GREEN VALLEY SPECIAL UTILITY DISTRICT

General Manager
Phillip K. Gage
Mailing Address:
P.O. Box 99
Marion, TX 78124
Phone : 830-914-2330
www.gvsud.org

Board of Directors
John Frias, President
Jerry Cumby, Vice President
Robert Roberson, Secretary/Treasurer
Shari McDaniel, Director
Brit King, Director
James Hendrix, Director
Nick Sherman, Director

Regular Board Meeting Minutes
October 15, 2026

The Green Valley Special Utility District (GVSUD) Board of Directors met in a regular monthly meeting on October 15, 2026, at the GVSUD Boardroom located at 605 FM 465, Marion, Texas 78124. Board Directors present were John Frias, Nick Sherman, Robert Roberson, James Hendrix, Jerry Cumby, Brit King and Shari McDaniel. GVSUD Staff present were Phillip K. Gage, Travis Basham, Gina Buntin, Kim Hutcheson, and David Gurganus. Also present was Shan Rutherford, staff attorney with Terrill & Waldrop Law Firm, and Garry Montgomery, Utility Engineering Group (UEG).

A. **Establish Quorum and Call to Order.**

John Frias called the meeting to order at 9:00 a.m. James Hendrix attended the meeting virtually.

B. **Invocation and Pledge of Allegiance.**

Frias gave the invocation and led the Pledge of Allegiance.

C. **Public Comment.**

Jeff McGlothin, representing the City of Cibolo, thanked Green Valley for its continued partnership and recognized the District as the top sponsor of the City's Challenge Coin Scholarship program. He presented a plaque of appreciation and announced that the City is moving forward with year two of the program, extending an invitation for Green Valley to return as the premier sponsor.

GVSUD welcomes public participation. If you are unable to attend the meeting, a written comment with your name and the topic or agenda item that you wish to address can be emailed or delivered to GVSUD's office located at 605 FM 465, Marion, Texas 78124, attention to Pamela Manchack, Public Information Officer, pmanchack@gvsud.org. Written comments must be submitted and received no later than 3:00 p.m. on October 14, 2026. Please remember that Public Comment is limited to three (3) minutes per person. Time may not be "shared or ceded" to another citizen.

D. **Consent Agenda**

All items listed below are considered to be routine and non-controversial by the Board and will be approved by one motion. There will be no discussion of these items unless a Board member so requests, in which case the item will be removed from the consent agenda and will be considered and action taken as necessary, as part of the order of business.

1. **September 24, 2026, Regular Monthly Board Meeting Minutes.**

Sherman made a motion to approve Item D.1. Second by Roberson. All approved. Motion passed.

E. **Hear updates on the following items from GVSUD General Manager, Staff, and Committee Chairs.**

1. **Employee Recognition (Phil Gage)**

Nick Main was recognized for obtaining his Class C Water Operator License, advancing from his previously earned D-Level license. His dedication to professional development and contributions to the Meter Department were acknowledged, and he was presented with a Coin of Excellence.

The Board addressed Agenda Items E.2.i after item G.

2. **Business and Operations:**

i. **General Manager updates. (Phil Gage)**

Gage briefly reviewed his memo, noting that the CRWA item had been previously discussed under Item F. He reported that the District currently has 59 employees. Additional details regarding staffing will be discussed in Executive Session. No further updates were provided.

ii. **Operations update. (Brian Plover)**

Plover reported the District added 101 water meters in September, bringing the total to 20,527 connections, with an average of 89 new connections per month. The District anticipates ending the year with approximately 20,850 meters. Water production and purchases totaled 684 acre-feet, with billing of 685 acre-feet generating just under $2.5 million in revenue. Known water loss was 77.75 acre-feet, largely due to 16-inch and 12-inch waterline breaks on September 24. Year-to-date unknown water loss is approximately 7%, an improvement over the previous year. Wastewater connections increased by 56, bringing the total to 2,823. Wastewater billing remained consistent, and plant utilization was 17.99%, averaging approximately 134,000 gallons per day.

iii. **District Engineer Update. (Travis Basham)**

Basham reported 116 total projects, with 63 in design, 48 in construction, and 5 in closeout. Contracted EDUs remained at 11,610, with no significant changes. The Lower Seguin Waterline project's 30%

design has been received and is under review. Plant 9 remains pending grant funding updates, while Plant 11 continues through closeout with minor outstanding issues. At the Clear Water Creek Wastewater Treatment Plant, AU has mobilized and begun clarifier work. Process train basins have also been received, and installation is underway.

3. **CRWA Board of Trustees post-meeting updates. (Shari McDaniel/Nick Sherman)**

McDaniel reported that the previous committee meeting was brief, with several items tabled for future discussion. The next meeting will include Averyt's evaluation. No budget committee updates were reported, with the next meeting scheduled for November. Sherman added that overall progress is improving, noting positive trends in staffing and that recent hires are becoming established and contributing to operational improvements.

4. **CRWA Board of Managers post-meeting updates. (Phil Gage)**

Gage reported that the CRWA Board of Managers discussed data center development and shared lessons learned regarding application processes, design reviews, wastewater requirements, and contracting. GVEC also provided insight into the electrical service process. The Board of Managers meeting schedule will be moved to an earlier Monday each month to allow additional input before Executive Committee agendas are finalized. Overall, coordination and operations with Canyon Regional continue to improve.

5. **ARWA Board of Directors post-meeting updates. (Nick Sherman)** No discussion
6. **Committee Reports**
    i. **Construction Committee Memo. (Nick Sherman)**

The Construction Committee reviewed two non-standard service agreements, one for water and one for wastewater, but took no action on either. The items will be brought into Executive Session for consultation with the District's attorney before further consideration.

ii. **CRWA Construction Committee. Memo (Nick Sherman)**

Sherman reported that several CRWA projects expected to be completed during the month remain ongoing but are anticipated to close out next month. Overall, project performance continues to show incremental improvement.

iii. **Finance/Investment Committee. (Shari McDaniel)**
iv. **TASUD Update. (Phil Gage)**

Gage reported that the Texas Alliance of Special Utility Districts continues to make progress. A return trip to Austin is scheduled for the 22nd, with approximately four meetings planned with legislators or their staff, along with the Alliance Board meeting. The upcoming election season and the 2027 legislative session will be key opportunities for the association's efforts to move forward.

The Board addressed Agenda Items F and G prior to Item E.2.

F. **Presentation from CRWA on Wells Ranch III (Blumberg Project). (Kerry Averyt)**

Kerry Averyt, CRWA General Manager, provided an update on the Bloomberg Brackish Groundwater Project, which is expected to provide up to 9,500 acre-feet of water annually, with Green Valley participating for 2,425 acre-feet. The project will use a public-private partnership (P3) delivery method to reduce upfront costs and accelerate delivery, with water production targeted for 2031. An owner's advisor has been engaged to assist with procurement, financial analysis, and development of the RFQ and RFP. Next steps include permitting existing groundwater leases, acquiring additional leases, drilling a test well to evaluate water quality, and securing pipeline right-of-way. The board discussed preliminary costs, groundwater drawdown concerns, potential water exchanges between participating entities, and the use of existing CRWA infrastructure to minimize additional pipeline construction.

G. **Consideration and possible action related to a Resolution Approving a Resolution of the Board of Directors of the Alliance Regional Water Authority Authorizing the Issuance of Contract Revenue Bonds for the Canyon Regional Water Authority (in the principal amount not to exceed $13,235,000); and Other Related Matters, in connection with the issuance of bonds for the regional water supply project that the District participates in through the Canyon Regional Water Authority. (Graham Moore)**

Graham Moore, Executive Director of Alliance Regional Water Authority, provided an update on the regional water supply project and requested approval of a resolution authorizing contract revenue bonds not to exceed $13,235,000 for Canyon Regional Water Authority's portion of the project. He reported that GMP 1 and GMP 2 had been approved, with Haskell receiving notice to proceed and substantial completion anticipated in January 2029. The additional funding request was reduced from $75 million to $42.84 million, with Green Valley's share totaling approximately $4.554 million. Funding will be through the Texas Water Development Board's SWIFT program at a locked-in interest rate of 4.45%. The reduced funding amount is expected to lower debt service payments and allow an adjustment to the budget. The board discussed water delivery coordination and the ongoing lease extension negotiations with the City of Kyle to help offset debt service costs. The resolution was recommended for approval.

Sherman made a motion that the board approve a resolution approving a resolution of the Board of Directors of Alliance Regional Water Authority authorizing the issuance of contract revenue bonds for the Canyon Regional Water Authority in the principal amount not to exceed 13,235,000 and other related matters in connection with the issuance of bonds for the regional water supply project that the district participates in through the Canyon Regional Water Authority. Second by McDaniel. All voted in favor. Motion passed.

H. **Consideration and possible action related to Non-Standard Water and/or Wastewater Service Agreement(s):**
   1. **Schmoekel Tract – Water Non-Standard Service Agreement**
   2. **Schmoekel Tract – Wastewater Non-Standard Service Agreement**
   3. **Pioneer & Stagecoach Rd - Water Non-Standard Service Agreement**
   4. **Tackett Commercial - Water Non-Standard Service Agreement**

Staff reported no concerns with Item H.3 & H.4. Both were presented to the Construction Committee, which recommended approval. Staff also recommended approval.

Sherman made a motion to approve Items H.3 & H.4. Second by Cumby. All approved. Motion passed.

I. **Hear updates on the items below from GVSUD General Counsel. "Tex. Gov't Code Section 551.071"**
   1. **Pending or Threatened Litigation.**
   2. **Legal Changes Affecting the District.**

No discussion.

The Board took a 10-minute break and went into Executive Session at 9:58 a.m. to discuss Items H.1, H.2, K & L.

Executive Session:

Closed session in accordance with Texas Government Code Section 551.071 – 551.074 and/or 551.076, and/or matters upon which the Attorney has the duty to report under Texas Rules of Disciplinary Conduct:

J. **Discuss personnel matters. "Tex. Gov't. Code Section 551.074"**

K. **Discuss Project Alpha. "Tex. Gov't. Code Section 551.071"**

L. **Cause No. 22-0404-CV-E, *Green Valley Special Utility District v. Vision Capital Investment, LLC.***

The Board reconvened on open session at 10:43 a.m.

Post Executive Session:

M. **Consideration and possible action on items discussed in the executive session.**

Cumby made a motion to approve the non-standard water and wastewater service agreements for the Schmoekel tract items H.1 and H.2. Second by King. All in favor. Motion passed.

Cumby made motion that we authorize the general manager and staff to revise and update the health insurance program as discussed in executive session. Second by McDaniel. All approved. Motion passed.

N. **Consideration of proposed items to be included on next month's board meeting agenda.**

O. **Adjournment.**

McDaniel made a motion to adjourn. Second by King. All voted in favor. Motion passed.

Meeting was adjourned at 10:45 a.m.

I certify this to be true and correct records of the proceedings.

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*********October 15, 2026 Board Meeting Minutes were approved on November 19, 2026*********