

## **GUADALUPE-BLANCO RIVER AUTHORITY**

### **Minutes of the Board of Directors**

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular monthly meeting on June 20, 2018, at the GBRA William E. West, Jr., Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Robert “Rusty” Brockman, Dennis L. Patillo, Don B. Meador, William R. Carbonara, Oscar H. Fogle, Tommy Mathews, and Kenneth Motl. Director Ronald J. Hermes was absent. Also present were Kevin Patteson, General Manager/Chief Executive Officer; Darrell Nichols, Senior Deputy General Manager; Jonathan Stinson, Deputy General Manager; Alvin Schuerg, Senior Advisor to the General Manager; Darel Ball, Executive Manager of Operations and Water Quality; Tom Bohl, General Counsel; Vanessa Guerrero, Executive Manager of Administration; Tommy Hill, Executive Manager of Project Engineering and Development/Chief Engineer; Randy Staats, Executive Manager of Finance/Chief Financial Officer; Courtney Kerr-Moore, Associate General Counsel; Sandra Terry, Deputy CFO Finance and Administration; Susan Hubbert, Deputy CFO Accounting and Purchasing; Ashley Freidberg, Engineer; Cinde Thomas-Jimenez, Environmental Education Administrator; Elizabeth Gutierrez, Environmental Education Specialist; David Harris, Deputy Executive Manager of Operations; Sam Widmer, 2018 GBRA Retiree; and Graham Moore with Alliance Regional Water Authority.

Chairman Brockman 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, the GBRA main

office and the William E. West, Jr., 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 Motl led the Pledge of Allegiance to the United States flag and the Texas flag.

The Chairman called for **Chairman Item 1 - Consideration of and possible action approving a Resolution honoring Guadalupe-Blanco River Authority 2018 retiree Samuel W. Widmer.** Chairman Brockman recognized Samuel Widmer for his 31 years of dedicated and meritorious service to the Guadalupe-Blanco River Authority. Chairman Brockman read a Resolution honoring Samuel Widmer. Upon motion by Director Mathews, seconded by Director Fogle, the Board unanimously approved a Resolution honoring GBRA 2018 retiree Samuel Widmer. A copy of the Resolution is attached and made a part of these minutes.

Next, the Chairman called for **Public Comment Item 2 - Comments from the public.** There were no public comments.

The Chairman then called for **Consent Item 3 - Consideration of and possible action approving the minutes of the May 16, 2018, Board meeting; Consent Item 4 - Consideration of and possible action approving the monthly financial report for May 2018; Consent Item 5 - Consideration of and possible action approving the monthly operations report for May 2018; Consent Item 6 - Consideration of and possible action approving Directors' expense vouchers; and Consent Item 7 - Consideration of and possible action approving the disposal of equipment in**

**accordance with GBRA Board Policy 411-Capital Assets.** Upon motion by Director Patillo, seconded by Director Meador, the Board unanimously approved Consent Items 3, 4, 5, 6, and 7. A copy of the disposal of equipment is attached and made a part of these minutes.

The Chairman 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: utility operations, GBRA Lab, water quality, safety, water resources planning and operation, construction management, economic and community development, project development, resource protection, weather and climate, river flows and other scientific issues, education programs, social media and community relations, media and public affairs, Board relations and events, publications, policy and stewardship, endangered species issues, information technology, human resources, accounting, finance, records management, grants and financial assistance.** Quarterly reports were not discussed this month. General Manager/CEO Patteson introduced Randy Staats, GBRA's new Executive Manager of Finance/Chief Financial Officer. Mr. Staats thanked the Board and GBRA for the opportunity to be a part of the GBRA team. Darel Ball introduced David Harris, GBRA's new Deputy Executive Manager of Operations. Mr. Harris thanked the Board and GBRA for the opportunity to be a part of the GBRA team. General Manager/CEO Patteson briefed the Board on the recent Texas Sunset Advisory Commission hearing. Jonathan Stinson briefed the Board on GBRA's testimony to the Texas Sunset Advisory

Commission and the follow-up hearing scheduled in August. The Board was given the website link where the entire hearing video can be viewed. Susan Hubbert briefed the Board on the Texas Comptroller of Public Accounts Transparency Stars Award which was received by GBRA recognizing local transparency achievements. Ms. Hubbert informed the Board on the general criteria required to receive the award including preparation of a dedicated page on GBRA's website with links to financials, traditional financial summary, visualizations, documents and downloadable data, open records information, Board meetings, and GBRA contact information. Susan Hubbert recognized Carl Westergard and Denise Lyssy for their dedicated assistance to accomplish GBRA's receipt of the Transparency Star. General Manager/CEO Patteson updated the Board on the schedule of repairs to the Guadalupe Valley Hydroelectric System dams and dates when various lakes will be lowered for repair activities. The Board was informed on discussions with the U. S. Army Corps of Engineers relating to the closure of the walkway at the access point of the Canyon Reservoir Dam and GBRA's possible financial assistance to address access/issues for the public.

Next, the Chairman called for **Action Item 9 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for installation of a transmission main from Cordillera Ranch to Boerne Independent School District in Kendall County.** Ashley Freidberg briefed the Board on the installation of a transmission main in Kendall County. GBRA entered into an agreement with Boerne Independent School District (BISD) effective October 11, 2017 that specified GBRA will construct a potable water

transmission line from the Cordillera Ranch water system to a new BISD facility in Kendall County. The agreement specifies that GBRA will begin to provide treated water to BISD no later than January 15, 2019. GBRA has completed design plans and received construction bids on June 5, 2018 for the project. The project will involve the installation of approximately 4,700 linear feet of 6" PVC water piping, two borings under TXDOT roadways, fire hydrant, gate valves, air/vacuum release valves, meter and other appurtenant items associated with the installation of a transmission main. The agreement with BISD specifies BISD will reimburse GBRA 100% of the cost of these improvements. Upon motion by Director Mathews, seconded by Director Motl, the Board unanimously authorized the General Manager/CEO to negotiate and execute a contract with the lowest responsible bidder for installation of a transmission main from Cordillera Ranch to Boerne Independent School District in Kendall County.

The Chairman then called for **Action Item 10 - Consideration of and possible action authorizing the General Manager/CEO and the Executive Manager of Finance/CFO to execute all financial institution forms consistent with the responsibilities delineated in Section 6.09 Chief Financial Officer of the GBRA By-Laws.** Sandra Terry briefed the Board on the requirement for execution of financial institution forms for GBRA. The Executive Manager of Finance/CFO position holds the primary responsibility for GBRA's treasury and investment management. As such, a number of documents are required to be executed between GBRA and various financial institutions in order to effectuate this responsibility. GBRA has a considerable number of agreements with financial institutions which have allowed the Chief Financial Officer to

complete various financial transactions. These agreements include: Depository, Collateral, Credit Card, Cash Management, Wire Transfer, ACH, Positive Pay, Safekeeping, Treasury Management, Security, and Facsimile Signature as well as other agreements. As the GBRA staff started the process of executing new forms as in the past designating a new Executive Manager of Finance/CFO, many financial institutions requested forms demonstrating GBRA Board of Directors authorization of the change. Therefore, in order to execute the necessary financial institution forms and at the same time facilitate the current transition of the CFO position, the staff is requesting the approval of a Resolution. Upon motion by Director Patillo, seconded by Director Fogle, the Board unanimously authorized the General Manager/CEO and the Executive Manager of Finance/CFO to execute all financial institution forms consistent with the responsibilities delineated in Section 6.09 Chief Financial Officer of the GBRA By-Laws. 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 appointment of Randy Staats as a GBRA Investment Officer pursuant to Board Policy – 403 Investment Policy, Board Policy – 413 Depository Accounts and the Texas Public Funds Investment Act.** Sandra Terry briefed the Board on the Texas Public Funds Investment Act which requires the Board of Directors to approve which GBRA employees are designated as “Investment Officers”. GBRA’s By-Laws, Board Policies, and numerous other internal practices and procedures place the primary responsibility for GBRA’s treasury and investment management in the Executive Manager of Finance/CFO position. It is recommended that this practice be

continued. Upon motion by Director Meador, seconded by Director Motl, the Board unanimously approved the appointment of Randy Staats as a GBRA Investment Officer pursuant to Board Policy – 403 Investment Policy, Board Policy – 413 Depository Accounts and the Texas Public Funds Investment Act.

Next, the Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract with Alliance Regional Water Authority for joint facilities.** General Manager/CEO Patteson welcomed and thanked Graham Moore for their efforts in working toward a water treatment and supply agreement as well as joint facilities between GBRA and Alliance Regional Water Authority. Darrell Nichols briefed the Board on discussions and negotiations with Alliance Regional Water Authority relating to the agreement and joint facility/project including cost savings to both organizations and the long term commitment for a water supply. Graham Moore addressed the Board regarding the establishment of a good working relationship to provide a solution for a regional water supply. No action was taken on Action Item 12 at this time.

The Chairman then called for **Action Item 13 - Consideration of and possible action adopting a Resolution Expressing Official Intent to reimburse costs incurred to construct and equip a wastewater collection system and related improvements known generally as the Dietz Wastewater Project.** Sandra Terry briefed the Board on Resolution to reimburse costs for the Dietz Wastewater Project. GBRA has applied for a certificate of convenience and necessity with the Public Utilities Commission to provide retail wastewater or sewer services in an area in the general vicinity of State Highway 46

east of Lake Dunlap within the Guadalupe River Basin, generally known as the Dietz Wastewater Project. Since GBRA does not currently have a wastewater treatment operation in this area, GBRA contracted with New Braunfels Utilities in January 2018 to use their McKenzie Water Reclamation Facility to treat the wastewater from this service area following the construction of the collection system. To protect GBRA's ability to access tax-exempt finance construction and projects costs that are incurred for the collection system prior to the issuance of debt, IRS rules require GBRA to declare its official intent to reimburse project costs with tax-exempt debt. Upon motion by Director Meador, seconded by Director Fogle, the Board unanimously adopted a Resolution Expressing Official Intent to reimburse costs incurred to construct and equip a wastewater collection system and related improvements known generally as the Dietz Wastewater Project. A copy of the Resolution is attached and made a part of these minutes.

The Chairman called for **Discussion Item 14 - Presentation on GBRA's education program.** Cinde Thomas-Jimenez and Elizabeth Gutierrez gave a presentation on GBRA's education program including program goals, the "Journey Through the Guadalupe River Basin" which is provided to all fourth grade classrooms and was developed in 1989, the "Water Makes the World Go 'Round" provided to all second grade classrooms and was developed in 2012, and the number of schools currently implementing these programs. The Board was also briefed on the elementary and middle school outreach programs. The presentation included information on the middle school program "Waters to the Sea" which is provided to 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> grade students and was developed in 2012. The high school outreach program includes field trips to the Canyon



Lake Gorge, the Texas Aquatic Science field sites, and assistance with project based learning. GBRA's education program staff conducts teacher workshops and field trips. The Board was briefed on the NEPRIS Engagement that is an on-line platform where students can interact with business and technical professionals and learn about various occupations. GBRA's participation in the project based learning classroom is a good recruiting tool. The Board was briefed on the Texas Commission on Environmental grant GBRA received for the Irma Lewis Seguin Outdoor Learning Center and the Texas Parks and Wildlife Department Community Outdoor Outreach grant. GBRA's Scholarship Program was also discussed. This year GBRA Board members and staff attended high school award ceremonies and presented the student scholarships.

Next, the Chairman called for **Discussion Item 15 - Discussion regarding Base Flow Report, Water Quality Index, long term weather pattern, and condition of the Guadalupe Basin.** Tommy Hill briefed the Board on the Basin hydrologic condition, the Base Flow Report, Water Quality Index, condition of the Guadalupe Basin including rainfall percentages, events and totals, the U. S. Drought Monitor Seasonal Outlook, Comal Springs level, San Marcos Springs level, Guadalupe River stream flows, elevation of Canyon Reservoir and other Texas reservoirs, salinity levels in San Antonio and Aransas Bay, and latest El Niño and La Niña modeled forecast.

The Chairman recessed the open meeting at 11:25 a.m. The Chairman then closed the open meeting and convened the meeting in executive session at 11:40 a.m. pursuant to Chapter 551, Texas Government Code. The Chairman reconvened the meeting in open session at 12:35 p.m.

Next, the Chairman called for **Action Item 12 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a Contract with Alliance Regional Water Authority for joint facilities.** Upon motion by Director Meador, seconded by Director Patillo, the Board unanimously authorized the General Manager/CEO to negotiate and execute a Contract with Alliance Regional Water Authority for water treatment and delivery services provided through joint facilities.

There being no further business to be brought before the Board, the meeting was adjourned at 12:36 p.m. subject to call by the Chairman.

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Chairman

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Secretary