System**
- m. 4S Ranch Wastewater Reclamation System**
- n. Cordillera Water Distribution System**
- o. Cordillera Wastewater Treatment Plant**
- p. Comal Trace Water Delivery System**
- q. Johnson Ranch Water Distribution System**
- r. Johnson Ranch Wastewater Treatment System**
- s. Bulverde Singing Hills Wastewater Treatment System**
- t. Park Village Wastewater Reclamation System**
- u. Boerne Independent School District Wastewater System**
- v. Coleto Creek Reservoir System**
- w. Coleto Creek Recreation System**
- x. Luling Water Treatment Plant Division**
- y. Canyon Hydroelectric Division**
- z. Lockhart Wastewater Reclamation System**
- aa. Lockhart Water Treatment Plant System**
- bb. Dietz Wastewater System**
- cc. General Division**

Randy Staats, Executive Manager of Finance/CFO, briefed the Board on various highlights in the Fiscal Year 2024 Work Plan and Budget to include revenue and expense comparisons, and

changes in major rates. Mr. Staats is seeking approval of the Fiscal Year 2024 Work Plan and Budget and authorization for the General Manager/CEO to expend funds under the budget and execute contracts consistent with those expenditures. Upon Motion by Director Meador, seconded by Director Ehrig, the Board unanimously approved Action Item 12 approving the Fiscal Year 2024 Work Plan and Budget including rates, compensation tables, and asset management program, for the following divisions and giving authority to the General Manager/CEO to expend funds under the budget as well as execute contracts consistent with those expenditures within limitations allowed under policy.

The Chairman then called for **Action Item 13 - Consideration of and possible action approving the Ad-Hoc Committee funding recommendation for the Guadalupe-Blanco River Trust FY2023 Block Conservation Grant.** Nathan Pence, Executive Manager of Environmental Science, is seeking approval of the Ad-Hoc Committee funding recommendation for the Guadalupe-Blanco River Trust FY2023 Block Conservation Grant. The Ad-Hoc Committee is comprised of Director Blaschke (Chairman), Director Carbonara, Director Valdez, and Nathan Pence. The FY2023 grant application was submitted to GBRA at the July 2023 Board Meeting, and the committee met to review the grant application. The grant requested \$224,000 to be spread over six projects. Director Blaschke recommended approval of the funding of the Guadalupe-Blanco River Trust FY 2023 Block Conservation Grant for \$224,000. Director Meador stated that he had a personal interest in the proposed item and would not participate. Upon Motion by Director Blaschke, seconded by Director Carbonara, the remaining members of the Board unanimously approved Action Item 13 approving the Ad-Hoc Committee funding

recommendation for the Guadalupe-Blanco River Trust FY2023 Block Conservation Grant. Director Meador did not participate in discussion and did not vote on the item.

The Chairman then called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an agreement with GVEC for a second electrical feed for the Regional Raw Water Pump Station No. 2.** David Harris, Executive Manager of Operations, is seeking authorization to negotiate and execute an agreement with GVEC for a secondary electrical feed for the Regional Raw Water Pump Station No. 2, which pumps raw water from Lake Dunlap to the San Marcos Treatment Plant. Pump No. 2 is the most critical of the three pump stations, and the secondary electrical feed was the most appropriate solution for backup power supply. The cost of the project is estimated to be \$290,000. Upon Motion by Director Blaschke, seconded by Director Carbonara, the Board unanimously approved Action Item 14 authorizing the General Manager/CEO to negotiate and execute an agreement with GVEC for a second electrical feed for the Regional Raw Water Pump Station No. 2.

The Chairman then called for **Action Item 15 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain treated pipeline easements for the Western Canyon Hwy. 46 Treated Water Pipeline Relocation 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 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:

Parcel 2 – Ocean View Property Group, Ltd., being a 5.893 acre (256,694 square feet) tract of land situated in the Frederick William Foerster Survey, Abstract No. 159, the T.W.N.G. RR. Co. Survey, Abstract No. 861, the Elias Flint Survey, Abstract No. 150, and the H.&O.B. RR. Co. Survey, Abstract No. 726 in the City of Bulverde, Comal County, Texas, said 5.893-acre tract being a portion of the remainder of a 767.849 acre tract of land (by Deed) deeded to Ocean View Property Group, Ltd. by Deed recorded in Document No. 201306051649 of the Official Public Records of Comal County, Texas (O.P.R.C.C.T.), and being a portion of Lot 901, Block 1, Braken Tract Unit-2A, a subdivision recorded in Document No. 201806035882 of the Official Public Records of Comal County, Texas (O.P.R.C.C.T.), attached as Exhibit "A"; and

Parcel 4 – American Ckritical Energy Systems, Inc., a Texas corporation, being a 1.249-acre (54,412 square feet) tract of land situated in the H.&O.B. RR. Co. Survey, Abstract No. 726 in Comal County, Texas, said 1.249-acre tract of land being a portion of a 21.531-acre tract of land, save and except a 0.874-acre tract of land and save and except a 0.322-acre tract of land (by Deed) deeded to American Ckritical Energy Systems, Inc. by Deed recorded in Document No. 200506030783 of Official Public Records of Comal County, Texas (O.P.R.C.C.T.), attached as Exhibit "B".

Courtney Kerr-Moore, Deputy General Counsel, is seeking authorization by Resolution for the acquisition of property through proceedings in eminent domain. These proceedings are a public necessity to acquire certain properties for the Western Canyon Hwy. 46 Treated Water Pipeline Relocation Project due to the Texas Department of Transportation (TXDOT) expansion of Hwy. 46 in Comal County, Texas. Upon Motion by Director Blaschke, seconded by Director Carbonara, the Board unanimously approved, by a record vote, Action Item 15 approving a

Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain treated pipeline easements for the Western Canyon Hwy. 46 Treated Water Pipeline Relocation 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 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. A copy of the Resolution is attached and made part of these minutes.

The Chairman then called for **Action Item 16 - Consideration of and possible action authorizing the General Manager to negotiate and execute a Joint Funding Agreement between the United States Geological Survey and GBRA for the period of October 2023 through September 2024 for stream gauge monitoring.** Charles Hickman, Executive Manager of Engineering, is seeking authorization to negotiate and execute an agreement with the United States Geological Survey for data, maintenance, and calibration of 14 gauges that monitor stream flow and water quality testing at various sites throughout the Guadalupe River Basin. The contract shall be in effect from October 2023 to September 2024 for a total amount of \$202,140. Upon

Motion by Director Blaschke, seconded by Director Meador, the Board unanimously approved Action Item 16 authorizing the General Manager to negotiate and execute a Joint Funding Agreement between the United States Geological Survey and GBRA from October 2023 through September 2024 for stream gauge monitoring.

The Chairman then called for **Discussion Item 17 - Discussion regarding the Base Flow Report, Water Quality Index, long-term weather pattern, and condition of the Guadalupe Basin.** Charles 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 893.43 feet. Currently, Comal Springs is flowing around 69 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:31 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:45 a.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 12.22 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:23 p.m. subject to call by the Chairman.

Chairman

Secretary