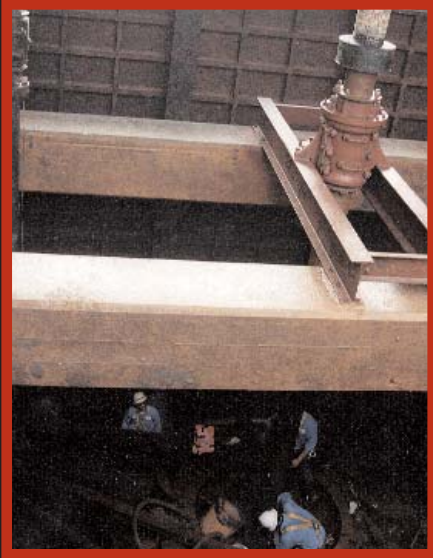


# Guadalupe-Blanco River Authority of Texas



## Created by the Texas Legislature

GBRA was originally the Guadalupe River Authority, a water conservation and reclamation district created in 1933 as a public corporation under Section 59, Article 16 of the Constitution of Texas. It was reauthorized in 1935 as the Guadalupe-Blanco River Authority by an act of the Texas Legislature (VCS Art. 8280-106).

## Planning for the Basin and Texas

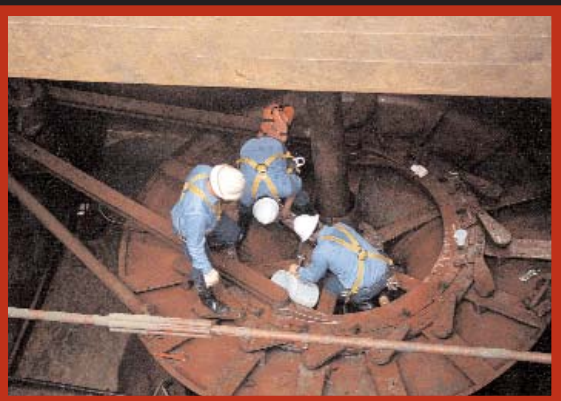
GBRA was established to develop, conserve and protect the water resources of the Guadalupe River Basin and make them available for beneficial use. To accomplish this responsibility, GBRA conducts its planning and resource development efforts in conjunction with the broader consideration of regional and statewide water needs. GBRA's statutory district begins near the headwaters of the Guadalupe and Blanco Rivers, ends at San Antonio Bay, and includes Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun and Refugio counties. Today, eleven divisions supply essential services including water and wastewater treatment, water quality testing, the management of water rights and delivery of stored water, the production of electricity from seven hydroelectric plants, and engineering and design support.

## Self-Supporting Operations

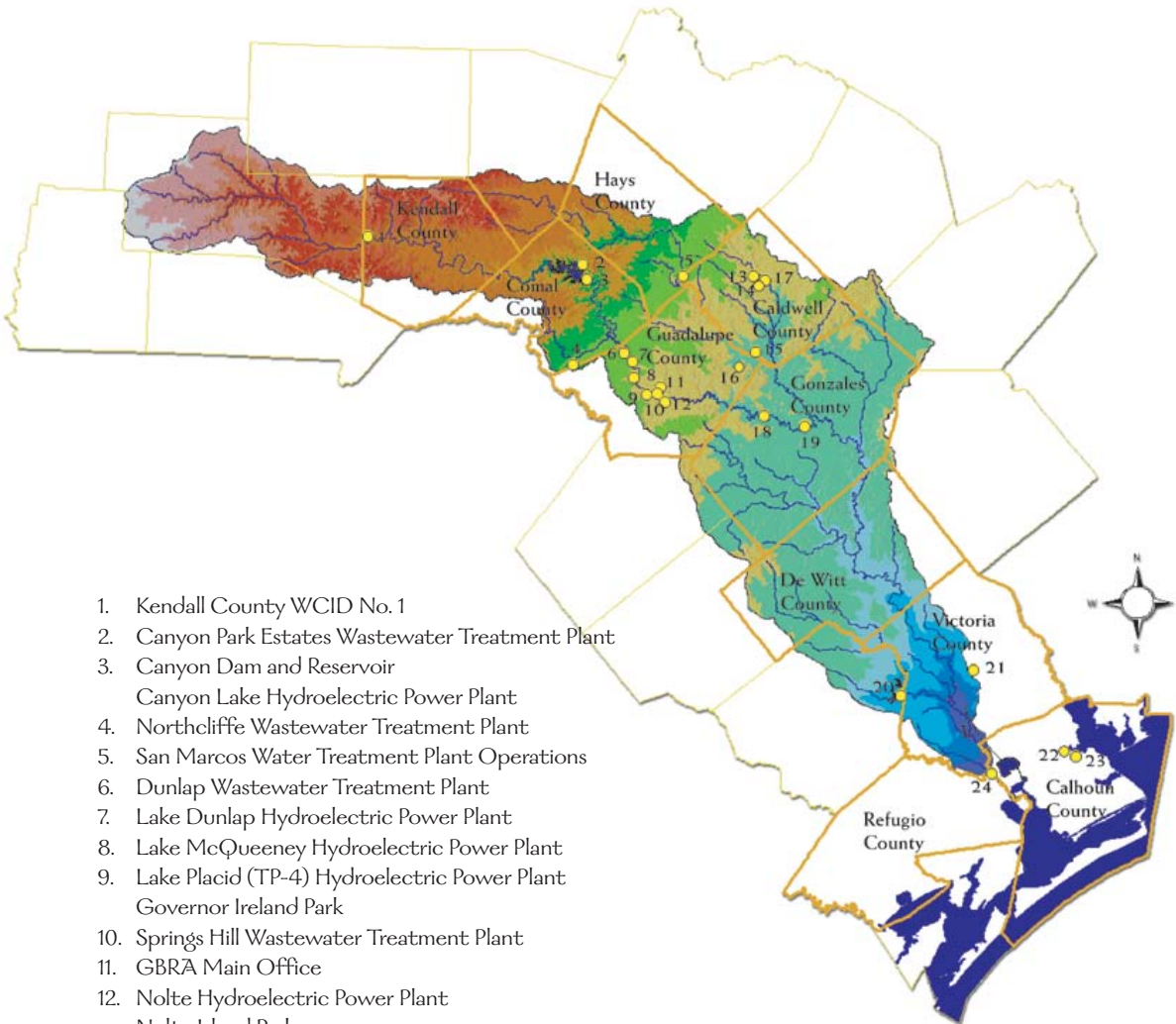
GBRA cannot levy or collect taxes or assessments or in any way pledge the general credit of the State of Texas. State and federal grants provide occasional funding for special projects. All other revenues for maintenance and operation are derived from the products and services GBRA provides to customers throughout the basin.

## Sound Management and Administration

GBRA is governed by a board of nine directors appointed by the Governor and subject to confirmation by the Texas Senate. Each director serves a six-year term, with three directors appointed or reappointed every two years. Board committees meet prior to each regular monthly meeting to recommend and review policies, programs and actions for consideration by the board. The general manager and staff conduct management and administrative duties in accordance with policies established by the board.



# The Guadalupe River Basin



1. Kendall County WCID No. 1
2. Canyon Park Estates Wastewater Treatment Plant
3. Canyon Dam and Reservoir  
Canyon Lake Hydroelectric Power Plant
4. Northcliffe Wastewater Treatment Plant
5. San Marcos Water Treatment Plant Operations
6. Dunlap Wastewater Treatment Plant
7. Lake Dunlap Hydroelectric Power Plant
8. Lake McQueeney Hydroelectric Power Plant
9. Lake Placid (TP-4) Hydroelectric Power Plant  
Governor Ireland Park
10. Springs Hill Wastewater Treatment Plant
11. GBRA Main Office
12. Nolte Hydroelectric Power Plant  
Nolte Island Park
13. Lockhart Wastewater Treatment Plant No. 1
14. Lockhart Wastewater Treatment Plant No. 2
15. Luling Water Treatment Plant
16. TxDOT Water and Wastewater Plant at IH-10
17. Lockhart Water Treatment Plant
18. H-4 Hydroelectric Power Plant
19. H-5 Hydroelectric Power Plant
20. Coleta Creek Reservoir and Park
21. Victoria Regional Wastewater Treatment Plants
22. Crestview Subdivision Wastewater Treatment Plant
23. Port Lavaca Water Treatment Plant  
Calhoun County Rural Water Supply System  
Calhoun Canal System
24. Diversion Dam & Salt Water Barrier

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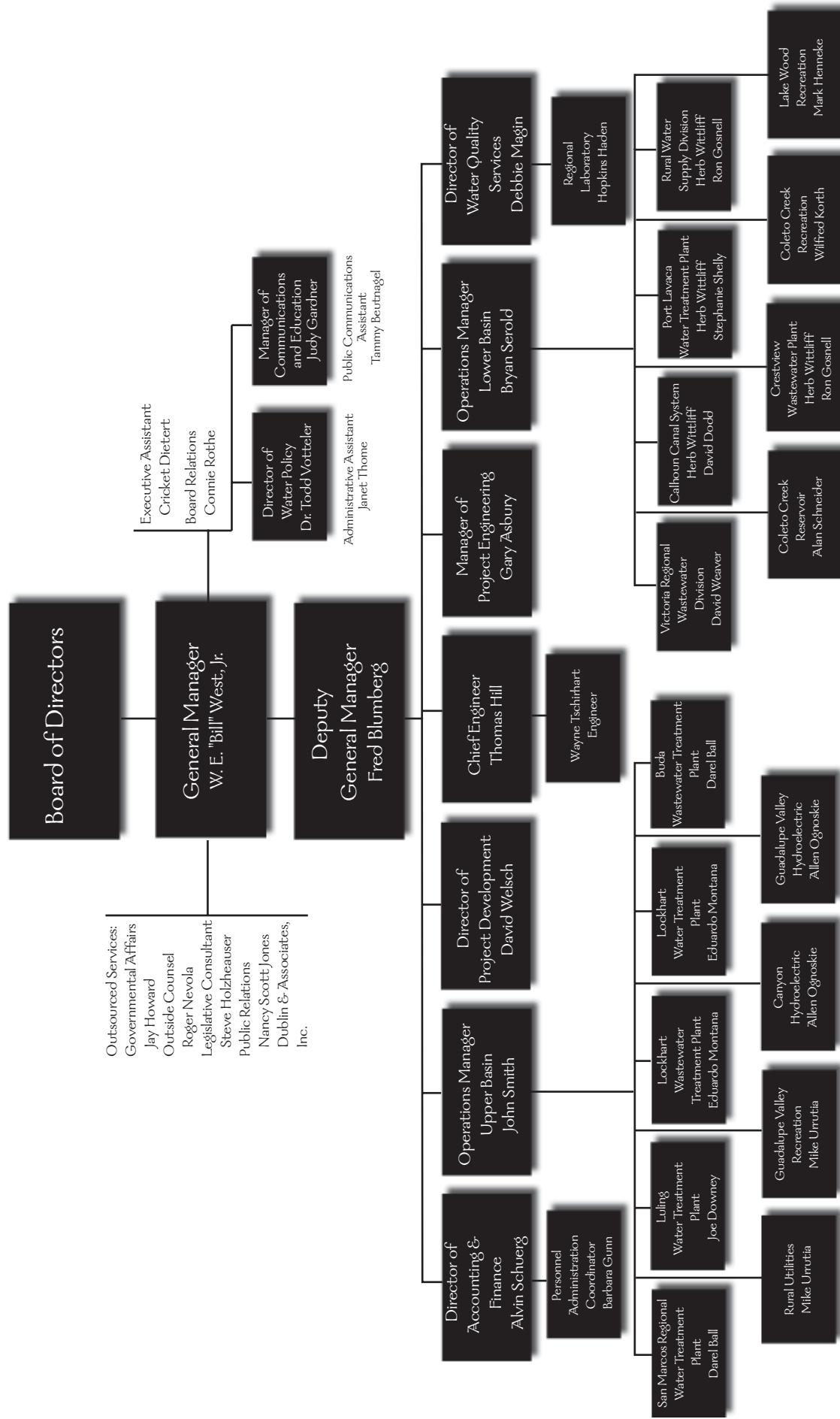
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# Guadalupe-Blanco River Authority Organization Chart



# Letter from Board Chair and General Manager

Few issues in Texas are more complicated - or provoke more opinions - than water. At GBRA, we deal with that reality every day. Making it even more complex is the fact that GBRA's unique geography ensures that virtually every water-related issue in Texas is represented in our statutory district. We must address such diverse issues and natural resources as springs and springflow, bays and estuaries, reservoirs, hydroelectric generation, aquifers, water quality and quantity, aquatic life, plants, birds, endangered species, agriculture and land management practices.

As the agency charged by the Texas Legislature with providing essential, water-related stewardship for the Guadalupe-Blanco river basin, we serve a ten-county area stretching from the Hill Country to San Antonio Bay. There are more than 70 cities and communities in these counties, as well as industries, farmers, ranchers and others who also need and use water.

In dealing with such a broad spectrum of water issues, and of citizens who are concerned about those issues, GBRA must rely on its own extraordinary 'natural resource' -- the more than 120 public servants who make up our work force. Their value cannot be measured.

Because of them, GBRA is much more than a collection of buildings, divisions, plants and equipment. While these facilities are vital, our employees -- with their talents, specialized skills, hard-earned certifications and willingness to serve - are the difference-makers, performing their jobs with pride and dedication. Many of them have been with GBRA for more than 20 years. In one division alone, 24 employees share a combined experience of 397 years! Multiply this across our 11 operating divisions and it is obvious that these employees provide an endless source of knowledge and good judgment for the people and communities they serve.

The population of GBRA's 10 counties grew 25 percent in the last decade alone. Ensuring adequate services and water for this area of Texas will require personal commitment and cooperation if we are to succeed in meeting this challenge.

We salute our employees and the professionalism they exhibit every day, whether coping with devastating floods or simply offering a warm, sincere greeting to visitors. They are an outstanding reflection on this organization.

We are also proud to report on our progress throughout last year.



Pamela M. Hodges, Board Chair



W. E. West, Jr., General Manager

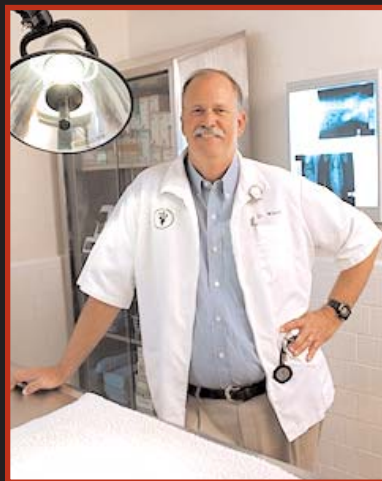


# GBRA Board of Directors



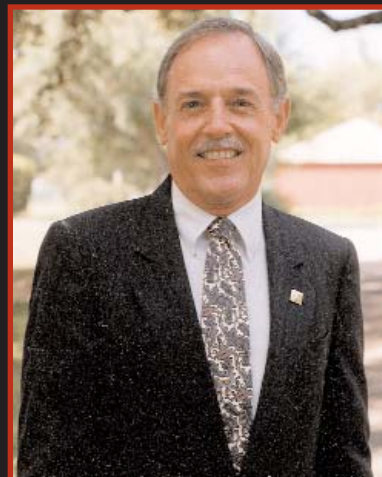
Pamela M. Hodges, Chair  
KENDALL COUNTY, Boerne, Texas  
Appointed: 1997, Gov. George W. Bush

Ms. Hodges is self-employed as a commercial real estate investment manager. She chairs the Kendall County Historical Commission and is a member of the Hill Country Roundtable Steering Committee, the Kendall County Republican Women and Republican Club, the Boerne Public Library County Board, the Advisory Council to the Alamo Area Library System, the Boerne Area Historic Preservation Society, the Cibolo Wilderness Trail and Nature Center and St. John's Lutheran Church.



Stephen F. Wilson, DVM, Vice-Chair  
CALHOUN COUNTY, Port Lavaca, Texas  
Appointed: 1999, Gov. George W. Bush

Dr. Wilson received B. S. degrees in Biomedical Science, Veterinary Science and a Doctor of Veterinary Medicine from Texas A&M University. He owns the Calhoun County Animal Hospital and is a member of the American Animal Hospital Association, the American Veterinary Medical Association, the Texas Academy of Veterinary Practice, the Texas Veterinary Medical Association, the Calhoun County Veterinary Medical Association and the Golden Crescent Veterinary Medical Association. He received the 1996 Texas Game Warden Association's award as Conservationist of the Year for wildlife rehabilitation in Calhoun County. He is a member of the Calhoun County Chamber of Commerce, the Port Lavaca Rotary Club and serves on the board of the Golden Crescent Regional Planning Commission.



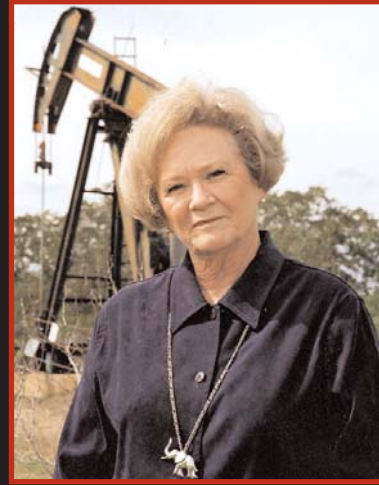
Frederick "Fritz" Schlather, Secretary/Treasurer  
GUADALUPE COUNTY, Cibolo, Texas  
Appointed: 1997, Gov. George W. Bush

Mr. Schlather received a bachelor's degree from Southwest Texas State University and is currently engaged in real estate brokerage and development. He formerly served as president and chairman of the board of Cibolo State Bank, president of the Garden Ridge State Bank, mayor of the City of Cibolo, past president of the Schertz-Cibolo Chamber of Commerce, past president and director of the Greater Randolph Area Chamber of Commerce, and was a director of the Schertz-Cibolo Development Corporation, the Guadalupe County MH-MR Clinic and a trustee and chairman of the board of the Gonzales Warm Springs Rehabilitation Hospital.



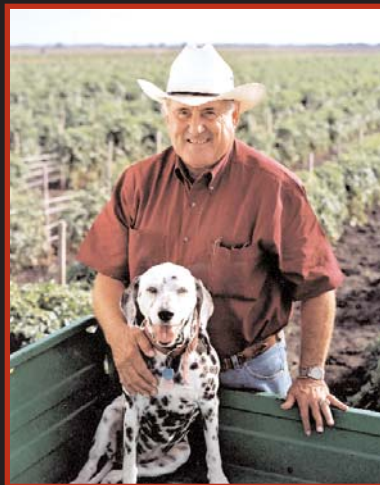
John P. Schneider, Jr., Director  
CALDWELL COUNTY, Lockhart, Texas  
Appointed: 1999, Gov. George W. Bush

Mr. Schneider received a BBA degree from Texas A&M University and is president of Schneider & Associates, Inc., specializing in commercial, farm and ranch real estate. He belongs to the Texas Society of Range Management, the Austin Real Estate Council, the Society of Texas A&M Real Estate Professionals, the Texas Southwestern Cattle Raisers Association, marketing member of the CCIM (Certified Commercial Investment Member) Austin chapter, member and past chairman of the Texas Real Estate Center Advisory Committee and the Executive Committee of the Texas Agriculture Summit, the A&M College of Agriculture Development Council, the Association of Former Students and is a board member of the Twelfth Man Foundation.



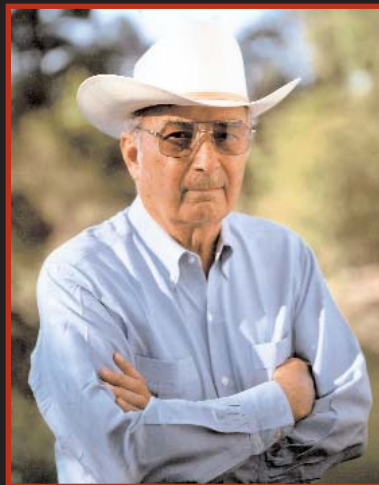
Myrna P. McLeroy, Director  
GONZALES COUNTY, Gonzales, Texas  
Appointed: 2001, Gov. Rick Perry

Mrs. McLeroy lives on a farm in Gonzales that has been in her family since 1885. She is owner of the McLeroy Land Group in Gonzales, which conducts mineral title searches and negotiates oil and gas leases. She attended Southern Methodist University and the University of Houston. Her community activities include director, Torch of Freedom Foundation; commissioner of the Housing Authority of Gonzales, a member of the Empowerment Board of Gonzales, the American Association of Professional Landmen, the Gonzales County Chamber of Commerce and Agriculture, the State Republican Executive Committee; and chair of the Gonzales County Republican party.



Frank J. Pagel, Director  
REFUGIO COUNTY, Tivoli, Texas  
Appointed: 2001, Gov. Rick Perry

Mr. Pagel lives on a farm that has been in his family for three generations. He has been involved in agricultural production since 1957. He received a B.S. in Animal Husbandry from Texas A&M College and formerly owned and operated Progreso Aviation. He is a temporary board member of the Refugio County Underground Water District, a member and current county chairman of the Refugio County Farm Service Agency committee, the Texas A&M Century Club and Former Students' Association, and was named Man of the Year in Agriculture by the Texas County Agricultural Agents Association in 1967. Pagel has been the County Chairman of the Refugio County Republican Party since 1996.



Jack R. Gary, Director  
HAYS COUNTY, San Marcos, Texas  
Appointed: 2001, Gov. Rick Perry

Mr. Gary lives in San Marcos and is affiliated with the William M. Gary Partnership, which is involved in farming, real estate and investments. He attended Southwest Texas State University and the University of Houston, where he studied petroleum engineering. Mr. Gary is a member of the American Management Association, the American Forestry Association, the Farm Bureau and the First Presbyterian Church.



Kathleen A. Devine, Director  
COMAL COUNTY, New Braunfels, Texas  
Appointed: 1999, Gov. George W. Bush

Ms. Devine represents Comal County on the GBRA Board of Directors. She is Assistant Vice President, Litigation/Labor Counsel for USAA in San Antonio, and is Certified in Labor and Employment Law by the Texas Board of Legal Specialization. Ms. Devine currently serves on the Board of Directors of the Texas Employment Law Council, is a member and past director of the Greater New Braunfels Chamber of Commerce, and chairs the Texas Legislative Conference Arrangements Committee. She is a member of the American Bar Association, the San Antonio Bar Association, and the Labor and Employment Section of the Texas Bar Association.



Catherine R. 'Kay' McHaney, Director  
VICTORIA COUNTY, Victoria, Texas  
Appointed: 1994, Gov. Ann Richards,  
1997 Gov. George W. Bush

A native of Victoria, Ms. McHaney received a bachelor's degree from the University of Texas at Austin. She is secretary/treasurer and co-owner of the Victoria Advocate newspaper and serves on the boards of Victoria College, the Texas Taxpayers and Research Association, the Victoria Symphony Endowment Trust and the Victoria County Public Facilities Corporation.

# A Year of Accomplishments - FY 2001 Division Highlights

## BOARD AND ADMINISTRATION:

Elected new officers of the GBRA Board of Directors in January 2001 -- chair Pamela M. Hodges, vice-chair Stephen F. Wilson, DVM, and secretary/treasurer Frederick Schlather.

Governor Rick Perry appointed three new directors in August 2001 -- Jack R. Gary of San Marcos for Hays County, Myrna P. McLeroy of Gonzales for Gonzales County, and Frank J. Pagel of Tivoli for Refugio County.

Conducted a preliminary design and needs analysis that will be used to add additional office and storage space to GBRA headquarters in Seguin, including an expanded Regional Laboratory and new Hydro Division shop facilities. The survey included employee input and recommendations from consulting architects Chesney Morales and Associates, Inc. of San Antonio.

Completed a comprehensive review of the GBRA job classification and pay system to help ensure internal equity within the organization and market competitiveness. The project included a survey by all GBRA employees of their job duties, and a market survey by Ray Associates, Inc. of Austin, Texas. In December 2000, the Board unanimously approved the new classification and pay plan to be implemented with the Fiscal Year 2002 Work Plan and Budget.

Selected International City/County Management Association (ICMA) as the Plan Administrator for the GBRA Employee 457 Deferred Compensation Plan.

## GBRA DIVISIONS:

### General:

Accepted the 27th consecutive Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, and the 4th consecutive Distinguished Budget Award for GBRA's 2000 Comprehensive Annual Financial Report.

Implemented new Accounting Division software.

Contracted with Sprint Enterprise Network Services to implement a Wide Area Network via Frame Relay and Virtual Private Network (VPN). This will greatly enhance GBRA's internal communication capabilities.

Contracted with Matson Multi Media, Inc. of San Antonio to produce an educational video about GBRA, including watershed awareness and management in the Guadalupe River basin.

Approved Articles of Incorporation and Bylaws creating the GBRA Endowment. This entity will serve as a recipient for conservation easements, donations of land and other assets that will be used to steward, develop and protect natural resources in the Guadalupe River basin.

Initiated a funding request with the Texas Parks and Wildlife Department (TP&WD) for a basin-wide system for water-related recreation; outdoor, heritage and environmental education opportunities; portage ways along the river; a series of interpretive centers throughout the Guadalupe River basin; and park enhancements to meet growing user demands.

Prepared for deregulation of the electric market by participating in the Texas Water Conservation Association aggregation group; approved the TWCA USA, Inc. Articles of Incorporation and Bylaws; and received approval from the Public Utility Commission to be a Power Generating Company and a Resource with the Electric Reliability Council of Texas (ERCOT). Because GBRA generates electricity from water power for New Braunfels Utilities and the Guadalupe Valley Electric Cooperative, it is assisting these customers to obtain Renewable Energy Credits, or 'green power' offsets.

Approved a Joint Funding Agreement with the United States Geological Survey (USGS) to help fund gauging and water quality testing sites in the Guadalupe River basin.

Inaugurated the Employee Volunteer Program which supported numerous community projects during the Christmas 2000 holidays; conducted a day-long "Our Day to Shine" effort that completed substantial rehabilitation projects on six flood-damaged homes in the City of Cuero in DeWitt County.

Developed a new hands-on science curriculum for middle school students to address water quality,



quantity, conservation, pollution and other important issues. The program will be distributed free to all six, seventh and eighth grade classrooms in the GBRA statutory district in 2002.

Commissioned the Kendall County Resource Stewardship Program to evaluate the potential impact of rapid growth in the Hill Country on water and other natural resources. The project includes issue identification, option generation, evaluation and integration stages that work toward the development of resource protection alternatives.

Coordinated the preparation of year 2000 drinking water Consumer Confidence Reports for the cities of Luling, Lockhart and Port Lavaca, the Port O'Connor MUD and the GBRA Calhoun County Rural Water Supply System.

Hosted the Texas Lineman's Rodeo at GBRA's Nolte Island Park, in cooperation with the Texas Electric Cooperative and the Guadalupe Valley Electric Cooperative.

#### Hydroelectric:

Disassembled and shipped the turbine at the H-5 (Lake Wood) hydro plant to Voith Siemens Hydro in York, Pennsylvania for rehabilitation and reinstallation. This equipment has been in operation since the late 1920's and constituted a major project for the GBRA hydro employees.

Contracted with General Electric Energy Services to install new stator windings in a McQueeney Hydroelectric Plant generator.

Built an all weather enclosure at the Dunlap dam. This structure will help shelter employees who must staff GBRA spillways around the clock when floodwater and Canyon Reservoir releases are being passed through the Hydro system.

Worked with Guadalupe Power Partners (GPP) to design and build a water pump station, owned and operated by GBRA, that provides 4 to 6 million gallons of water per day for the cooling towers and process feed water at the new GPP 1,000 megawatt, combined cycle power plant outside Marion, TX. The water is a blend of treated effluent from GBRA's Dunlap Wastewater Treatment Plant and raw water from the Guadalupe River.

Completed a cooperative project to upgrade the substation transformer at the GBRA Canyon Hydroelectric Plant from 69 kV to a 138 kV unit. This is part of the Pedernales Electric Cooperative's upgrade of its Sattler-Canyon Transmission Line and involved a joint effort among GBRA, PEC, the Lower Colorado River Authority (LCRA) and New Braunfels Utilities.

Prepared sites at Nolte Island in cooperation with the Texas Electric Cooperative and LCRA for the annual state Lineman's Rodeo competition in July 2001.

#### Water Treatment and Delivery:

Calhoun County Rural Water Supply System - relocated two water mains on several areas of Royal Road to facilitate TxDOT road widening projects; completed installation of a new SCADA system for command and monitoring of remote operations; worked with the town of Bayside and a subdivision near Port Alto to evaluate their water supply and wastewater systems; began the conversion from manual to automated meter-reading hardware and software; and delivered water on a wholesale basis to the Port O'Connor Municipal Utility District during completion of a new water main.

Lockhart WTP - entered into a contract with the City of Lockhart to operate its wells and 4 million gallon per day (mgd) water treatment plant beginning October 1, 2000. GBRA currently operates two wastewater treatment facilities for the City. Conducted team training for new employees; completed extensive electrical upgrades including changing out the radio frequency at the water plant, well sites and pump station, and repairing the raw water pump station tank.

Luling WTP - the year's major project involved a complete overhaul of the #2 clarifier, including sandblasting and painting of all components; employees also compiled information for Malcom Pirnie Engineering for a study to determine the benefits of water blending from Luling and Lockhart for the Polonia Water Supply Corporation; installed new SCADA system software.

Port Lavaca WTP - commissioned study to confirm plant's ability to comply with future Safe Drinking Water Act regulations and completed a new Monitoring Plan for quality assurance for its three wholesale customers; installed new transfer pump piping to regain pump efficiency; completed a bond refinancing project to take advantage of lower interest rates for the bonds sold to finance the expansion of the WTP in 1990; completed a changeover to Liquid Ammonium Sulfate, which is used in forming the chlorine compound needed to disinfect the final treated water product.

San Marcos WTP - installed radio equipment to transmit data from the water treatment plant to the City's wastewater plant; completed a Raw Water Delivery System SCADA installation so plant personnel can control water delivery to the ANP/HELP power plant and the San Marcos WTP; installed a chlorine monitor on the filtered water line to assist in maintaining chlorine residuals throughout the plant; and assisted with the Western Canyon Pilot Plant study by monitoring the two test membrane plants placed at the Canyon Lake WSC Triple Peaks Water Plant.

Lockhart WWTP - Implemented a cross-training program to enhance service and technical capabilities of all employees, because GBRA operates both water and wastewater facilities for the City of Lockhart.

### Wastewater Treatment:

Rural Utilities Division - Canyon Park Estates WWTP met increased growth in the area by working with engineers to determine capacity and treatment issues. Maintenance work was performed on the pH control system and the sludge splitter box. The Dunlap WWTP, following completion of the GPP power plant outside Marion, began delivery of treated effluent for reuse in the power plant's cooling system. The Northcliffe WWTP received authorization from GUADCO MUD #1 to work with the City of Schertz to plan an Inflow and Infiltration study for the Northcliffe collection system and met with GUADCO MUD #1 AND GUADCO MUD #2 Board members to plan future development requirements. Springs Hill WWTP personnel assisted area developers regarding several proposed subdivisions in the service area needed to address growth and housing requirements. The TxDOT Guadalupe County WWTP and Drinking Water System, the East and West bound lane water systems, received maintenance on the pressure system and the effluent irrigation system.

Victoria WWRD - renovated structures and equipment damaged by the flood of October 1998, including the installation of SCADA equipment to monitor plant alarm conditions, the complete renovation of the laboratory, and modification to the levee around the plant to raise it above the 1998 flood elevation. Plant employees also worked closely with the City of Victoria on the installation of a sixty-inch sewer line expansion project.

Buda WWTP - In October 2001, the City of Buda's wastewater treatment plant became the newest addition to the facilities we operate for various customers. The contract provides for GBRA to operate the existing plant and, at the request of the city, to finance, construct and operate any expansions or major modifications. We are proud to have been selected by the City of Buda to provide this important service to their community.

### Water Resources:

Water Resource Division - worked closely with the Victoria Economic Development Corporation, the Port of Victoria and consultants regarding water and wastewater services for anticipated development near the Victoria Barge Canal.

Calhoun Canal Division - installed new SCADA system hardware and software to upgrade control and monitoring of local and remote GBRA facilities in Calhoun County; installed a new liquid bleach system for chlorination of the raw water pipeline; made significant upgrades to the Main Canal with the installation of 100 feet of 72-inch pipe at a major crossing and removal of an old timber bridge; removed several large logjams following Fall 2000 flooding in both the San Antonio and Guadalupe rivers; and delivered irrigation water to supply a large increase in cotton crop acreage.

### Coletto Creek Division:

The entire division completed 14 years without a lost time accident.

Reservoir Operations revised and began computerizing the Coletto Flood Release Program; conducted the bi-annual dam safety inspection in cooperation with PBS&J of Austin; completed a major erosion control project on the south slope of the Main Spillway discharge channel utilizing the construction and heavy equipment operation skills of GBRA employees; and built an all-weather structure on the Main Spillway end pier for use during flood release events and to house all USGS and Coletto Creek lake monitoring equipment.

Recreation Operations constructed a new 40'x 40' group pavilion and an additional camping cabin; hosted numerous fishing tournaments for adults and a KIDFISH event for children; utilized knowledge and skills of park rangers to implement new educational offerings for park guests including a weekend stargazing program and boater education courses.

Lake Wood Recreation Area - participated in the TP&WD's hearing on the Aquatic Plant Management State Guidance Plan; completed refurbishing of new park headquarters damaged after the 1998 flood; developed a nature trail; hosted annual KIDFISH event for 240 children.

Regional Laboratory - contracted with TNRCC for GBRA's participation in the 2002-2003 Clean Rivers Program; held 2001 annual CRP Basin Steering Committee meeting in May with members and representatives from state agencies; performed site water quality monitoring for the Instream Flow Incremental Methodology (IFIM) Study in cooperation with TP&WD, TNRCC and the TWDB that was completed in December 2000; assisted the City of Buda with special investigations and wastewater treatment plant modifications; trained new Texas Watch volunteers who will monitor five new sites on the Guadalupe River including one at Cuero, in Seguin on Geronimo Creek, upper Lake Placid and on Walnut Branch, and on the San Marcos River at Luling; installed a new Dionex ion chromatograph to provide automated analyses for various components plus the capability to now test for bromide; added water quality monitoring site information and data, the Clean Rivers Program work plan, highlights and public participation information, and laboratory reports and services to the GBRA website.

### REGIONAL RESOURCE AND WATER PLANNING

Received approval from the TNRCC of an amendment to GBRA's Canyon Reservoir Certificate of Adjudication 18-2074. This amendment increases the authorized reservoir water deliveries from 50,000 to 90,000 acre-feet per year (ac-ft/year). A subsequent lawsuit filed by Friends of Canyon Lake remains to be heard in court.

Approved a Water Supply and Delivery Agreement with the San Antonio Water System and the San Antonio River Authority. Water rights owned by GBRA in the lower Guadalupe River basin that are not fully utilized at this time will provide an interim water supply to the

San Antonio metropolitan area. GBRA will build and own the pumping facilities, and SAWS and SARA will be responsible for treatment and distribution.

Entered into an Interlocal Cooperative Agreement with the City of Corpus Christi, the SARA, the SAWS, the Nueces River Authority and the Lavaca-Navidad River Authority, to create and participate in the South Texas Water Alliance. This regional program will work toward the optimal development, conservation and use of the region's water resources, help the region attract and develop economic benefits, and serve as a conduit in the competition for state and federal funding.

The GBRA Board approved contracts with Water Services, Inc., Kendall County Utility Company and Tapatio Springs Service Company, Cordillera Ranch, LTD, and the City of Bulverde as part of the Western Canyon Regional Treated Water Supply Project. Agreements were previously approved with the SAWS, the SARA, the Bexar Metropolitan Water District (BMWD), the City of Boerne and the City of Fair Oaks Ranch. GBRA is working to finalize contracts with in-district and non-municipal customers. GBRA has also obtained Certificates of Convenience and Necessity (CCN's) to provide retail water and wastewater service to three locations in the vicinity of the project delivery system. All contracts are contingent upon final issue of an amendment to the Canyon Reservoir Certificate of Adjudication. The Board also approved selection of a primary water treatment plant site alternative, routes for raw and treated water lines, customer delivery points, and other design criteria.

Continued planning for the San Marcos Regional Project that, in conjunction with an expansion of the San Marcos Regional Water Treatment Plant, will deliver up to 6 million gallons per day (mgd) of treated surface water to rapidly-growing areas along IH-35 in northern Hays County. A pump station at the SMWTP will transport water to each customer on a wholesale basis, through a pipeline paralleling IH-35 through Kyle, Buda and the area of the Creedmor-Maha Water Supply Corporation. In preparation for this project, GBRA negotiated a water supply agreement with the City of Buda in November 2000. This agreement is in addition to an existing agreement with the City of Kyle. GBRA also approved a resolution to reimburse with tax-exempt obligation bonds the costs associated with the regional project.

Negotiated an agreement for raw water service between GBRA and the City of Blanco. The city owns and operates a surface water plant that treats water from a small reservoir on the Blanco River. When the river flow stops, the city is dependent on the water left in the reservoir. To provide a critical supplemental supply, GBRA will furnish up to 600 acre feet/year of stored water from Canyon Reservoir through the year 2050.

Contracted with Canyon Lake Water Supply Corporation to supply 2,000 acre/feet per year of stored water from Canyon Reservoir, predicated on GBRA obtaining its amendment to the Canyon Reservoir Certificate of Adjudication. CLWSC currently operates one water treatment plant at Canyon Lake and has an existing contract for 2,000 ac/ft/year for direct diversion from the Reservoir. The additional water will be used for CLWSC retail customers within GBRA's district due to increased growth and development in its service area.

Received a grant from the (TWDB) to perform a water quality and regional wastewater feasibility study on the area surrounding Canyon Reservoir in Comal County. The water in Canyon Reservoir is of high quality and is the source of water for numerous municipal and industrial users. The study will ascertain the current land use and development, assess potential water quality impacts (related to Canyon Reservoir) of future growth and development in the watershed, investigate the potential for regionalization of wastewater utilities in the area, and recommend management practices that offer source water protection for the water supplies relying on the reservoir. Study participants include GBRA, the Comal County Commissioners Court and the TWDB.

Authorized the Canyon Reservoir Economic Benefit Study to develop comprehensive data about the economic impact and benefits of all aspects of the reservoir. Areas to be studied include flood control and water supply functions, upstream and downstream recreation, public safety, public access and economic issues.

Participated in a Clean Rivers Program Special Study "Predicting Effects of Urban Development on Water Quality in the Cities of New Braunfels, San Marcos, Seguin and Victoria." Study results will help protect water quality by providing guidelines to assess the impacts of development, runoff ratios, increases in impervious cover, low-impact development and runoff control measures.

Negotiated a Memorandum of Understanding with the Natural Resources Conservation Service (NRCS) to conduct a study of the Honey Creek Watershed. This local demonstration project will illustrate how watershed management in the Texas Hill Country, including the reduction of ash juniper, can enhance water resource management and supply.

Produced an Interim Flood Preparedness Plan in cooperation with Preserve Lake Dunlap Association, Friends of Lake McQueeney, Citizens United for Lake Placid, Meadow Lake Homeowners, the City of Seguin, Guadalupe County, Comal County and KWED Radio Station in Seguin. Public plan presentations taught residents how to develop a personal flood response plan, how emergency information will be communicated, and how to interpret flood warning data for each area lake.

Completed the installation/refurbishment of automated rainfall gauges in Comal, Kendall and Kerr Counties. The network data is collected and placed on a non-public internet page to allow emergency management personnel and the National Weather Service access to the data.

# General Division

Employees in this division, based in Seguin, furnish administrative, technical and support services to GBRA operating divisions under the direction of the General Manager.

Areas of responsibility include water policy, internal and external communications, public relations, education programs, accounting and finance, human resources, network administration and project engineering.



GBRA's general manager and his administrative staff, who carry out a variety of management and support responsibilities, are Connie Rothe, Board Relations; Todd Votteler, Director of Water Policy; Judy Gardner, Manager of Communications and Education; W. E. "Bill" West, Jr., General Manager; Cricket Dietert, Executive Assistant; Janet Thome, Administrative Assistant; and Tammy Beutnagel, Public Communications Assistant.





Liz Sedlacek, Office Assistant; Sandra Terry, Accountant; Marella Dalme, Records Manager; Barbara Gunn, Personnel Administration Coordinator; Alvin Schuerg, Director of Accounting and Finance; and Angela Baxley, Network Administrator are responsible for overall accounting administration.

Accounting and Finance, Payroll, accounts payable and receivable, personnel and network administration, and other financial services are provided to all divisions by this department's staff. In addition, low-interest loans are made available to outside entities through GBRA's Industrial Development Corporation.

General Division revenues are generated from administrative and general charges to operating divisions, investments in eligible securities and rental income.



Accounting Assistants Cheryl Gorden, Jeannine Herrmann, Sarah Gregg and Sally Greear handle accounts payable, receivable and payroll.



# Water Resources Division

Water Resources Division employee responsibilities include operations, water supply, engineering, hydrology, project development and regional laboratory services. They also provide assistance to communities and customers in the areas of drought contingency planning, water sales and delivery, flow monitoring, water rights, Guadalupe basin hydrology studies and wastewater process evaluation.

Operations staff handle the management, administration, operation and maintenance of all GBRA facilities in the Guadalupe River basin including seven hydroelectric dams and plants; Canyon Reservoir and the sale of water stored in the reservoir; water delivery systems supplying municipal, irrigation, and industrial users; four water treatment plants; eleven wastewater reclamation plants; and the Coeto Creek Reservoir and its related recreation facilities.



Operations administration is the responsibility of Susan Cochran, Operations Secretary; Sue Brush, Operations Assistant; and Fred Blumberg, Deputy General Manager.

Yolanda Pierce, Operations Secretary, provides support to Project Development, Construction and Operations personnel.







GBRA's Engineering Department is staffed by Tommy Hill, Chief Engineer; Wayne Tschirhart, Engineer and Hydrologist, and Kathy Rutledge, Engineering/Water Quality Assistant.

Engineering employees provide system design services for water and wastewater plants; monitor rainfall events and river conditions through the National Weather Service River Forecast Center in Fort Worth; and provide assistance to emergency management coordinators during severe weather events.

Project Development and Project Engineering conduct broad project planning, including permits and rights of way acquisition; supply resources for construction and project supervision; contract for services; consult with entities interested in water and wastewater projects, and facilitate community interface.



Taking a project from its planning and construction stages to a successful operation is the responsibility of Gary Asbury, Manager of Project Engineering; Larry Moltz, Technical Consultant; John Smith, Operations Manager - Upper Basin; and David Welsch, Director of Project Development.



# Hydroelectric Divisions

GBRA's Hydroelectric Divisions use the natural flows of the Guadalupe River to generate clean, renewable electric power for communities in the Guadalupe River Basin.

The Guadalupe Valley Hydroelectric Division operates six dams and powerhouses in Comal and Guadalupe Counties built in the late 1920's and purchased by GBRA in 1963. The Division's 24 highly-trained employees have a combined experience of 397 years maintaining the hydro system. Their specialized skills enable them to operate as both a plant and grounds crew, responsible for maintaining each facility and providing electrical, steel fabrication, equipment repair and technical support services to other divisions. This year, the division generated 74,338,600 kWh of electricity that is purchased by the Guadalupe Valley Electric Cooperative (GVEC) for distribution to its customers.



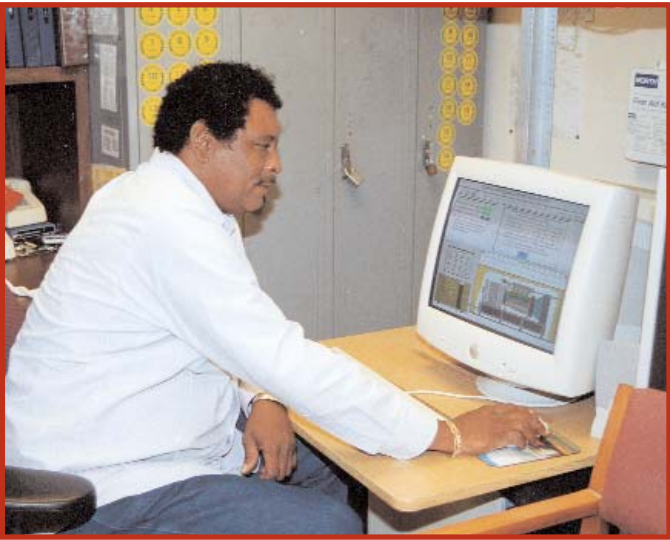
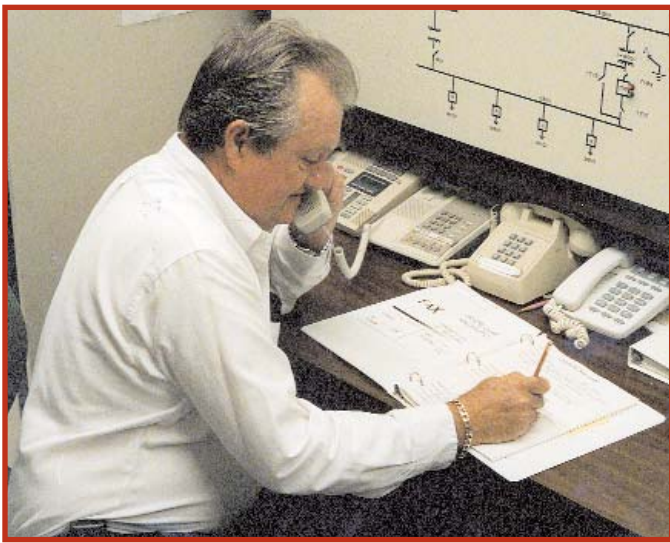
Hydro crew members must possess a wide variety of skills and experience to care for GBRA's seven hydroelectric dams and powerhouses. Charles Durst, Plant Maintenance Crew; Connie Molina, Grounds Maintenance Crew; Robert Nieto, Electric Maintenance Chief; and David Kenda, Plant Crew, perform maintenance on generator brakes.



Deep inside a hydroelectric powerhouse, crew members conduct a turbine inspection in preparation to adjusting the bearing blocks.

The Canyon Hydroelectric Division operates and maintains the generating plant built in 1989 at the base of Canyon Dam in Comal County. Natural flows of the Guadalupe River are passed through Canyon Dam at rates between 90 and 600 cubic feet per second (cfs), to generate 25,000,000 kWh of electricity on an average annual basis. This 'green power' from a renewable resource does not interfere with the reservoir's primary purposes of flood control and storage. This year, the division generated 25,930,989 kWh, which is sold to New Braunfels Utilities.





The Control Room, located in Seguin, is staffed 24-hours a day to monitor each hydroelectric dam and power plant, coordinate communications and assist with weather-related and flood events. System Operators include (top row) Kenney Rothe and James King and (bottom row) Charles Fennell and Roy Odom.



GBRA's hydroelectric team includes Allen Ognoskie, System Manager; Jeff McKee, Purchasing Agent; Wallis Gudgell, Electrician; David Maltony, Grounds Maintenance; Juan Juarez, Plant Maintenance Crew; Charles Durst, Plant Maintenance Crew; Reagan Ploetz, Plant Maintenance Crew; Rod Voss, Maintenance Crew Chief; James Medrano, Maintenance Crew; Connie Molina, Grounds Maintenance Crew; Darryl Jandt, Plant Maintenance Crew; Ricky Abrameit, Maintenance Crew; David Kenda, Plant Crew; Scott Kolbe, Electrician; John Manchack, Plant Attendant; Michael Schultze, Grounds Maintenance Chief; Dicky Maxwell, Senior Electrician; and Robert Nieto, Electric Maintenance Chief.



# Water Resource Management

GBRA's Water Resources Division includes the Regional Laboratory in Seguin, the Coletto Creek Division, the Calhoun Canal System and the stored water portion of Canyon Reservoir. Division employees are responsible for managing water resource supply, operations, planning, development, education, and water quality monitoring and protection.

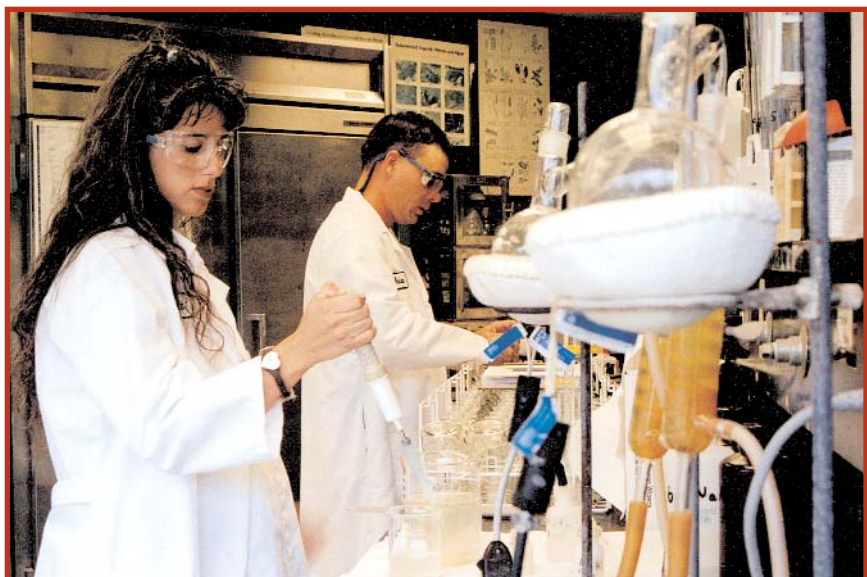
The Regional Laboratory is located in Seguin and conducts bacteriological and chemical analysis of groundwater wells and environmental samples for cities, water districts, industries, consulting firms and private individuals, as well as potable water, wastewater and biosolids.

Laboratory employees also provide technical assistance to GBRA's water and wastewater treatment operations, and prepare applications for new, renewed or amended wastewater discharge permits.

GBRA participates in the Clean Rivers Program, Texas Watch and other water quality monitoring efforts. Information is now available on GBRA's website [www.gbra.org](http://www.gbra.org) about the Clean Rivers Program, water quality studies, maps and data from sampling locations, and other laboratory reports.



Regional Laboratory staff members Chanda Burgoon, Lab Technician; Brian Lyssy, Lab Technician/Maintenance Crew; Debbie Magin, Director of Water Quality Services; Jim Arnst, Technical Consultant; Hoppy Haden, Regional Lab Director; and Mike McCall, Laboratory Analyst are responsible for all lab services and affiliated programs.



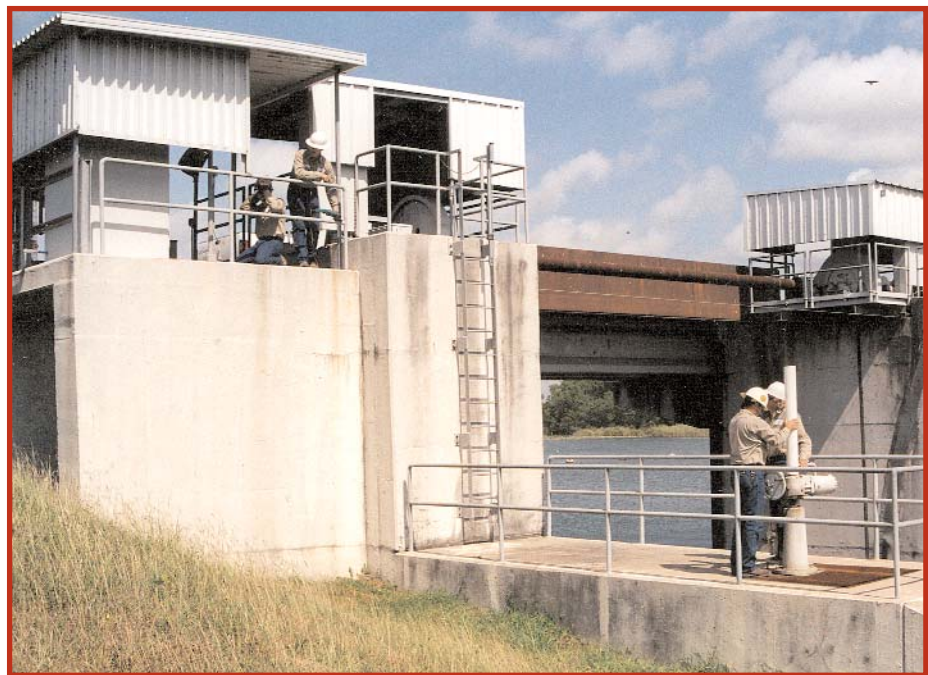
Chanda Burgoon conducts ammonia distillations while Brian Lyssy performs biological oxygen demand tests.

The Coletto Creek Division, opened in June 1980, consists of two distinct operations: The Reservoir System and the Recreation System.



Division employees based at the Coletto Creek headquarters building are Curtis Seiler, Reservoir Ranger; Alan Schneider, Chief Operator; John Urban, Maintenance Crew; Marlon McAdams, Maintenance Crew; Bryan Serold, Operations Manager-Lower Basin; Carl Korth, Maintenance Crew; Sam Widmer, Reservoir Ranger; Wilfred Korth, Chief Ranger; Wana Lynn Geffert, Office Manager; and Dianne Coper, Administrative Assistant. Not pictured are Joe Garza, Electrician and Reservoir Rangers Russell Jackson, Jason Lewis and Alan Zolnosky.

The Reservoir System and its employees are responsible for operation of the main dam and spillway, two baffle dikes, the discharge flume, pump station and pipeline and the reservoir's monitoring system. The System includes a 3,100 acre reservoir that provides cooling water for the production of electricity at the Central Power & Light Company's generating plant near Fannin as well as excellent fishing and water activities.



Coletto Reservoir employees conduct routine maintenance and inspection of equipment at the main dam and spillway.



The Recreation System employees, including park rangers, supervise and maintain all park property and facilities including a 200-foot lighted pier, RV and tent campsites, camping cabins; a four-lane boat ramp, picnic and swimming areas, nature trail, childrens' playground, volleyball courts and a group pavilion. This outstanding park provides outdoor public recreation opportunities for the local area, major metropolitan cities of Houston, San Antonio, Austin and Corpus Christi and numerous Winter Texan visitors.



Curtis Seiler, Reservoir Ranger; Sam Widmer, Reservoir Ranger; and Wilfred Korth, Chief Ranger check for the presence of nuisance aquatic vegetation at the Coletto Reservoir fishing pier.



Wally Aguilon, Water Tender; Richard Gaona, Heavy Equipment Operator; Rusty Garcia, Water Tender; Jim Lumley, Senior Water Tender; David Dodd, Chief Water Tender; and Mike Tompkins, Maintenance Chief, are responsible for the maintenance of the canal system and delivery of water to GBRA's customers.

The Calhoun Canal System provides raw water for industrial, municipal and agricultural uses and includes the Lower Guadalupe Diversion Dam and Salt Water Barrier located at river mile 10 near Tivoli, a pump station, two bayou salt water barriers, 80 miles of delivery canals and approximately eight miles of water supply pipeline.

Operating and maintaining these structures, along with removing log jams in the lower reach of the Guadalupe River, is the responsibility of Canal System employees.



Canyon Dam and Reservoir is a multi-purpose project that provides flood control protection and a dependable source of water to the Guadalupe River Basin. The flood control pool and its releases (elevation 909 to 943 feet mean sea level - msl) are managed by the Corps of Engineers. This portion of the reservoir is normally kept empty to capture inflows from heavy rainfall events. Releases are made as soon as possible at rates that will not contribute to downstream flooding.

The conservation pool (elevation 909 msl and below) is managed by GBRA. This water is the sole source of supply for many cities, industries and agricultural producers and provides others with a firm water source during drought.



Canyon Dam and Reservoir were completed in 1964 as a cooperative project between the U.S. Army Corps of Engineers and GBRA with joint financing between the federal government and GBRA. This fiscal year, the GBRA Water Resources Division made annual payments of \$162,550 in principal and \$146,340 in interest for debt service on Canyon Reservoir.



Mark Henneke, Assistant Chief Ranger and Gerardo Rodríguez, Park Ranger take pride in keeping the park facilities at Lake Wood, including the children's playground area, in first-class condition for their visitors.

The Lake Wood Recreation Area near Gonzales is the responsibility of two park rangers, assisted by volunteer park hosts. The 488-acre Lake Wood is a natural empoundment created behind GBRA's H-5 hydroelectric dam that features fishing and boating opportunities. Adjacent to the lake are 35 acres of quiet park grounds, RV campsites, tent camping areas, picnic sites, boat docks and a park store that stocks food, fishing and camping equipment.

# Water Treatment

GBRA is proud of our highly trained and certified personnel who operate drinking water treatment facilities that consistently meet or exceed state and federally-mandated standards.

We have been treating drinking water since 1970 and currently operate water treatment plants for the cities of Lockhart, Luling, Port Lavaca and San Marcos.

We offer professional system management and planning in all areas of municipal water services. Our goal is to provide citizens and communities in the Guadalupe River Basin with safe, reliable drinking water.



Lockhart Water Treatment Plant employees who ensure the efficient management and water quality of this GBRA-operated facility are Bill Zaskoda, Operator; Rick Cortez, Operator; Luis Garcia, Operator; Shannon Warren, Chief Operator; and Robert Delgado, Operator.



Joe Downey, Chief Operator; Tom McNeal, Operator; Sam Salas, Operator; and Felix Cortinas, Operator, are responsible for all operations at the Luling Water Treatment Plant, including water treatment, lab testing and plant maintenance.

The Lockhart Water Treatment Plant Division is the newest addition to the GBRA water treatment family. On October 1, 2001, the City of Lockhart selected GBRA to be the contract operator of this 4 mgd plant. The facility is operated by GBRA employees who are also responsible for the city's well system, which is located in the Carrizo Aquifer and furnishes 100% of the city's water supply. The plant is designed to treat the high concentrations of iron that are characteristic of Carrizo water, and uses a sequestering agent and special filters to increase the efficiency of iron reduction.

The Luling Water Treatment Plant Division is permitted by TNRCC to divert up to 2,800 acre-feet of water annually from the San Marcos River for municipal purposes. Since 1978, this 2.5 mgd plant has supplied the City of Luling with treated drinking water to which fluoride is added to promote dental health. The plant is a past winner of the Region 6 Environmental Excellence Award for Public Water Supply by the Environmental Protection Agency.





Taking care of the numerous details involved in running the Port Lavaca Water Treatment Plant, Calhoun County Rural Water Supply System and the Calhoun Canal System is the responsibility of Kathy Higgins, Assistant Secretary; Linda McPherson, Secretary; and Herb Wittliff, Manager-Port Lavaca Operations.

The Port Lavaca Water Treatment Plant Division has supplied treated drinking water to the City of Port Lavaca and the Calhoun County Rural Water Supply System since 1990. In October 2000, the Municipal Utility District of Port O'Connor became the division's third wholesale customer when the new water main from the plant to Port O'Connor was placed into service. This main is owned by the M.U.D.

Utilizing a TNRCC permit, GBRA's Water Supply Division diverts and delivers Guadalupe River water through 20 miles of canals to the 6 mgd plant, where it is treated to drinking water quality.



Port Lavaca Water Treatment Plant employees David Lundin, Maintenance Chief; Tom Price, Operator; Ronnie Parenica, Operator; Beverly Rodríguez, Plant Operator; Stephanie Shelly, Chief Operator; and Gary Kemper, P/T Maintenance Technician. Not pictured is Greg Orta, Maintenance Technician.

The San Marcos Water Treatment Plant, owned by the City of San Marcos, began operation in January 2000. GBRA was selected by the city to operate this \$7.2 million facility that has an initial treatment capacity of 6 mgd. The plant can be expanded to 24 mgd to meet future regional growth requirements.

GBRA built and owns the pump station at Lake Dunlap that diverts stored water from Canyon Reservoir, and the 24 miles of pipeline that deliver the water to the plant for treatment. This conversion to surface water has reduced the City of San Marcos' daily pumping from the Edwards Aquifer by an average of 75%, which helps protect the springflow contributions to the Guadalupe River from the Comal Springs and the San Marcos Springs. Another benefit is that existing city wells can be reserved for use as supplemental resources during peak usage periods.



The San Marcos Regional Water Treatment Plant is operated by GBRA under contract with the City of San Marcos. Employees Willie Harris, Plant Operator; Jerry Sharp, Plant Operator; James Bolton, Plant Operator; Dan Drugan, Plant Operator; Garry McAlpin, Plant Operator; and Plant Manager Darel Ball are responsible for the maintenance and treatment processes of this 6 mgd regional facility.



Plant Operators Dan Drugan and Garry McAlpin calibrate a filter valve in the filter gallery beneath the San Marcos Regional Water Treatment Plant





Ron Gosnell, Chief Operator; Don Koble, Senior Operator; and Ryan Boedeker, Maintenance Operator relocate water lines at the intersection of FM 1090 and Royal Road due to a state highway expansion project.

The Calhoun County Rural Water Supply System is a retail distribution system that purchases treated water from GBRA's Port Lavaca Water Treatment Plant and delivers it to many of the unincorporated areas of Calhoun County.

The water is delivered through approximately 60 miles of pipeline and pumping facilities to the Six-Mile Community, Indianola, Magnolia Beach and the Highway 35 area. Customers are members of the Calhoun County Rural Water Supply Corporation and elect a Board of Directors who work closely with GBRA to develop goals and review operations.



# Wastewater Treatment

The people of GBRA have been operating WASTEWATER TREATMENT plants for more than 30 years. We currently manage 11 facilities in six counties in the Guadalupe River Basin. Properly operated wastewater plants protect the environment and reduce the possibility of ground and surface water contamination from septic tanks.

All GBRA-operated facilities meet or exceed federal and state requirements, including required plant inspections by TNRCC and the EPA. They also meet mandatory 'Acute Biomonitoring' tests, which ensure that treated wastewater effluent will not harm the aquatic life or environment of the Guadalupe River. In many cases, this treated wastewater may actually surpass the condition of the receiving stream.



Administration of the Victoria Regional Wastewater Reclamation Division is conducted by Gene Brown, Supply Chief; Sara Vazquez, Administrative Assistant; Sally Deming, Lab Technician; and David Weaver, Plant Manager.



Ensuring that wastewater treatment equipment and processes run efficiently are Frank Ceballos, Sludge Press Operator; Robert Foley, Press Operator; Bill Young, System Operator; and Curtis Davis, System Operator.

The Victoria Regional Wastewater Reclamation Division has operated the Victoria Regional Wastewater Treatment Plant and the Willow Street Wastewater Treatment Plant under contract for the City of Victoria since 1972. The treatment process includes the City's enforcement of an EPA-approved pre-treatment program that includes technically-based local limits.

The Regional Plant is permitted to process an average of 9.6 million gallons per day (mgd) and the Willow Street Plant is permitted to process an average of 2.5 mgd.



Frank Tompkins, Maintenance Crew; Ross Chapman, Maintenance Crew; Dennis Gunter, System Operator; Lorenzo Gonzales, Senior Maintenance Crew; and Jim Wyatt, Electrician are responsible for maintaining and repairing all equipment at the Victoria and Willow Street wastewater treatment plants. Not pictured are Joe Gonzales, System Operator and Cliff Prout, System Operator.



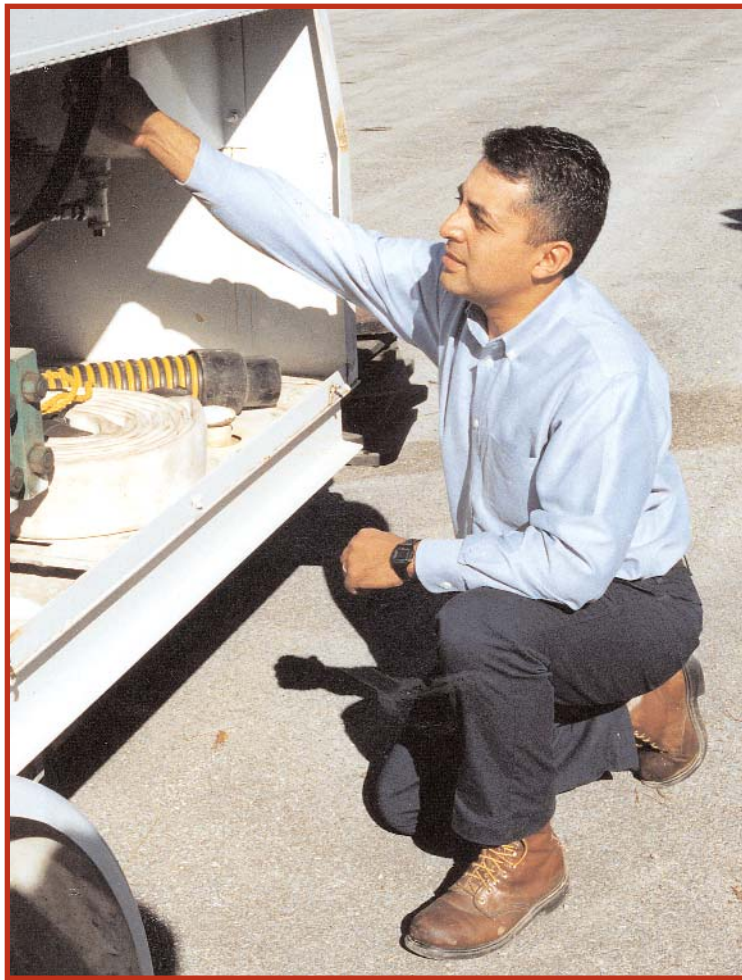
Eric Mendez, System Operator; Angel Castillo, System Operator; Eduardo Montana, Operations Manager; and Jason Eeds, System Operator check chemical supplies and operating systems at the FM 20 Lockhart Wastewater Treatment Plant.

The Lockhart Wastewater Reclamation Division is also responsible for managing and maintaining two facilities. GBRA has operated the original 1.1 mgd Larremore Street plant since 1994 under contract for the City of Lockhart. GBRA was asked to help develop, design, finance, construct and operate a new 1.5 mgd plant located on FM 20 in Lockhart. This facility was placed on line in February 1999.

Together, these two plants meet the City of Lockhart's current wastewater treatment needs and also provide additional capacity for this growing community.



The Rural Utilities Division has been operating small wastewater treatment plants for developments and rural areas since 1971 as a cost-effective and environmentally sound alternative to septic tanks.



Rural Utilities Manager Mike Urrutia inspects a jetting machine that is used to clean out sewer lines.



Joel Heideke, Maintenance Supervisor; Mike Gerdes, Operator; Willie Walker, Operator; and Richard Matheaus, Operator maintain the four plants in GBRA's Rural Utilities Division, including this Springs Hill System in Seguin.

Financing for these facilities was provided by private developers, Environmental Protection Agency (EPA) grants, and a community development block grant from the Department of Housing and Urban Development (HUD): The Canyon Park Wastewater Reclamation System serves a number of condominiums and vacation units at Canyon Lake.

The Dunlap Wastewater Reclamation System serves the Southbank subdivision near New Braunfels and the River Bend and Longcreek subdivisions.

The Northcliffe Wastewater Reclamation System provides wastewater treatment to this residential community near New Braunfels. Its highly-treated effluent is recycled as irrigation water for the adjacent golf course.

The Springs Hill Wastewater Reclamation System primary customers are the Nob Hill and Country Club Estates neighborhoods in Seguin.

The division also provides water and wastewater service for the Texas Department of Transportation's Guadalupe County Rest Area on IH-10.