

GUADALUPE-BLANCO RIVER AUTHORITY
Minutes of the Board of Directors
June 20, 2024

The Board of Directors of the Guadalupe-Blanco River Authority met in a regular meeting on June 20, 2024, at the GBRA Annex Building Board Room, 905 Nolan, Seguin, Guadalupe County, Texas. Directors present were Dennis Patillo, Sheila Old, Stephen B. Ehrig, Emanuel Valdez, William Carbonara, John Cyrier, and Robert Blaschke. Director Meador and Director Cohoon were 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; Charles Hickman, Executive Manager of Engineering; Nathan Pence, Executive Manager of Environmental Science; David Harris, Executive Manager of Operations; 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 Carbonara led the Pledges of Allegiance to the United States flag and the Texas flag.

The Chairman then called for **Public Comments from the public**. Chairman Patillo called upon Ray McFarland, who made comments related to recent developments affecting the floodway,

as well as the implementation of WCID-instituted taxes related to dam construction and related improvements.

The Chairman called for **Consent Item 2 - Consideration of and possible action approving the minutes of the May 15, 2024 Board Meeting; Consent Item 3 - Consideration of and possible action approving the monthly financial report for May 2024; Consent Item 4 - Consideration of and possible action approving the monthly operations report for May 2024; and Consent Item 5 - Consideration of and possible action approving Directors' expense vouchers for May 2024.** Upon Motion by Director Cyrier, seconded by Director Old, 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, and stewardship.** Amanda Buchanan, Safety Manager, reported there were no lost time incidents and two minor incidents reported. During May, staff training focused on respiratory protection. Ms.

Buchanan briefed the Board on upcoming occupational health tests. Cybersecurity annual awareness training was provided to all GBRA staff. GBRA's consultant has completed edits to the final draft Hazard Mitigation Action Plan (HMAP), which was provided to the Executive management team for final review. A site visitor safety checklist for all GBRA plant locations is currently in review. Safety is also creating a generic contractor safety review checklist in conjunction with the site visitor checklist. June is National Safety Month, and one of the month's weekly focus points is CPR and AED awareness. Next, Charles Hickman, Executive Manager of Engineering, provided an engineering department update beginning with the raw water project of the Carrizo Groundwater Supply Program. The first phase of the project is nearing completion, with testing of six of the seven wells having been completed, indicating the wells may soon be ready for production. There has been substantial completion of the transmission pipelines in Segments A and B. Segments C and D will be complete in the next few weeks. All of the major process units have been installed at the water treatment plant and are currently in the testing phase. The McQueeney Dam and Armoring project continues to move forward following demolition of the existing gate one, and the majority of the new concrete work has now been completed on the gate. The sheet pile cofferdam is in place for gate one, and the bulkhead concrete pour has been completed. The next phase of the Lake Placid Dam and Armoring project is underway following completion of the excavation of the existing rubble and pouring of structural concrete. The armoring embankment is 25% complete at the Lake McQueeney Dam and 75% complete at the Lake Placid Dam. Since funding was secured in advance, gate and equipment packages were pre-procured, and the two hydraulic power units have been tested and will be delivered to the site this month. The contractor is showing project completion of Lake McQueeney Dam in September 2025 and Lake Placid Dam

in July 2025. Mr. Hickman also briefed the Board on the WaterSECURE Initiative. WaterSECURE is evaluating multiple options to transport water from the Lower Basin to the Mid-Basin, and then out to customer entities. Next, Mr. Hickman provided a construction status update for the Sunfield Wastewater Treatment Plant, with substantial completion anticipated in early July 2024. Darrell Nichols, General Manager/CEO, then provided a briefing to the Board on past, current, and planned future water supply projects in the basin.

The Chairman called for **Action Item 7 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a purchase agreement and related documents for the purchase of land and a building in Tivoli, Texas, and authorize the use of financial reserves for the purchase.** David Harris, Executive Manager of Operations, is seeking authorization for the purchase of office and shop space for GBRA employees assigned to Calhoun County canal and diversion system operations. After authorization from the Board in 2023, a commercial lease was executed for a building currently utilized by GBRA staff located in Tivoli, Texas. The lease included an option to purchase the land and building, which GBRA desires to do at this time. The landowner has consented to the sale, and GBRA will be exercising its right to purchase. Mr. Harris is also seeking the authorization to use reserve funds for the purchase. Upon Motion by Director Blaschke, seconded by Director Ehrig, the Board unanimously approved Action Item 7 authorizing the General Manager/CEO to negotiate and execute a purchase agreement and related documents for the purchase of land and a building in Tivoli, Texas, and authorize the use of financial reserves for the purchase.

The Chairman then called for **Action Item 8 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute contracts for sludge dewatering, hauling and disposal for Western Canyon Water Treatment Facility.** David Harris, Executive Manager of Operations, is seeking authorization to negotiate and execute a contract to dewater, haul, and dispose of sludge that is generated during the membrane filter backwash process and transferred into sludge holding lagoons for disposal several times a year at the Western Canyon Water Treatment Facility. 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 contracts for sludge dewatering, hauling, and disposal for Western Canyon Water Treatment Facility.

The Chairman called for **Action Item 9 - 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 GD-01 – SBAM Investment, LLC, being a 0.1237 acre (5,390 square foot) permanent easement, and a 0.09 acre (3,920 square foot) temporary construction easement out of the Elizabeth Brown Survey No. 9, Abstract No. 33, Hays County, Texas, being a portion Lot 88, C.M. Rogers Subdivision, a Subdivision of Record in Volume 142, Page 310, Deed Records, Hays County, Texas, said portion of Lot 88 being described as 0.990 of one acre conveyed to SBAM Investment LLC by General Warranty Deed dated January 22, 2024, as recorded in Document No. 24002422, Official Records, Hays County, Texas; said 0.1237 acre (5,390 square foot) permanent easement and a 0.09 acre (3,920 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit “A” attached hereto;

Parcel NR-05 – 92A Partnership, LLC, a Wyoming limited liability company, being a 3.208 acre (139,720 square foot) permanent easement, and a 2.14 acre (93,218 square foot) temporary construction easement out of the Cornelius Crenshaw Survey, Abstract No. 68, Caldwell County, Texas, being a portion that tract described as 92.793 acres conveyed to 92A Partnership, LLC by Special Warranty Deed with Vendor’s Lien dated December 21, 2021, as recorded in Document No. 2021-009427, Official Public Records, Caldwell County, Texas; said 3.208 acre (139,720 square foot) permanent easement and a 2.14 acre (93,218 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit “B” attached hereto;

Parcel NR-08 – Kenneth Niemann, a/k/a Kenneth R. Niemann, a/k/a Kenneth Ray Niemann and Barbara J. Niemann, a/k/a Barbara Jean Niemann, being a 1.401 acre (61,047 square foot) permanent easement, and a 0.94 acre (40,946 square foot) temporary construction easement, out of the Cornelius Crenshaw Survey, Abstract No. 68, Caldwell County, Texas, being a portion that tract described as 27.632 acres conveyed to Kenneth Ray Niemann and Barbara Jean Niemann by Warranty Deed with Vendor’s Lien dated December 30, 1993, as recorded in Volume 104, Page 254, Official Public Records of Real Property, Caldwell County, Texas, and being a portion of that tract described as 175.96 acres to Kenneth Niemann by Deed dated November 22, 1978, as recorded in Volume 401, Page 557, Deed Records, Caldwell County, Texas, and to Barbara J. Niemann (Undivided 50% Interest) by Warranty Deed dated November 7, 2006, as recorded in Volume 510, Page 495, Official Public Records of Real Property, Caldwell County, Texas; said 1.401 acre (61,047 square foot) permanent easement and 0.94 acre (40,946 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit “C” attached hereto;

Parcel NR-09A – EMG Properties, LLC, a Texas limited liability company, being a 0.7361

acre (32,063 square foot) permanent easement, and a 0.49 acre (21,344 square foot) temporary construction easement, out of the Cornelius Crenshaw Survey, Abstract No. 68, Caldwell County, Texas, being a portion that tract described as 115.437 acres (Exhibit "B") conveyed to EMG Properties, LLC (Second Party) by Partition Deed dated August 17, 2023, as recorded in Document No. 2023-005612, Official Public Records, Caldwell County, Texas; said 0.7361 acres (32,063 square foot) permanent easement and 0.49 acre (21,344 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit "D" attached hereto;

Parcel NR-10 – Derek Emadi and Kelly M. Emadi f/k/a Kelly M. Jurgenson, being a 0.2547 acre (11,093 square foot) permanent easement, and a 0.17 acre (7,405 square foot) temporary construction easement, out of the Cornelius Crenshaw Survey, Abstract No. 68, Caldwell County, Texas, being a portion of that tract described as 9.9818 acres conveyed to Derek Emadi and Kelly M. Jurgenson by Special Warranty Deed with Vendor's Lien dated December 16, 2011, as recorded in Document No. 120376, Official Public Records of Real Property, Caldwell County, Texas; said 0.2547 acre (11,093 square foot) permanent easement, and a 0.17 acre (7,405 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit "E" attached hereto;

Parcel NR-11 – Alan Balser and wife, Pam Balser, being a 0.5836 acre (25,421 square foot) permanent easement, and a 0.39 acre (16,998 square foot) temporary construction easement, consisting of two parts, out of the Cornelius Crenshaw Survey, Abstract No. 68, Caldwell County, Texas, being a portion the remainder of that tract described as 35.00 acres (Tract 1) conveyed to Alan Balser and Pam Balser by General Warranty Deed dated July 30, 2009, as recorded in Volume 576, Page 467, Official Public Records of Real Property, Caldwell County, Texas, being corrected in Volume 577, Page 5, Official Public Records of Real Property, Caldwell County, Texas; said 0.5836 acre (25,421 square foot) permanent easement and 0.39 acre (16,998 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit "F" attached hereto;

Parcel NR-14 – Open R. Family Partnership, Ltd. a Texas limited partnership, being a 7.524 acre (327,764 square foot) permanent easement, and a 5.10 acre (222,156 square foot) temporary construction easement consisting of two parts out of the William Morrison Survey, Abstract No. 200, and the William Morrison Survey, Abstract No. 187, Caldwell County, Texas, being a portion those tracts described as 160.8 acres (Ninth Tract – Exhibit "G"), 2.169 acres (Eleventh Tract – Exhibit "H"), the remainder of 153.00 acres (Fourth Tract – Exhibit "E"), 85.5 acres (Second Tract – Exhibit "C"), 15.00 acres (Third Tract – Exhibit "D"), and the remainder of 100.00 acres (First Tract – Exhibit "A") conveyed to Open R. Family Partnership, Ltd. by Correction Special Warranty Deed executed May 28, 2008, Effective December 31, 2007, as recorded in Volume 536, Page 157, Official Public Records of Real Property, Caldwell County, Texas; said 7.524 acres (327,764 square foot) permanent easement and a 5.10 acre (222,156 square foot) temporary construction easement being more particularly described by metes and bounds and survey as follows in Exhibit "G" attached hereto;

Parcel NR-18 – Juan Reyes Yescas and Rosario Yescas, being a 0.3183 acre (13,865 square foot) permanent easement, and 0.21 acre (9,148 square foot) temporary construction easement, out of the Samuel B. Carson Survey, Abstract No. 86, Caldwell County, Texas,, being a portion that tract described as 11.00 acres conveyed to Juan Reyes Yescas and Rosario Yescas by Warranty Deed with Vendor’s Lien dated May 29, 2019, as recorded in Document No. 2019-002816, Official Public Records, Caldwell County, Texas; said 0.3183 acre (13,865 square foot) permanent easement, and 0.21 acre (9,148 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit “H” attached hereto;

Parcel NR-19 – Luis O. Mancía a/k/a Luis Orlando Mancía and Ana D. Ramírez Mancía, being a 0.3182 acre (13,860 square foot) permanent easement, and 0.21 acre (9,148 square foot) temporary construction easement, out of the Samuel B. Carson Survey, Abstract No. 86, Caldwell County, Texas, being a portion that tract described as 11.00 acres conveyed to Luis O. Mancía a/k/a Luis Orlando Mancía and Ana D. Ramírez Mancía by Warranty Deed with Vendor’s Lien dated July 25, 2019, as recorded in Document No. 2019-005385, Official Public Records, Caldwell County, Texas; said 0.3182 acre (13,860 square foot) permanent easement, and 0.21 acre (9,148 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit “I” attached hereto;

Parcel NR-22 – Victor Salaz and Maria D. Martínez De Salas, being a 1.289 acre (56,145 square foot) permanent easement, and 0.87 acre (37,897 square foot) temporary construction easement, out of the Samuel B. Carson Survey, Abstract No. 86, Caldwell County, Texas, being a portion that tract described as 118.51 acres conveyed to Victor Salaz and Maria D. Martínez De Salas by General Warranty Deed with Vendor’s Lien dated May 19, 2016, as recorded in Document No. 2016-002547, Official Public Records, Caldwell County, Texas; said 1.289 acre (56,145 square foot) permanent easement, and 0.87 acre (37,897 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit “J” attached hereto;

Parcel NR-25 – Schmidt Cattle, LP, a Texas limited partnership, being a 4.238 acre (184,601 square foot) permanent easement, and 2.83 acre (123,275 square foot) temporary construction easement, out of the Prosper Hope Survey, Abstract No. 135, and the Samuel B. Carson Survey, Abstract No. 86, Caldwell County, Texas, being a portion of Lots 113, 132 and 134, C.M. Rogers Subdivision, a Subdivision of Record in Cabinet A, Slide 98, Plat Records, Caldwell County, Texas, being described as 219.46 acres conveyed to Schmidt Cattle, L.P. by Special Warranty Deed dated July 16, 2009, as recorded in Volume 577, Page 632, Official Public Records of Real Property, Caldwell County, Texas; said 4.238 acre (184,601 square foot) permanent easement, and 2.83 acre (123,275 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit “K” attached hereto; and

Parcel NR-30 – Gloria Hoppe Matejowsky, being a 4.185 acre (182,291 square foot) permanent easement, and 2.7646 acre (120,426 square foot) temporary construction easement, out of the John V. Morton Survey, Abstract No. 196, and the Elizabeth Brown Survey, Abstract

No. 368, Caldwell County, Texas, being a portion of Lots 106 and 108, C.M. Rogers Subdivision, a Subdivision of Record in Cabinet A, Slide 98, Plat Records, Caldwell County, Texas, being the remainder of that tract described as 83 acres (Second Tract) and the remainder of that tract described as 100 acres (First Tract) conveyed to Gloria Hoppe Matejowsky by Deed dated October 26, 1965, as recorded in Volume 311, Page 445, Deed Records, Caldwell County, Texas; said 4.185 acre (182,291 square foot) permanent easement, and 2.7646 acre (120,426 square foot) temporary construction easement, being more particularly described by metes and bounds and survey as follows in Exhibit "L" attached hereto.

Courtney Kerr-Moore, Deputy 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 Hays and 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 Old, seconded by Director Ehrig, by a record vote, the Board unanimously approved Action Item 9 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 10 - Consideration of and possible action approving an amendment to the GBRA Fiscal Year 2024 Work Plan and Budget to adopt rates for the Carrizo Groundwater System and Carrizo Water Treatment Plant.** Randy Staats, Executive Manager of Finance/CFO, is seeking approval of an amendment to the GBRA Fiscal Year 2024 Work Plan and Budget to adopt rates for delivery of treated groundwater to New Braunfels Utilities, City of Lockhart, and Goforth Special Utility District. These rates are for fixed and variable costs for treatment and transmission operations and maintenance for the Carrizo WTP. An additional rate is for the costs associated with the operations and maintenance of

GBRA's wellfield and other facilities related to this project. Upon Motion by Director Blaschke, seconded by Director Valdez, the Board unanimously approved Action Item 10 approving an amendment to the GBRA Fiscal Year 2024 Work Plan and Budget to adopt rates for the Carrizo Groundwater System and Carrizo Water Treatment Plant.

Next, the Chairman called for **Action Item 11 - Consideration of and possible action authorizing Guadalupe-Blanco River Authority staff to open an investment account for management of proceeds for the Carrizo Groundwater System expansion.** Randy Staats, Executive Manager of Finance/CFO, is seeking authorization to open an investment (TexPool) account to segregate funds from bond proceeds to properly account for tracking of receipt and disbursement of funds for the Carrizo Groundwater Supply Expansion Project. Upon Motion by Director Old, seconded by Director Carbonara, the Board unanimously approved Action Item 11 authorizing Guadalupe-Blanco River Authority staff to open an investment account for management of proceeds for the Carrizo Groundwater System expansion.

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 the highest ranked bidder based on a Competitive Sealed Proposal process, which provides the best value for the Guadalupe-Blanco River Authority, for selection of a general contractor for the Regional SCADA Tower Project.** Daniel Worley, Project Engineer, is seeking authorization to negotiate and execute a contract for the selection of a contractor with the highest ranked bidder on a Competitive Sealed Proposal process for the Regional SCADA Tower Project. The Regional SCADA Tower Project, located in Guadalupe County, will increase communications reliability and operational readiness for the original Carrizo Groundwater Supply Project. Upon Motion by

Director Ehrig, seconded by Director Valdez, the Board unanimously approved Action Item 12 authorizing the General Manager/CEO to negotiate and execute a contract with the highest ranked bidder based on a Competitive Sealed Proposal process, which provides the best value for the Guadalupe-Blanco River Authority, for selection of a general contractor for the Regional SCADA Tower Project.

Next, the Chairman called for **Action Item 13 - Consideration of and possible action authorizing the General Manager/CEO to negotiate and execute a contract with the highest ranked bidder based on a Competitive Sealed Proposal process, which provides the best value for the Guadalupe-Blanco River Authority, for selection of a general contractor for the Canyon Hydro Switch Replacement Project.** Daniel Worley, Project Engineer, is seeking authorization to negotiate and execute a contract with the highest ranked bidder on a Competitive Sealed Proposal process for the selection of a contractor to replace the existing Canyon Hydroelectric Plant 138kV primary switch. Upon Motion by Director Cyrier, seconded by Director Carbonara, the Board unanimously approved Action Item 13 authorizing the General Manager/CEO to negotiate and execute a contract with the highest ranked bidder based on a Competitive Sealed Proposal process, which provides the best value for the Guadalupe-Blanco River Authority, for selection of a general contractor for the Canyon Hydro Switch Replacement Project.

The Chairman then called for **Action Item 14 - Consideration of and possible action approving the salary, compensation, and benefits for the General Manager/CEO of the Guadalupe-Blanco River Authority.** No discussion or action was taken on Action Item 14 at this time.

The Chairman then called for **Discussion Item 15 - Discussion and presentation of the Fiscal Year 2025 draft Guadalupe-Blanco River Authority Work Plan and Budget.** Randy Staats, Executive Manager of Finance/CFO, gave an overview of the Fiscal Year 2025 proposed Work Plan and Budget, including the background and a summary of the budget and associated challenges. Mr. Staats discussed the budget process for GBRA's 29 operating divisions, including budget and financial reporting, operating systems, debt issuance, economic impacts, staffing additions, growth, expenses, and revenues.

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 885.49 as of June 16, 2024. The J-17 well level was 630.5 as of June 17, 2024. Comal Springs was flowing around 99 cfs as of June 14, 2024.

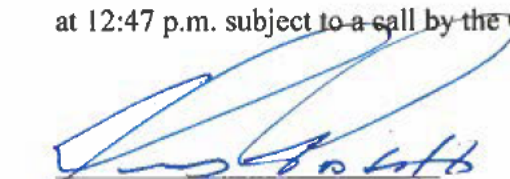
There being no further business to be brought before the Board, the open meeting was recessed at 11:02 a.m. subject to call by the Chairman and convened the meeting in executive session at 11:19 a.m. pursuant to Chapter 551, Texas Government Code.

The open meeting reconvened at 12:44 p.m.


The Chairman then recalled **Action Item 14 - Consideration of and possible action approving the salary, compensation, and benefits for the General Manager/CEO of the Gua-**

Guadalupe-Blanco River Authority. Chairman Patillo briefed the Board on the new evaluation process put into place for the General Manager/CEO. The evaluation was conducted by an outside consultant and consisted of discussions and interviews with internal and external customers and GBRA Directors. Chairman Patillo is recommending a 9.2% merit increase in salary for the General Manager/CEO, effective February 4, 2024. Upon Motion by Chairman Patillo, seconded by Director Blaschke, the Board unanimously approved Action Item 14 approving the salary, compensation, and benefits for the General Manager/CEO of the Guadalupe-Blanco River Authority.

There being no further business to be brought before the Board, the meeting was adjourned at 12:47 p.m. subject to a call by the Chairman.



Chairman



Secretary/Treasurer