

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
February 19, 2025

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on February 19, 2025, at the GBRA Annex Building Board Room, 905 Nolan St., Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Patrick Cohoon, Robert Blaschke, Sheila Old, Stephen B. Ehrig, Don B. Meador, William Carbonara, Emanuel Valdez, and John Cyrier. 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; Nathan Pence, Executive Manager of Environmental Science; David Harris, Executive Manager of Operations; and Joseph Cole, General Counsel, and Kevin Jacobs, Outside 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 Cohoon led the Pledges of Allegiance to the United States flag and the Texas flag.

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

The Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the January 15, 2025 Board Meeting; Consent Item 3 -**

Consideration of and possible action approving the monthly financial report for January 2025; Consent Item 4 - Consideration of and possible action approving the monthly operations report for January 2025; Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for January 2025. Upon Motion by Director Cohoon, seconded by Director Blaschke, the Board unanimously approved Consent Items 2, 3, 4, and 5.

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: Safety Update, GBRA water and sewer utility operations, hydroelectric operations, GBRA facilities management including plants and dams, 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, legislative updates, and stewardship.** James Semler, GBRA's Safety and Risk Manager, stated there were no lost time incidents during this period. During February, staff training focused on bloodborne pathogens, machine guarding, and hard hat safety. Mr. Semler also discussed an incident at the Lake McQueeney Dam involving a subcontractor to the contractor constructing the dam who was involved in an incident while conducting underwater operations at the site and received immediate medical attention. GBRA launched its Safety Observation Reporting System which will enable the Safety Department to conduct and deliver comprehensive safety observation reports. Another safety item from this month involved the

securing of water cooler stands at the Canyon Lake Gorge consistent with current standards. David Harris, Executive Manager of Operations, briefed the Board on new licenses, compliance, training, and ongoing projects. Operator training for February consisted of basic water, backflow prevention, cross-connection control, wastewater technology, water utility management, and resiliency overview. The San Marcos Water Treatment Plant (WTP) received the 10-year and 11-year TCEQ Texas Optimization Program awards for performing three times better than the State's performance requirements. Mr. Harris also discussed line locates, which totaled about 13,624 for 2024. Western Canyon WTP expansion plans and membranes testing were briefly discussed. Next, Randy Staats, Executive Manager of Finance/CFO, briefed the Board on recent financial system updates, changes in roles and supervision, financial system upgrades including investment management software upgrades, the rollout of SharePoint, and GBRA's transition to new bond counsel. Mr. Staats also discussed GBRA's future bond activity, including bond transactions, reimbursement resolutions, arbitrage liability, debt management streamlining, and bond-paying agent transition. Charles Hickman, Executive Director of Engineering, provided an update on the Carrizo Groundwater System. After initial start-up of the system, it was determined that treatment plant was not designed to treat the iron concentration in the groundwater being produced at full capacity. Following extensive discussions with Alliance, it has been determined that an additional pre-treatment step is needed. This step will be implemented in the current design and the expansion design. Multiple available temporary clarifying units to run the plant at full capacity have been located. Alliance will pursue authorization from its Board for the necessary procurement packages for the work, as well as change orders with the general contractor. The last step in the process will be a review by the Texas Commission on Environmental Quality. GBRA and Alliance are still evaluating three potential permanent clarification options. Next, Jonathan Stinson, Deputy

General Manager, briefed the Board on the current 89th Texas Regular Legislative Session, which convened on January 14, 2025, and will continue through June 2025. Mr. Stinson estimates about 6,000 bills have been be filed so far, and GBRA is monitoring bills relating to water supply projects, open records, notice to customers, procurement, open meetings, civil liability, and biosolids. Mr. Stinson also provided an update on Senate Bill 1261 and House Bill 2815 which authorizes extended financing terms for large regional water management strategies that cost over \$750 million.

The Chairman then called for **Action Item 7 - 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 Policy Review per Section 403.305 of the GBRA Investment Policy. GBRA engaged Hilltop Securities Asset Management to perform an investment policy and portfolio review. The review indicates that GBRA's investments comply with GBRA's investment policy and the Texas Public Funds Investment Act. The portfolio contains minimal credit risk exposure and is well diversified. Upon Motion by Director Cyrier, seconded by Director Carbonara, the Board unanimously approved Action Item 7 approving and accepting the biennial Investment Policy and Portfolio Review. A copy of the Investment Policy and Portfolio Review is attached and made a part of these minutes.

The Chairman then called for **Action Item 8 - 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 clarifying GBRA's Board Policy and the investment strategy contained within. Upon Motion by Director Cohoon, seconded by Director Valdez, the Board unanimously approved Action Item 8

approving a Resolution 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 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between GBRA and GRBK Edgewood, LLC related to a residential development project to be located in Hays County, Texas.** Justin Adkins, Assistant General Counsel, is seeking authorization to negotiate and execute a wastewater service agreement with GRBK Edgewood, LLC in Hays County for 1,100 Living Unit Equivalents of retail wastewater service to the Kolodzey Tract from GBRA's Sunfield wastewater treatment plant. Upon Motion by Director Meador, seconded by Director Carbonara, the Board unanimously approved Action Item 9 authorizing the General Manager/CEO to negotiate and execute a Wastewater Service Agreement between GBRA and GRBK Edgewood, LLC related to a residential development project to be located in Hays County, Texas.

The Chairman called for **Action Item 10 - Consideration of and possible action approving a Resolution by the Guadalupe-Blanco River Authority declaring a public necessity for the acquisition of certain fee estates, water pipeline easements and temporary construction easements for the GBRA Carrizo Groundwater Supply Expansion Project (TX-130 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 certain fee estates, permanent easements, and temporary construction easements 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 MD-02 and 02A – Walton Texas, LP, a Texas limited partnership, et al,
MD-02 - being a 2.626 acre (114,396 square foot) easement, and a 1.80 acre (78,408 square foot) temporary construction easement, out of the Martin McFerrin Survey, Abstract No. 204, out of the William Barber Survey, Abstract No. 47; and out of the James George Survey, Abstract No. 118, Caldwell County, Texas, being a portion of that 349.65 acre tract (Tract 1) conveyed to Walton Texas, LP, by Special Warranty Deed, dated November 19, 2011, as recorded in Volume 635, Page 252, Official Public Records of Real Property, Caldwell County, Texas, modified by Correction Deeds recorded in Volume 626, Page 434 and Volume 638, Page 159, Official Public Records of Real Property, Caldwell County, Texas; said 2.626 acre (114,396 square foot) easement, and a 1.80 acre (78,408 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit “A-1” attached hereto; and

MD-02A – being a 0.0107 acre (464 square foot) easement, and a 0.01 acre (436 square foot) temporary construction easement, out of the Martin McFerrin Survey, Abstract No. 204, Caldwell County, Texas; said 0.0107 acre (464 square foot) easement, and a 0.01 acre (463 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit “A-2” attached hereto.

Justin Adkins, Assistant General Counsel, is seeking approval of a resolution declaring a public necessity for the acquisition of certain water pipeline easements and temporary construction easements for the TX-130 Project. GBRA is expanding the Carrizo Groundwater Supply Project via the TX-130 Project, in, over, under, through, and across certain properties located in Caldwell County, Texas. Efforts to negotiate for the acquisition of these properties have been unsuccessful, making proceedings in eminent domain necessary to acquire such needed permanent easements and temporary construction easements. Upon Motion by Director Cohoon, seconded by Director

Blaschke, by a record vote, the Board unanimously approved Action Item 10 approving the proposed Resolution. A copy of the resolution is attached and made a part of these minutes.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an Amended and Restated Contract for Raw Water with the City of Blanco.** Joe Cole, General Counsel, is seeking authorization to execute an Amended and Restated Contract for Raw Water with the City of Blanco with a proposed termination date of December 31, 2050, with the option for the City to renew or extend for two additional terms of twenty years. Upon Motion by Director Cohoon, seconded by Director Carbonara, the Board unanimously approved Action Item 11 authorizing the General Manager/CEO to negotiate and execute an Amended and Restated Contract for Raw Water with the City of Blanco.

The Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute an amendment to the *Agreement for Professional Services for Development of the Guadalupe River Basin Habitat Conservation Plan* between Guadalupe-Blanco River Authority and Blanton and Associates, Inc.** Daniel Large, Habitat Conservation Plan Director, is seeking authorization to negotiate and execute an amendment to the agreement between GBRA and Blanton and Associates to update the scope of work to reflect additional effort necessary to complete GBRA's Habitat Conservation Plan. Upon Motion by Director Cohoon, seconded by Director Carbonara, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO to negotiate and execute an amendment to the *Agreement for Professional Services for Development of the Guadalupe River Basin Habitat Conservation Plan* between Guadalupe-Blanco River Authority and Blanton and Associates, Inc.

Next, the Chairman called for **Action Item 13 - Consideration of and possible action accepting the recommendation of the General Manager/CEO to appoint a current GBRA employee to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.** Christina Chavez, Deputy Executive Manager of Administration, is seeking the approval of the recommendation by General Manager/CEO to appoint Michelle Darnell, current GBRA employee, to serve as a Committee Member for an indefinite term of office for the GBRA Retirement and Benefit Committee. Upon Motion by Director Blaschke, seconded by Director Old, the Board unanimously approved Action Item 13 accepting the recommendation of the General Manager/CEO to appoint a current GBRA employee to serve on the Guadalupe-Blanco River Authority Retirement and Benefit Committee.

Next, the Chairman called for **Action Item 14 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a multi-year contract between the Guadalupe-Blanco River Authority and Velocity EHS for the continued management and enhancement of the Safety Data Sheets (SDS) database to improve employee access to critical safety information.** Vanessa Guerrero, Executive Manager of Administration, is seeking authorization to execute a three-year contract with Velocity EHS to store and maintain the GBRA Safety Data Sheets (SDS) database. Upon Motion by Director Blaschke, seconded by Director Old, the Board unanimously approved Action Item 14 authorizing the General Manager/CEO to negotiate and execute a multi-year contract between the Guadalupe-Blanco River Authority and Velocity EHS for the continued management and enhancement of the Safety Data Sheets (SDS) database to improve employee access to critical safety information.

The Chairman then called for **Action Item 15 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a professional engineering services agreement with a qualified engineering firm, sourced using a Request for Qualifications process, for the Sunfield Water Reclamation Facility Expansion to 2.0 MGD Project.** Eric Kong, Senior Project Engineer, is seeking authorization to negotiate and execute a contract with the qualified engineering firm for the design of the Sunfield Water Reclamation Facility Expansion in Hays County, Texas. Based on continued residential and commercial growth in the service area, the treatment facility needs to be expanded from its current average daily flow capacity. Improvements will include the construction of an additional lift station, secondary treatment basins with blowers, a secondary clarifier, additional cloth media filters, a dechlorination system, and associated electrical, instrumentation, and control improvements. Upon Motion by Director Cohoon, seconded by Director Carbonara, the Board unanimously approved Action Item 15 authorizing the General Manager/CEO to negotiate and execute a professional engineering services agreement with a qualified engineering firm, sourced using a Request for Qualifications process, for the Sunfield Water Reclamation Facility Expansion to 2.0 MGD Project.

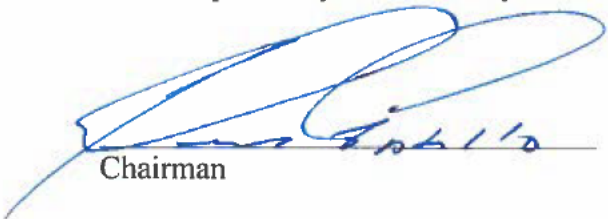
The Chairman called for **Discussion Item 16 - Discussion regarding Base Flow Report, Water Quality Index, long-term weather pattern, and condition of the Guadalupe Basin.** Charles Hickman, Executive Manager of Engineering, briefed the Board on the Guadalupe River basin hydrologic conditions, including rainfall percentages, events, and totals; the Base Flow Report; the U.S. Drought Monitor Seasonal Outlook; Edwards Aquifer level; Comal Springs level; Guadalupe River stream flows; neutral conditional modeled forecast; and elevation of Canyon Reservoir. Canyon Reservoir elevation was at 879.86 as of February 11, 2025. The J-

17 well level was 631.2 as of February 17, 2025. Comal Springs was flowing around 89 cfs as of February 17, 2025.

There being no further business to be brought before the Board, the open meeting was recessed at 11:10 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:25 a.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 12:03 p.m.

There being no further business to be brought before the Board, the meeting was adjourned at 12:03 p.m. subject to a call by the Chairman.



Chairman



Secretary/Treasurer