

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**Minutes of the Board of Directors**  
**October 18, 2023**

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on October 18, 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, Patrick Cohoon, John Cyrier, and Robert Blaschke. 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; Charles Hickman, Executive Manager of Engineering; David Harris, Executive Manager of Operations; Adeline Fox, Executive Manager of Communications and Outreach; and 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 and at the GBRA office in New Braunfels, 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 comments from the public.

The Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the September 20, 2023 Board Meeting; Consent Item 3 -**

**Consideration of and possible action approving the monthly financial report for September 2023; Consent Item 4 - Consideration of and possible action approving the monthly operations report for September 2023; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for September 2023; 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 Resolution authorizing the Guadalupe-Blanco River Authority Board of Directors to set the fees of office for performing the duties of a director.** Upon Motion by Director Old, seconded by Director Ehrig, the Board unanimously approved Consent Items 2, 3, 4, 5, 6, and 7. A copy of the Resolution pertaining to Consent Item 7 is attached and made a part of these minutes.

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.**

David Harris, Executive Manager of Operations, briefed the Board on the newly obtained water and wastewater licenses and operator training for basic wastewater treatment and operations, groundwater protection, water utility management, pump and motor maintenance, and membrane maintenance. The Coletto Creek Park paving project has been completed. In the Western Canyon Division, raw water pump maintenance and the zebra mussel removal project are ongoing. Recent construction developments at the Sunfield Wastewater Treatment Plant (WWTP) consist of the installation of the headworks equipment for the plant, the blower building, clarifier, and conduit work for controls and power. The Return Activated Sludge and Waste Activated Sludge pump structures are in place, along with the chlorine contact for the disinfection structure. Sunfield WWTP also has a new belt press that is now in operation. Next, Amanda Buchanan, Safety and Risk Manager, reported there were no lost time incidents of injuries or illnesses; however, four incidents and two near-miss incidents were reported. During October, anti-harassment, slip/trip/fall prevention (laboratory staff), workplace violence, and active shooter response (OPS staff) training were conducted. Additional activities included internal CPR/First Aid training classes, a review of the Substance Abuse Program, and the Safety Culture Survey which is part of the GBRA Strategic Plan. Next, Chad Norris, Deputy Executive Manager of Environmental Science, introduced and welcomed Jenna Mack, Lab Sample Custodian. Next, Darrell Nichols, General Manager/CEO, briefed the Board on activation of Stage 2 of the GBRA Drought Contingency Plan for wholesale and raw water customers of Canyon Lake involving a 10 percent voluntary usage reduction as a conservation measure.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Recreation Grant**

**Agreement and related documents for a grant through the Texas Parks and Wildlife Department for renovations to the trails at the Canyon Lake Gorge.** Vanessa Guerrero, Executive Manager of Administration, is seeking authorization to execute a multi-year Recreation Grant Agreement and related documents for a grant awarded to GBRA to improve the trails at the Canyon Lake Gorge. The grant budget represents a total of \$250,000. GBRA will receive \$200,000 as part of the grant agreement through the Texas Parks and Wildlife Department recreational trails program through the Federal Highway Administration. GBRA will contribute \$50,000 in matching funds. The funding for GBRA's matching requirement is included in the fiscal year 2024 budget. Upon Motion by Director Old, seconded by Director Cohoon, the Board unanimously approved Action Item 9 authorizing the General Manager/CEO to negotiate and execute a Recreation Grant Agreement and related documents for a grant through the Texas Parks and Wildlife Department for improvements to the trails at the Canyon Lake Gorge.

The Chairman called for **Action Item 10 - Consideration of and possible action approving the January 1, 2023 Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the recommended contribution of \$939,218 included therein.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval of the Actuarial Valuation report prepared in January 2023, which included the unfunded actuarial liability (UAL), the recommended annual contribution, and other calculations. Mr. Staats also provided the Board with a historical investment performance, the actuarial valuation report, and a comparison to other Texas retirement systems. Members of GBRA's Retirement and Benefit Committee approved the report on September 20, 2023, and recommends a contribution of \$939,218 for the calendar year 2023. Upon Motion by Director Meador, seconded by Director

Valdez, the Board unanimously approved Action Item 10 approving the January 1, 2023 Actuarial Valuation for the Retirement Plan for Employees of the Guadalupe-Blanco River Authority and the recommended contribution of \$939,218.

The Chairman called for **Action Item 11 - Consideration of and possible action approving a Resolution authorizing the Issuance of \$72,665,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract Revenue Bonds, Series 2023 (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 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 for GBRA to obtain \$72,665,000 from the TWDB's \$112,335,000 funding commitment to finance the Carrizo Groundwater Supply Expansion Project and to execute all related documents and agreements. Mr. Staats introduced Tom Spurgeon of McCall, Parkhurst, & Horton, LLP., GBRA's Bond Counsel, to brief the Board on the transaction highlights, pledges, covenants, designated paying agents, designation of bonds as tax-exempt, and compliance and disclosure obligations. Following Mr. Spurgeon's presentation, Mr. Staats congratulated Mr. Spurgeon on his upcoming retirement and thanked him for 34 years of service to GBRA as Bond Counsel. Upon Motion by Director Old, seconded by Director Blaschke, the Board unanimously approved Action Item 11 approving a Resolution authorizing the Issuance of \$72,665,000 in Aggregate Principal Amount of Guadalupe-Blanco River Authority Contract

Revenue Bonds, Series 2023 (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 all other instruments and procedures related thereto; and providing for an immediate effective date. 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 authorizing the General Manager/CEO to negotiate and execute a contract for the replacement of three air switches at the Canyon Hydroelectric Plant.** David Harris, Executive Manager of Operations, is seeking authorization for the replacement of three high-voltage air switches that connect the Canyon Hydroelectric Plant with the grid, and that have recently failed and cannot be safely reconnected with the transmission system. 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 a contract for the replacement of three air switches at the Canyon Hydroelectric Plant.

The Chairman called for **Action Item 13 - Consideration of and possible action authorizing the purchase of a shower and restroom facility at Coletto Creek Park.** David Harris, Executive Manager of Operations, is seeking authorization to purchase a shower and restroom facility for Coletto Creek Park designed to be maintenance-friendly and enhance user comfort. Park staff will install plumbing connections, a pad, electrical work, and a sidewalk for the unit to reduce costs. Upon Motion by Director Valdez, seconded by Director Carbonara, the

Board unanimously approved Action Item 13 authorizing the purchase of a shower and restroom facility at Coletto Creek Park.

The Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a lease for a multi-year agreement for office space for the Calhoun and Refugio County Operations Division staff.**

David Harris, Executive Manager of Operations, is seeking authorization to execute a multi-year agreement for office and shop space for the Calhoun and Refugio County Operations Division staff. With the transfer of the Port Lavaca water treatment plant facility and a change in operations in the division, staff would benefit from a suitable facility that is more centrally located and secure for employees and GBRA facilities. 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 a lease for a multi-year agreement for office space for the Calhoun and Refugio County Operations Division staff.

The Chairman then called for **Action Item 15 - Consideration of and possible action authorizing the General Manager/CEO to execute a Memorandum of Understanding with County Line Special Utility District (SUD) acknowledging a mutual interest to cooperatively develop new water supplies.** Brian Perkins, Deputy Executive Manager of Engineering, is seeking authorization to formalize an agreement with County Line Special Utility District (“SUD”) relating to the I-35 and TX 130 projects in the Caldwell and Hays County areas. This Memorandum of Understanding (“MOU”) with County Line SUD will allow them to obtain their board approval and present the agreement to future customers. The MOU will expire in 2028. Upon Motion by Director Cyrier, seconded by Director Cohoon, the Board unanimously approved Action Item 15

authorizing the General Manager/CEO to execute a Memorandum of Understanding with County Line SUD acknowledging a mutual interest to cooperatively develop new water supplies.

The Chairman then called for **Action Item 16 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a professional engineering services agreement with a qualified engineering firm to conduct a feasibility study related to the WaterSECURE Initiative.** Charles Hickman, Executive Manager of Engineering, is seeking authorization to execute a professional engineering services agreement to perform a detailed engineering feasibility study for the WaterSECURE Initiative to meet the accelerated demand for additional water supplies in the Guadalupe River Basin. GBRA has issued a Request for Qualification (“RFQ”) for a qualified engineering firm to perform the detailed engineering feasibility study. The considerations, goals and objectives of the WaterSECURE Initiative are customer demands, participation level, lower basin storage and raw water conveyance and transmission infrastructure, mid-basin integration, optimization of treatment and conveyance infrastructure, scheduling, and permitting. The first step will include the feasibility study phases and the schedule for the RFQ. The Board commended the staff for the forethought to consider a strategy to address future water demands and for communicating with communities and customers about their water needs. Upon Motion by Director Meador, seconded by Director Old, the Board unanimously approved Action Item 16 authorizing the General Manager/CEO to negotiate and execute a professional engineering services agreement with a qualified engineering firm to conduct a feasibility study related to the WaterSECURE Initiative.

The Chairman then called for **Discussion Item 17 - Discussion regarding 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 level; Comal Springs level; Guadalupe River stream flows; El Niño modeled forecast; and elevation of Canyon Reservoir. Canyon Lake is showing about 889.92 feet. Currently, Comal Springs is flowing around 89 cfs.

There being no further business to be brought before the Board, the open meeting was recessed at 11:19 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 12:12 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:13 p.m. subject to call by the Chairman.

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Chairman

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Secretary