



*flowing solutions*

Guadalupe-Blanco River Authority of Texas  
Comprehensive Annual Financial Report  
Fiscal Year Ended August 31, 2009



Guadalupe-Blanco River Authority  
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W W W . G B R A . O R G

Guadalupe-Blanco River Authority of Texas  
Annual Financial Report

Fiscal Year Ended August 31, 2009

Financial information compiled by the GBRA Accounting Department.  
Introductory Section, Year in Review and story narratives compiled by the  
Communications and Education Department.  
Report designed by Connie Rothe.



A photograph of a waterfall cascading over mossy rocks. The water is in motion, creating a blurred effect as it falls. The rocks are covered in green moss and some small plants. A dark brown banner with a wavy left edge is positioned across the middle of the image, containing the text "flowing solutions" in a white, italicized serif font.

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# GBRA Board of Directors



Tilmon Lee "T.L." Walker, Chair  
Comal County  
Appointed: 2006, Gov. Rick Perry



Clifton L. Thomas, Jr., Vice-Chair  
Victoria County  
Appointed: 2004, Gov. Rick Perry



Grace G. Kunde, Secretary-Treasurer  
Guadalupe County  
Appointed: 2006, Gov. Rick Perry



Myrna P. McLeroy, Director  
Gonzales County  
Appointed: 2001, Gov. Rick Perry



Oscar Fogle, Director  
Caldwell County  
Appointed: 2008, Gov. Rick Perry



Arlene N. Marshall, Director  
Calhoun County  
Appointed: 2008, Gov. Rick Perry



James L. Powers, Director  
Hays County  
Appointed: 2008, Gov. Rick Perry



Frank Pagel, Director  
Refugio County  
Appointed: 2001, Gov. Rick Perry



Michael D. Schultz, Director  
Kendall County  
Appointed: 2009, Gov. Rick Perry

GBRA is governed by nine directors, appointed by the Governor of the State of Texas and confirmed by the Senate. The 10 counties in GBRA's statutory district are represented on a rotating basis. Each director serves a six-year term with three directors appointed or re-appointed every two years.



# Guadalupe-Blanco River Authority of Texas

## **ESTABLISHED BY THE TEXAS LEGISLATURE**

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

## **SOUND MANAGAEMENT AND ADMINISTRATION**

GBRA is governed by a board of nine directors who are appointed by the Governor and confirmed by the Texas Senate. Directors serve six-year terms, with three directors appointed or reappointed every two years. Board committees meet prior to each monthly meeting to recommend and review policies, programs and actions for consideration. Management and administrative duties are carried out by the general manager and staff in accordance with policies established by the board.

## **PLANNING FOR THE BASIN AND TEXAS**

GBRA's primary responsibilities are to develop, conserve and protect the water resources within its ten-county statutory district, which 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. Planning and resource development efforts for the Guadalupe River basin are carefully coordinated within the broader consideration of regional and statewide water needs.

## **SELF-SUPPORTING OPERATIONS**

GBRA cannot levy or collect taxes, assessments, or pledge the general credit of the State of Texas. Funding for special projects comes from state and federal grants. All other revenues for maintenance and operation are obtained from the products and services GBRA provides to customers throughout the basin.

## **VISION**

The Guadalupe-Blanco River Authority is a widely recognized leader in managing water resources that benefit both people and the environment.

## **MISSION**

The mission of GBRA is to protect, conserve, reclaim and steward the resources of the district, and provide leadership in regional cooperation, in order to enhance quality of life for those we serve.

# Basin Map





# Guadalupe-Blanco River Authority Operational Chart

## Board Of Directors

General Manager  
*W. E. West, Jr.*

General Counsel  
*Bruce Wasinger*

*Bruce Wasinger*

Manager of  
Communications  
and Education  
*LaMarriol Smith*

Communication  
and Education

Executive Manager  
of Governmental Relations  
and Policy

*Todd Voteler*

Public Policy  
*Todd Voteler*

Executive Manager  
of Water Resources and  
Utility Operations

*James Murphy*

Executive Manager  
of Finance and  
Administration

*Alvin Schuerg*

Executive Manager  
of Business Development  
and Resource Management

*David Welsh*

Accounting  
and Finance

Information  
Technology

Human  
Resources

Operations Manager  
Upper Basin

*John Smith*

Chief Engineer

*Thomas Hill*

Manager of Project Operations Manager  
Engineering  
Lower Basin

*Gary Asbury*

*Bryan Serold*

Personnel  
Admin. Coord.

*Barbara Gunn*

Director of Water  
Quality Services

*Debbie Magrin*

Customer Representative  
and Economic  
Development Manager

*Tommie S. Rhoad*

Director of Project  
Development

Vacant

Hydrology

Engineering

Construction

Clean Rivers  
Program

Regional  
Laboratory

Watershed  
Management

Customer  
Relations

Community  
Affairs

Permit/  
Property  
Acquisition

Flood  
Response  
Coordination

San Marcos  
WTP

Luling  
WTP

Lockhart  
WTP

GPP  
RWD S

San Marcos  
RWD S

Winberley  
W WTP

Victoria  
W WTP

Calhoun  
Canal

Port Lavaca  
WTP

Rural  
Water

Contact  
Development

Buda  
W WTP

Rural Utilities  
W WTP

Lockhart  
W WTP

Guadalupe  
Valley  
Recreation

Guadalupe  
Valley  
Hydroelectric

Canyon  
Hydroelectric

Coletto Creek  
Reservoir

Crestview  
W WTP

Coletto Creek  
Recreation

Lake Wood  
Recreation

# GBRA Year in Review

(September 1, 2008 - August 31, 2009)

## September 2008

- The KIDFISH Foundation stocked several hundred pounds of channel catfish in the GBRA's Lake Wood Recreation Area for children to catch during its event in September. KIDFISH is a non-profit outreach program designed to give children age 16 and under the chance to experience the sport of fishing and the outdoors. In addition to GBRA and Lake Wood Park, other sponsors contributing to prizes and services to the free KIDFISH event in the Gonzales community included American National Bank, Pat Ferrell, Home Sweet Homes, Jason Gallas, Ron Totten of Ronstackle.com, American Rodsmiths, Anchor Marine, Rick Shock and Ruben Gomez of Bass Pro Shops, Guadalupe Valley Electric Cooperative (GVEC), Joe & Regina Solansky with Capitol Monument Co. of Gonzales and All Faiths Funeral Services of Austin.

- GBRA's hydroelectric crews lowered Lake Dunlap to perform routine maintenance on two different occasions in September.

## October 2008

- The Guadalupe-Blanco River Authority celebrated 75 years of service to the constituents in its 10-county statutory



district and to the citizens of Texas. The primary celebration, held in Austin, was marked by the presentation of certificates to all employees, and resolutions presented to 13 "Legislative Champions, who included former Sen. Kenneth Armbrister; Sen. Glenn Hegar, Jr., R-Katy, Dist. 18; Sen. Kip Averitt, R-Waco, Dist. 22; Sen. Jeff Wentworth, R-San Antonio, Dist. 25; former Rep. Robert Puente; former Rep. Rick Green; former Rep. Carter Casteel; Rep. Patrick Rose, D-Dripping Springs, Dist. 25; Rep. Nathan Macias, R-Bulverde, Dist. 73; Rep. Edmund Kuempel, R-Seguin, Dist. 44; Rep. Geanie W. Morrison, R-Victoria, Dist. 30; Rep. William "Bill" A. Callegari, R-Katy, Dist. 132; and Rep. Harvey Hilderbran, R-Kerrville, Dist. 53.

- During the 75th Anniversary celebration, General Manager Bill West made a special announcement regarding the filing of a water permit application for a potential water project in Gonzales County. In addition to the new permit application, GBRA officials also announced the pending publishing of GBRA's 75-year history by board member emeritus John Taylor.

- The GBRA announced the establishment of the San Antonio Bay Foundation. The Foundation has a mission to support understanding and appreciation, research, and conservation of the San Antonio Bay, the Guadalupe Estuary system and their immediate environs through cooperation and education.

## November 2008

- GBRA hydroelectric crews lowered Meadow Lake (Nolte) almost two feet from the end of November through the beginning of December to perform routine maintenance to the dam.



- The San Marcos Water

Treatment Plant earned its third consecutive T.O.P. Ops Award from the state for meeting rigorous criteria in surface water treatment. The plant is owned by the City of San Marcos and operated by GBRA. The Texas Optimization Program (T.O.P.) Award, presented by the Texas Commission on Environmental Quality (TCEQ) technical review and oversight team, is a voluntary, non-regulatory program created to improve standards of existing surface water treatment plants without major capital improvements.

- The Water Environment Association of Texas (WEAT) awarded GBRA as one of the recipients of its 2008 Presidential Award for Outstanding Efforts Toward Public Outreach and Communication. GBRA staff developed a public outreach interactive media tool that educates citizens about the technologies associated with wastewater treatment and disposal. The online animation was funded through a 106 Public Outreach Grant called "Taking Charge of Water Quality," from the Environmental Protection Agency through the Texas Commission on Environmental Quality.



## December 2008

- The GBRA, Guadalupe-Blanco River Trust, Texas Commission on Environmental Quality (TCEQ) and the U.S. Geological Survey (USGS) formed a partnership to launch the Guadalupe River Basin Monitoring Network (Network). The Network consists of a system of water quality monitors in streams and rivers in the Guadalupe River Basin that collect data at regular intervals, some as often as every 15 minutes. This data is used for flood-control planning, water quality regulation, and allows the TCEQ and the partners in the system to detect water quality events in near-real time. Accessing such data allows agencies to take immediate action to remediate problems, thereby minimizing the impact to the environment and people of the area. The Network and the data it collects are accessible via the Internet.

- In an effort to be proactive in the midst of deteriorating economic conditions nationally, GBRA staff members identified areas in which administrative and operational costs could be reduced or deferred. Identified reductions implemented approximated more than 7 percent of GBRA's Water Supply Division programs and an additional 11 percent of GBRA's Administrative Division programs for a total of more than \$1 million in savings from the initially approved 2009 budget.

## January 2009

- New officers of the GBRA Board of Directors began fulfilling their duties during the organizations' January board meeting. Tilmon Lee "T.L." Walker of Comal County began serving as the 2009 chair, Clifton L. Thomas of Victoria County began serving a second term as vice-chair, and Grace Kunde of Guadalupe County began serving as secretary/treasurer.

## February 2009

- In February, Governor Rick Perry appointed Michael Schultz of Fair Oaks Ranch to represent Boerne County on GBRA's Board of Directors. Schultz is the Director of Business Development for The Trust Company of San Antonio, Texas, a wealth management business. Additionally, Gov. Perry also reappointed Clifton L. Thomas to represent Victoria County and Grace Kunde to represent Guadalupe County.

## March 2009

- In partnership with Texas Parks and Wildlife Department (TPWD), GBRA initiated the 2009 vegetation management program to control waterhyacinth in Lake Gonzales (H-4) and Lake Wood (H-5). The program was a continuation of the program initiated in 2008 to control or remove excessive vegetation and improve navigation on the two lakes.

- GBRA staff hosted the annual Guadalupe River Basin Steering Committee meeting for the Clean Rivers Program. The Steering Committee, composed of local leaders and community representatives from throughout the Guadalupe River Basin, convenes to provide direction for the general Clean Rivers Program activities in the Guadalupe River Basin, as well as develop the work and monitoring plans, and to review major reports.

- GBRA hydroelectric crews performed dam maintenance at Lake McQueeney and Lake Dunlap in March and April.

- Also in March, GBRA joined the City of Kyle Parks and Recreation Department to lead a tremendous cleanup effort along 4.5 miles of Plum Creek and its watershed. About 485 volunteers worked on a weekend to clean up Steeplechase Park and surrounding areas.



## April 2009

- About 60 GBRA employees, family members and friends performed repairs, painted, and made general improvements to the Boys and Girls Club of Victoria facility on April 4, 2009, in Victoria, Texas, as part of GBRA's "Our Day to Shine" activities.

- After months of planning, a real-time

monitoring system was implemented for the Cow Creek Groundwater Conservation District through a pilot project with the Texas Commission on Environmental Quality (TCEQ). Six well sites were equipped with monitors for water depth, conductivity and temperature. The sites, selected primarily because of their proximity to the pumping centers in the Cow Creek GCD service area, provide data that will allow Cow Creek GCD to determine what, if any, measures need to be taken to address the influence of surface water on groundwater quality and if non-point source pollution is occurring. This data set will help in determining management decisions related to desired future conditions of the aquifer, drought management issues, and groundwater availability issues.

## May 2009

- Josephine "Josie" Longoria, regional laboratory director at the Guadalupe-Blanco River Authority (GBRA), was honored with the 2008 Laboratory Analyst Excellence Award by the Water Environment Association of Texas (WEAT). The WEAT Laboratory Analyst Excellence Award recognizes an

# GBRA Year in Review, *continued*

individual for outstanding performance, professionalism, and contributions to the water quality analysis profession. Longoria earned recognition because of her extensive involvement in the education of her peers in the science



and water resources community while taking on leadership roles with enthusiasm and dedication.

- Lockhart Wastewater Treatment Plant No. 2, operated by GBRA, was honored as the 2009 Wastewater Treatment Plant of the Year in Category 2 by the Water Environment Association of Texas (WEAT). The award recognizes a wastewater treatment facility for

consistently exhibiting outstanding performance in daily activities beyond the normal call of duty. The plant was built by GBRA in 1999 to aid the City of Lockhart with discharge permit requirements through diversion of a portion of the wastewater flow from the city's existing Larremore Street Plant, also operated by the GBRA. The plant has an excellent compliance history never failing bio-monitoring requirements, including the seven-day chronic and 24-hour acute tests.

## June 2009

- Drought conditions and increased demands for water supply by the City of Victoria required the GBRA to increase the release rate at Canyon Lake from 60 cubic feet per second (cfs) to 125 cfs. The 125 cfs release of water reflected the sum of the downstream commitments of water plus an amount for environmental flows.

- Several design organizations recognized publications produced by GBRA with awards. Guadalupe River Basin Road Trip, GBRA's annual report for the fiscal year ending Aug. 31, 2008, earned a 2009 Platinum Award from the Hermes Creative Awards competition. In addition to the annual report recognition, the GBRA River Run magazine landed a 2009 American Inhouse Design Award from the editors of Graphic Design USA.

- GBRA and Exelon Generation Company, LLC, reached an agreement on the terms of extending Exelon's request for reservation of 75,000 acre-feet of water for one more year.



## July 2009

- The San Marcos Water Treatment Plant earned a second consecutive T.O.P. Award for meeting rigorous criteria in surface water treatment from the TCEQ. The plant is owned by the City of San Marcos and operated by GBRA. The Texas Optimization Program (T.O.P.) Award, was presented after a comprehensive performance evaluation and certain TOP optimization goals being met for a 12-month period.

- Coletto Creek Park staff hosted a low altitude fireworks display at the reservoir to celebrate Independence Day. Coletto Creek Park and its 3,100-acre reservoir are located midway between Victoria and Goliad off of Highway 59.



## August 2009

- In conjunction with Caldwell County officials, GBRA staff hosted a stakeholders meeting for the Caldwell County Regional Water and Wastewater Planning Study. The objective of the meeting was to present the findings of the regional planning study to the area stakeholders. The study was performed by Klotz Associates and funded by the Texas Water Development Board (TWDB), the Guadalupe-Blanco River Authority (GBRA) and Caldwell County.

- As the drought situation in the Guadalupe River Basin worsened, Guadalupe-Blanco River Authority officials implemented water restrictions to take into account water usage on the hydro-lakes. The restrictions applied to landowners whose property is contiguous / adjacent to the GBRA's hydro-lakes (Lakes Dunlap, McQueeney, Placid, Nolte, Gonzales and Wood) on the Guadalupe River in Comal, Guadalupe, and Gonzales counties. Those landowners were subject to restricted diversions and water usage from those lakes based on Comal Springs flow rate.



# Flowing Solutions

Lush parks, canal-watered rice farms, natural gorges and wastewater treatment plants at first appear too disparate to share a common thread. And yet, as shown in this 2009 *Comprehensive Annual Financial Report* of the Guadalupe-Blanco River Authority, one thing connects them.

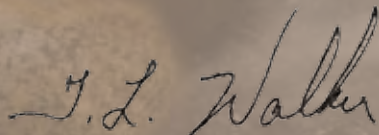
That connector, flowing through the heart of Texas like a river, is pure water—for drinking, electricity, recreation and myriad other needs. The people in charge of stewarding this resource are the dedicated employees of the Guadalupe-Blanco River Authority.

These public servants could be the person next door. In their jeans, hard hats, boots and sneakers, they look pretty average. But they use their special kind of magic, their wits, training and experience, to preserve, to reuse and to transport a precious resource that Texas residents learn to value more with each passing year.

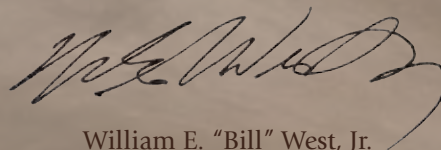
For the most part, our employees are veterans who know what happened in their areas decades ago as well as what took place yesterday. They understand such knowledge defines our future. From the water treatment plant that traces its beginnings to rice farming, to the gorge that formed when a flood hit Canyon Lake, to the lab that's analyzing almost a thousand water samples a month, to the parks that offer a peaceful haven for all ages, these stewards weave our colorful and varied history.

Just as importantly, these individuals have personal stories of how they came to be a part of GBRA's water history. In the telling of each tale, we learn more about the water we have in common and the people committed to preserving it for current and future generations.

In the coming pages, see how our exceptional employees are flowing solutions into the communities of the Guadalupe River Basin.



Tilmon Lee "T.L." Walker  
Chair, Board of Directors



William E. "Bill" West, Jr.  
General Manager



*Flowing Solutions:  
GBRA facility and employee narratives*

*written by  
Barbara Elmore*



# Cordillera Ranch

*Small footprint in the hills*

Gently rolling hills in Kendall County surround Cordillera Ranch, a place that offers residents 8,700 peaceful acres near San Antonio—and yet off the much-traveled asphalt of Interstate 10 and other highways.

The working ranch is also the site of a GBRA wastewater treatment plant and collection system, finished in 2008 to serve about 450 residents of the area.

The plant is unusual, not for what it does, but for the way it performs its work. The membrane filtration wastewater plant at 2293 Rio Cordillera uses state-of-the-art technology, the same technology used at the GBRA's Western Canyon Water Treatment Plant in Comal County.

Not many plants in the country use the same kind of system, and only a few in Texas do, said Michael Urrutia, division manager. Workers built the plant this way to take up less space and make less of an impression in the wooded, natural area. "It's computerized and easy to operate," said Urrutia. "It takes more infrastructure for a conventional plant. This one has a smaller footprint."

Cordillera Ranch was a working ranch that developers subdivided to create smaller residential parcels. Developers approached GBRA because the Trinity Aquifer, which serves much of the area, does not produce enough water to maintain the development of homes in the area. Without GBRA in the picture, only larger lots to fewer people would have been available.

Membrane filtration technology, which started in Europe and Japan, is getting more and more popular, said Urrutia. "It produces beautiful water," said Urrutia. "In a conventional plant, you get sludge and put it in a clarifier. In a membrane plant, you don't care whether the sludge settles. You just filter it out."

GBRA delivers water to Cordillera via its Western Canyon plant at 165 Joe Klar Road in Boerne. Another station, Cordillera Station No. 104, provides groundwater at 110 River Wood in Boerne.



*Cordillera Ranch  
2293 Rio Cordillera,  
Boerne*

*FY 2009 Statistics*

*Employees: 1*

*Service provided:  
Wastewater treatment*

*Service area: Cordillera  
Ranch*







# Western Canyon Water Treatment Plant

*Business as usual, even during an ice storm*

When water customers served by Western Canyon Water Treatment Plant turn on the tap, water comes out as expected. This happens even during an ice storm, as customers discovered several years ago. Or rather, they noticed nothing different about their water service despite the disruptive weather, even though the plant's radio antennas froze and workers went to manual operation.

"That's where experience comes in," said Juan Vasquez, plant manager, explaining that the plant produced 7.5 million gallons of water during the ice storm and customers never knew anything was out of the ordinary. Vasquez was an operator during the storm that hit the New Braunfels area, and he and fellow worker Tim Hill packed their bags and spent three nights at the plant, ensuring operations were normal before they returned to their homes.

"He knows troubleshooting," said Mike Urrutia, division manager.

Vasquez, who has been in the water business since 1991 and the wastewater treatment business since 1994, has worked at the plant since 2005, when he came from Severn Trent Services Inc. in Austin, a company that sells water and wastewater treatment products. Before that, Vasquez worked as a field service manager at Cedar Creek Reservoir, about 60 miles southeast of Dallas, and he also worked with his brother at Rio Bravo Water Co., south of his former hometown of Laredo. He became Western Canyon plant manager a year ago, and his favorite part of the job is the "manufacturing" of quality water for Western Canyon customers.

The plant opened in April 2006 and sits in an out-of-the-way location near Smithson Valley High School. Anyone who goes outside office doors must wear a hardhat, one of Urrutia's rules. The New Braunfels plant, like the GBRA-operated Cordillera Ranch site, uses membrane technology to treat water instead of more conventional plant technology. This technology uses a semi-permeable membrane for the separation of suspended and dissolved solids from water.

Included in the plant system are a raw water intake at Comal Park on Canyon Lake, the 10-million-gallon-daily micro-filtration treatment plant at Startz Hill, two booster pump stations, and 45 miles of raw and treated water pipelines. "The principles of the membrane plant are the same as those of a conventional plant, but you go about treatment differently," Vasquez said. "Membrane plants can't treat water from every kind of reservoir." Terrain figures in heavily, he added. "Canyon Lake is pretty deep and (the sediment) settles to the bottom." The pores in the membrane system filter the water efficiently.

Western Canyon sells its treated water on a wholesale basis to several customers.

San Antonio Water System, or SAWS, is its thirstiest customer, taking 3.5 million gallons daily on the east side and 4.5 to 5 million gallons daily on the west. The City of Boerne takes another .87 million gallons daily, and the City of Fair Oaks, located on Interstate 10 West of San Antonio, takes .75 million gallons daily. Western Canyon also sells water to Cordillera Ranch as needed.

Texas thunderstorms, which can occur quickly and dump lots of water in short order, create surprises, Vasquez said. These include power failures and lightning strikes that damage equipment. This is where job experience is most important, and Vasquez, who used to be a deputy sheriff in Webb County, is no stranger to surprises or phone calls in the middle of the night.

A four-year peace officer, he left that job at the request of his wife, Angelina. He also spent three years in the Army as a military policeman, and as he goes about the business of ensuring the water supply from Western Canyon complies with state and federal requirements and deals with ice storms and equipment glitches, he recalls the words of his platoon sergeant: "Do it right the first time."

Vasquez is a busy family man, father to Juanita, 19; Dinorah, 10; and Angel Julian, 5. He lives in New Braunfels with his family and appreciates the quality of the Guadalupe River—which, he notes, is still "swimmable" because of its location and the terrain of the area.

Photo by Barbara Elmore



Juan Vasquez

*Western Canyon Water Treatment Plant  
4775 Cranes Mill Road,  
New Braunfels*

*FY 2009 Statistics*

*Employees: 6*

*Service provided: Water treatment*

*Service area: San Antonio Water System, Fair Oaks, City of Boerne, Cordillera Ranch*

*Plant capacity: 10 million gallons daily*





# San Marcos Water Treatment Plant

*An unofficial plant opening and immediate on-the-job training*

The plant manager of the San Marcos Water Treatment Plant remembers the day the plant opened—unofficially—in December 1999.

"We came online in an emergency situation," said Jerry Sharp. "A huge mainline broke in the city, on the San Marcos River, and we had to get a game plan immediately."

The city and GBRA opened the plant more formally the following month, but that winter day in December provided workers with immediate training for what can sometimes be a wild ride—such as a power failure, or a heavy rain that affects the quality of drinking water. Events that water users rarely think about often drive the workday at this 24-hour operation.

Meanwhile, standards of the plant are such that Sharp and his operators have won a high-achiever award on at least three occasions from the Texas Commission on Environmental Quality. The award, called "Top Ops," is part of a voluntary program to help plant operators improve standards of surface water treatment plants without making major capitol improvements. The criteria are rigorous, and the TCEQ evaluates how the plant operates for a 12-month period.

"We've been in it since May 2007," Sharp said, adding that the plant's suspended solids are three times lower than what the state requires. Meeting the requirements to attain the award puts the plant in the upper 2 percent of water treatment plants in the state, he added. "I believe 11 of us qualify in the state."

For the GBRA workers running the plant, the award is public evidence of their commitment to excellence. "There are water pumpers and there are water treaters. We are water treaters," he said. "We are proud of the work we do, and it helps the city, too, to see that we are concerned about public safety."

For Sharp, a Vietnam-era veteran, onetime mechanic, former oilfield roustabout and a man with 25 years in water treatment, the challenges of successfully keeping ahead of the fast-moving changes in technology ensure his continued interest. "Twenty-five years ago, we were just starting to implement computers. Now they control everything," he said.

He came to the Hays County plant from Eastland County Water Supply, where he first saw a computer used in 1989 to control only the pumps. Today's workers use computers to watch all parts of the plant and to alert them to problems via audible alarms. A bank of computers—and workers monitoring them—are the first things visible to anyone walking in the door of plant offices.

Photo by Barbara Elmore



Jerry Sharp

The front offices of the plant include an entryway, conference room and a lab. But the heart of the water treatment operation includes large concrete structures called clarifiers, and a bank of pipes that most people using the water will never see. Sharp does welcome the public, however, and often takes teachers and students on tours of the plant.

Because of the plant's high standards and advances in technology, TCEQ has used it as a training facility three times. "It was just used to train senior investigators, where they dug into everything here," Sharp said. That training took three days.

In 2007, TCEQ trained new investigators in a daylong session at the plant. And in 2001, the first time for a TCEQ session there, trainers focused on the Top Ops program.

Sharp, who gained experience at the plant "from the ground up," now has a license to operate a plant in the areas of distribution, surface water and ground water. He's been there since "day one," working a year before taking over as plant manager. He likes showing off the working parts of the plant and the people who operate it. "This plant runs good for a reason—we take pride in what we do. We keep it a showplace, within reason."

When he's not seeing to the business of water treatment, Sharp's family, music, and volunteer work keep him busy. For the past five years, he has played drums with the Sam Bentley Band, a group of classic country musicians. They perform regularly at private parties, weddings, family reunions, and for three years played a benefit at a Scottish Rite hospital festival. His family includes his wife Crystal, four children and eight grandchildren. "We're playing weekly, almost. I'm having a lot of fun doing it."

*San Marcos Water Treatment Plant*  
91 Old Bastrop Highway  
FY 2009 statistics:  
Employees: 7  
Service provided: Water treatment  
Service area: Hays County  
Plant capacity: 21 million gallons daily  
No. of gallons treated: 3,073,300,000





# Lockhart Wastewater Treatment Plant

*Distinguished by team spirit*

Eduardo Montaña talks about teamwork when the question of achievement comes up at the Lockhart Wastewater Treatment plant he manages. "We have a good team and a good working relationship with the city," he said.

To him, a good team means that:

- All of the employees are cross-trained to work in water and wastewater treatment.
- Job longevity, often adding up into decades instead of years, means team members can handle any problem that arises.
- Good performance is rewarded. Both wastewater treatment plants the GBRA operates in Lockhart have won the Plant of the Year award from the Water Environment Association of Texas, a group of engineers, biologists, chemists, local and state government officials, treatment plant managers and operators, laboratory technicians, students, professors, lawyers, environmental scientists, and equipment manufacturers and distributors.

In 2009, that honor went to the F.M. 20 Plant. "They judge you on meeting the requirements of your permit and safety above and beyond those requirements," Montaña said. "You distinguish yourselves in preventive maintenance, so we have a scheduled maintenance program."

Or, as he described it in words more meaningful to customers, "We treat and produce high-quality effluent." That translates into such actions as employees meeting with landowners who complain about odor or other issues; giving plant tours to visitors; and going to residents' homes to address their concerns. "Communications are good," Montaña said.

Good communication begins within the plant, where operators train in all aspects of running it. Montaña also wants the six operators—Angel Castillo Jr., Eric Mendez, Jason Eeds, Joe Leal Jr., Richard Gonzales and Robert Delgado, to communicate as well with each other as they do with the public.

The seven employees operate the Larremore plant at 109 Larremore Street and the F.M. 20 plant at 167 Creekview Lane as well as the Lockhart Water Treatment Plant at 547 Old McMahan Road. The latter includes seven wells, a booster station and a treatment plant.

They trace their longevity on the job to many of the same reasons. "It's never the same thing every day," said Castillo. "It's maintenance, operations, water leaks, computer work, lab work, safety checks, housekeeping, paperwork for the septic haulers."

Within that list are tasks that the operators perform daily—such as making sure the power lines are up at the city's Larremore plant, which handled all of the city's wastewater until the F.M. 20 plant opened in 1999.

Mendez goes daily to the Larremore plant, and Montaña makes rounds of all three. In their walk-through plant inspections, they make sure the aerator is spinning and that no emergency lights are showing. They also watch for the more unusual problems, such as an alarm sounding at a well site. This could mean that a well has tripped or failed, Montaña said. *(continued on page 23)*

Photo by Barbara Elmore



Eudardo Montaña; Angel Castello, Jr.; Joe Leal, Jr.; and Erick Mendez

Lockhart Wastewater Treatment Plant  
167 Creekview Lane,  
Lockhart

FY 2009 statistics:

Employees: 7  
(in three plants)

Service provided:  
Wastewater and water  
treatment

Service area: City of  
Lockhart

No. of gallons treated  
(combined total): 2.6  
million gallons daily







# Guadalupe Valley Hydroelectric

*Going with the flow of the river*

More than most people who want to know about the weather, Allen Ognoskie really wants to know about the weather. Not only do rain and drought and other changing patterns affect what he does for GBRA—they affect the lives of thousands of residents who want to turn on the lights or watch a rollicking Texas thunderstorm without a second thought about whether the power will stay on.

Ognoskie is division manager for GBRA's Hydroelectric and Rural Utilities Division in Guadalupe, Gonzales and Comal counties. On any given day, he might be:

- Supporting the control room at GBRA headquarters in Seguin, which uses four operators to monitor the organization's widespread operations 365 days a year.
- Helping a maintenance crew with decision-making.
- Making quarterly, annual and monthly reports to the Department of Energy, Federal Energy Regulatory Commission, and other governmental bodies.
- Sending monthly rainfall reports to Guadalupe County officials.
- Visiting job sites that are expanding or renovating.

Ognoskie's division maintains and operates six hydroelectric plants located in Guadalupe and Gonzales counties that generate electricity for the Guadalupe Valley Electric Cooperative. They include Lake Dunlap, Lake McQueeney, Lake Nolte and Lake Placid in Guadalupe County and Lakes H-4 (Lake Gonzales) and H-5 (Lake Wood) in Gonzales County. All started operations in the late 1920s and early 1930s, and GBRA purchased them in 1963.

Employees also operate the Canyon Hydroelectric Division, and it is here that Ognoskie's attention focused daily as a drought began in 2008 and continued into 2009.

The historical annual generation for the entire system is 62,786,557 kilowatt hours, Ognoskie said, with an average of 25,210,000 kilowatt hours produced at Canyon Lake. "We don't budget by that at Canyon any longer," he added. "For the last year, it has been out of service because of the drought." As of late October 2009, the lake was 16 feet below its normal elevation.

Even out of service, however, the operation is not out of mind. During down times created by droughts, workers can perform certain

kinds of maintenance that they cannot do during high water flows. "You can usually do maintenance on generators anytime, except you don't like to take them out of service when you can have production. But the spillgates we can work on," Ognoskie said.

"Our most important task in the Guadalupe Valley system is controlling the river flow, up to approximately 30,000 cubic feet per second. We do that by operating our spillgates. During times of high flow, you don't want to take the spillgates out of service, because if you do get rain, you are in danger of flooding the people who live upstream. So what we've done this past year is a lot of maintenance on those spillgates, because Canyon Lake is so low it can catch floodwaters up above the lake. We did some things here that haven't been done in 20 years or so."

A GBRA veteran, Ognoskie has learned to go with the flow of the river, as the production total for Guadalupe Valley Hydroelectric depends on just that. "We are a run of the river system," he said. "There are years we make lot of electricity and years we don't make any at all. It depends on flow, and all of our budgeting depends on that." *(continued on page 23)*

Photo by Barbara Elmore



Charles Fennell and Allen Ognoskie

Guadalupe Valley  
Hydroelectric System  
933 East Court St., Seguin

FY 2009 statistics:

Service provided:  
Hydroelectric generation at  
six plants (Lake Dunlap,  
Lake McQueeney, Lake  
Nolte and Lake Placid  
in Guadalupe County  
and Lake Gonzales and  
Lake Wood in Gonzales  
County)

Service customer:  
Guadalupe Valley Electric  
Cooperative

Employees: 22

Historical average  
kilowatt-hours:  
62,786,557





# Lockhart Wastewater Treatment Plant,

*(continued from page 19)*

Montaña, Castillo and Eeds all worked at the Larremore Street contact stabilization plant before the F.M. 20 plant came online in 1999 to help the City of Lockhart meet its discharge permit requirements. "Larremore is a unique plant," Montaña said. "If we have a power failure there, we are right back up. That's the way it is set up. That plant is decades old, but it has been redone. It was completely made over in 1987."

Montaña, who has more than 20 years of GBRA service, started his career at the Larremore location part time, before becoming a full-time employee and taking classes through Texas A&M University specifically designed to teach students about wastewater collection. He obtained his "A" operator's license and keeps his training current with 30 hours of continuing education courses annually.

His training and that of the others help them understand the components of a wastewater treatment plant and the specifics of aeration, balances between microorganisms, and Ph levels. The Larremore and F.M. 20 plants have a solid history of compliance; an outside laboratory monitors effluent samples each quarter. The plants get a pass-fail rating

on a 24-hour test and a survival percentage on a seven-day test. Only rain runoff changes the parameters. "We do a retest if the test fails during the rainy season," Montaña said. "We pass all the time."

All of the plant workers are natives of Lockhart, which they like because of its size and location. The city's 13,000 residents put it between big and small, giving it a hometown feeling, said Montaña. Its location means that anyone with a desire to travel to a larger city can get to San Marcos, Austin or San Antonio quickly.

But activities in and around Lockhart keep most of the workers busy. Many, like Montaña, have children involved in sports or other extracurricular activities. Castillo works for Smitty's Market as a weekend manager. "The owner's son used to work here, and he's a friend of mine, so I don't mind helping him out."

That spirit of teamwork and helping out extends to workdays, Montaña said. "We all know each other and what needs to happen," Montaña said. "We have good people."

# Guadalupe Valley Hydroelectric,

*(continued from page 21)*

In addition to the weather, he faces another big challenge: maintaining systems built almost a century ago. First, the weather challenge: "We live in a flash flood area of the state," he said. "Rain in just an hour or two can cause us to have to send personnel out to each spillway and operate it until it's over. Weather is probably the most important (challenge) because of how we can affect the safety of the people who live along the river."

As far as keeping an aging but vital system operational, Ognoskie said the knowledge of veteran employees helps. "The general division people here have seen dry times and wet times and have seen that the income of the hydroelectric system has been up and down and up and down. They know the importance of what we do. In the past few years they have been loaning us money to do what we have to do, in the hopes that we will have some wet years and can pay it back. It's cyclical."

With 25 years at GBRA, Ognoskie is himself a veteran. He arrived as a hydroelectric system manager, assistant to a division manager. Before that, he worked with Houston

Lighting and Power and then with an electric contractor. One of his colleagues was a man from Seguin who was moving back to the area for a job. Ognoskie let him know that he was interested in moving, too.

The man told him about a job with GBRA which Ognoskie looked into. After several interviews, GBRA offered him the job and he took it. "We lived in Angleton eight years—just a few miles off the coast—with mosquitoes and humidity. We always did our vacationing up here. My son was going to be in seventh grade, and my daughter was going to start the first grade. So we thought, 'If we're going to make a move, now would be an ideal time.' So we did."

"I really have an easy job," he added. "I have a good assistant. The supervisors are very good, and they have all been here 30-plus years and know the system. I have the support of my boss. I feel very, very lucky."

He likes to garden and work in the yard, and he and his wife, Laura, can or freeze the green beans, black-eyed peas, tomatoes and other produce that they grow.





# Regional Laboratory

*Respecting the power of healthy water*

A former pre-med student with a goal of practicing medicine on a Native American reservation, Josie Longoria switched her focus after taking a class in environmental chemistry. Soon, she was hooked into studies about the environment in general and water in particular.

"My research paper was on dioxin and how it affects the human body," said Longoria, who is the lab director and quality assurance officer at GBRA's regional lab in Seguin. "From then on, I just started going toward environmental."

In fact, her work revolves around water. Water dictated her first actions when she arrived for work in Seguin in 2002, on the same weekend that floodwaters at Canyon Lake carved out a gorge. She soon found herself standing atop the site. "I had never seen that much water flow," said Longoria, who saw few rivers growing up in West Texas. "It gave me a healthy respect for what I was about to encounter, and increased my respect for rivers. I felt the ground move as the water went through. I had never experienced anything like that anywhere."

The event plunged her and others into emergency work, as hydroelectric employees toiled 24 hours a day to control the gates. Some of the floodwater entered the wells of people who lived nearby, so lab workers performed coliform tests to determine whether the drinking water was safe.

Since that time, she has learned more about surface water and the importance of healthy water in the growth of communities. "The health of water is a major issue," she said, affecting human health, legislation, and whether cities are going to grow. Compared to other states, Texas has relatively healthy water, she noted. "It is chemical-free. We have runoff from fertilizer, but other than that, it's relatively good."

Longoria and other lab workers, under the direction of boss Debbie Magin, analyze samples from cities, water districts, industries, consulting firms, GBRA plants and customer taps. The process begins when a sample custodian brings in samples for processing. Lab technicians take care of the "wet chemistry." A part-time assistant helps with the samples, and two lab analysts using sophisticated equipment perform most of the analyses. Samples analyzed include drinking water and wastewater, Longoria said. Sometimes the lab analyzes sludge, but most of that goes to another contractor.

The lab, accredited through the National Environmental Laboratory Accreditation Program, follows NELAP protocol. Workers preserve the temperature of the samples a certain

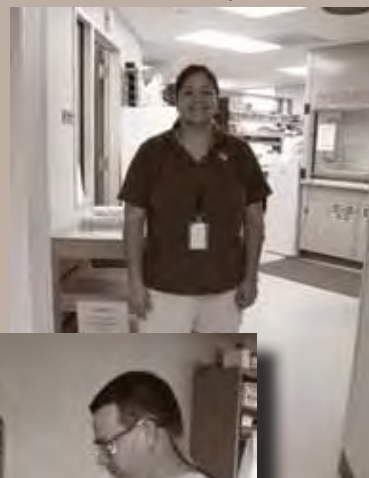
way depending on what they are testing for. The length a test takes also depends on certain parameters. "Some are immediately," Longoria said. "Some are 48 hours, some 72 hours. Some are 14 days; some are 28 days. We like to turn a sample around in 14 days, which includes weekends. That's analysis, review, approval and putting it in an envelope and getting it out of here."

Test documents go into thick notebooks that fill Longoria's office. "We can tell you where (a sample) came from, who took it, what time it came in, what equipment was used," she said. This system provides accurate data that workers can look up 10 years later if necessary, she noted. "We keep it pretty much indefinitely."

Growing concern about water safety means the lab's work has increased "exponentially," Longoria said. Samples processed have increased from 4,100 in 1995 to 7,750 in 2002, to the current total of more than 11,000. "It has grown because of different rules and regulations," she said. "And you have these issues like flooding and drought, and they intermingle. You have national security issues because of 9/11. There are lots of reasons you want to analyze your water more."

Longoria and other lab workers also play a role in educating people, from very young children to teachers and organizations, and in forums as diverse as county fairs, job fairs, science fairs and lab tours. *(continued on page 29)*

Photos by Barbara Elmore



*Regional Laboratory  
933 East Court St., Seguin  
FY 2009 statistics*

*Service provided: Water  
testing*

*Service customer:  
Water treatment plants,  
wastewater treatment  
plants, private citizens*

*Employees: 10*

*Number of samples tested:  
11,100*

Top: Josie Longoria, Bottom: Brian Lysse





# Coletto Creek Park/Reservoir

*Paradise for winter Texans and wintering Texans*

Tucked away on a tree-lined road near Fannin, set apart from bustling traffic and honking horns, is a 190-acre park that looks like one of the state's best-kept secrets—except that 300,000 people visited Coletto Creek Park in 2009.

Still, said Chief Ranger Wilfred Korth, the park has the reputation for being quiet and safe, so safe that visitors come back year after year. And the description Korth hears most often about Coletto Creek is that it is squeaky clean.

This is not by accident. "We strive to maintain it and people consistently say we are the cleanest park they come to. The staff is very friendly. We hire employees with the personality that lends itself to that."

They also hire employees that most employers would describe as lifers. Korth himself arrived 30 years ago and never left. Other park employees have 29, 28, 27 and 25 years of service. Two new employees cannot boast the same kind of tenure. But give them time.

Longevity is the same on the reservoir management side of the aisle, said Chief Operator Alan Schneider. He has 26 years of experience, and employs several double-digit veterans as well.

With a number of parks for campers to choose from, Coletto Creek stays competitive because workers emphasize its strengths and uniqueness. "Each Winter Texan park has a different amenity," Korth noted. "We are small, we are quiet and we have fresh-water fishing."

He also knows his guests. Although summer brings in families, he sees a fine distinction between the park's winter guests. It hosts both winter Texans—those from colder states who want to spend the winter in a warm climate—and wintering Texans. The latter include visitors who live elsewhere in Texas and just want a change of scenery. They might come from nearby Goliad, Victoria and San Antonio.

Guests often come for the winter and stay until March, Korth said. "One couple is spending their 29th season with us," he said. "There is a community here in the winter, where 25 to 30 couples spend six months together."

Although small, Coletto Creek has plentiful amenities, including:

- Four rental travel trailers
- 52 campsites
- Six pull-through campsites
- Four camping cabins
- A picnic area with 70 tables, barbecue grills, a marked swimming area, playground and sand volleyball courts
- A four-lane boat ramp that provides public access to the reservoir
- Two group pavilions for family reunions and other gatherings
- A 200-foot lighted fishing pier
- A 1.5-mile long hiking and nature trail
- Restroom facilities
- A 6.5-mile single track mountain bike trail

The park also offers year-round events, like annual bow hunting for whitetail deer and feral hogs, youth hunts, outdoor education programs and outdoor photography opportunities. "We have a hunting group out every weekend from October to the end of December," Korth said. Then the youth hunts begin in January; a photo contest is in May; and the park hosts a fireworks show on July 4th. It also has hosted the annual Coletto BassMasters Fishing Tournament for 25 years.

Other events include a KidFish tournament that allows children to fish each year on the first Saturday of June; boater education courses once a month from February to September; and outdoor education for schools and youth groups to study such things as aquatic ecosystems and aquatic invasive plants.

Although the park's charm lies in its quiet sameness, some things have changed to accommodate today's campers. For one thing, park staff take reservations a year in advance instead of three months. This means there is no slow time of year. "Just the customers change, from families in the summer to retirees in the winter," Korth said.

*(continued on page 29)*

*Coletto Creek Park and Reservoir  
365 Coletto Park Road,  
Victoria*

*FY 2009 statistics*

*Employees: 14*

*Service provided: Water recreation, cooling reservoir*

*Number of visitors:  
300,000*

*Capacity of reservoir:  
35,084 acre feet*



Allen Schneider and Wilfred Korth

Photo by Barbara Elmore





# Regional Laboratory,

*(continued from page 25)*

Lee Gudgell, a water quality technician, retrieves samples from creeks and rivers and brings them back to the lab. One of his current projects is to establish three continuous water quality monitoring gauges throughout the basin. "The problem with hand sampling is that we go out there once a month. If we don't catch something right after something gets there, we are not going to see it," Gudgell said. "So we want to get these monitors out there. They will be able to send an alert warning to anybody who is interested and they can let us know when X threshold has been breached. We can determine something is going on and we can go investigate that right away."

In her off time, Longoria tries to keep up with son Jeremiah, 4. "He keeps me busy—I leave from work and go

to work," she said with a laugh. A scholarship basketball player at West Texas A&M University, where she played point guard, she also is involved in his sports and in a local volleyball team. "I love sports," she added. "I like promoting good health for children."

If Longoria has regrets about not practicing medicine, they are not apparent. "I wanted to be a doctor and assist people. This is more of an indirect assistance to people—testing the water and making sure it's OK. I feel I am indirectly affecting this community and that makes me feel I am contributing to society in a major way."

## Coletto Creek Park/Reservoir,

*(continued from page 27)*

Campers also have changed the gear they bring. Once it was flat-bottom boats. Now they bring Ski Nautiques. People are more apt to camp in trailers instead of tents. And although visitors used to request cable TV and phone lines, now they bring their own satellite TV and cell phones, but want Wi-Fi service, which is available.

"We strive for a safe environment for families, and we often have four generations coming here year after year," Korth added. "The kids have grown up, and they recognize me. It makes me feel old."

### The reservoir

One of the biggest attractions at Coletto Creek Park is the reservoir, a cooling pond for International Power America's coal-fired power plant. Run by Schneider, the reservoir employs six people.

The reservoir is a joint project between the power company and GBRA, which opened the plant and the park at the same time in 1981. Schneider and his staff maintain the dam, the spillway and a pump station, where they divert water from the Guadalupe River into the lake. They release excess water from floods into the spillway when rainfall is heavy and the area is not suffering from a drought.

"We operate the pump station and pipeline to hold the lake level where it is during the summer," Schneider said, adding that in a drought like the one most of South Texas experienced in 2009, there is no excess water to release. "The less water you have, the hotter it gets," he said. "That affects the power plant. We maintain the lake level as best we can."

With the reservoir fed through four creeks, operators maintain five miles of pipeline and use a SCADA (supervisory control and data acquisition) computer system, an electronic means of collecting data and monitoring operations from a central location. The computer terminal allows operators to watch and control sites without having

to visit them personally, Schneider said. "We don't have to be there to raise a gate," he said. "We can push a button. We have backup generators to provide an emergency power supply."

One of the major changes at Coletto Creek reservoir has come since Hurricane Claudette made landfall in the area in July 2003. The storm hit with sustained winds of 100 mph. "We were without co-op power for a week and we were totally dependent on our emergency supply," Schneider said. Another hurricane, Beulah, gave the area its flood of record in 1967, he said.

Such storms teach operators them how to plan for future events, Schneider said. "Three years ago we built a remote operations center, or ROC, which can withstand a Category 5 hurricane with 150 mile-per-hour winds." The ROC, built because of Claudette, allows employees to manage the reservoir through anything that comes around, he said. "We can get inside (the ROC) and operate from there as long as it stays put. We can operate all the spill gates. We have not had to use it as a storm shelter, but it is there in case of emergency. That's what Claudette taught us."

Although both men work in a recreational paradise, they like to go off site in their free time. Schneider goes to Rockport to fish and hunt with his wife, Kim, and their two children. He also enjoys gardening, and he and his wife can and freeze their extra produce.

Korth likes canoeing and kayaking. He is involved in the Goliad Paddling Trail, which helps promote the public waterway and raise money for landings.

Then, they return to work. "The most important thing at work is having a good crew. It makes you want to stay around," Schneider said.

"That's right," said Korth. "And a good boss who gives you the freedom to do the job."





# Port Lavaca Water Treatment Plant

*From canals to the tap: It all began with rice*

When the 24,000 people who get water from the Port Lavaca Water Treatment Plant turn on their taps, they probably never give a thought to rice farming. Yet the rice grown in this coastal area indirectly enabled the creation of the plant, which ensures quality drinking water to a large area.

The history of the plant begins in the middle of the 20th century with a group of entrepreneurs who established 85 miles of canals to irrigate the rice crop. Things went well for them until a drought occurred in the 1950s, an event that Herb Wittliff, manager for Port Lavaca operations for GBRA, called seminal for both the business and the rice farmers. The canal creators sold the private canal system to the West Side Calhoun County Navigation District. GBRA acquired all 85 miles in the 1950s, making its debut into rice irrigation.

People at the time looked upon the acquisition as an opportunity, Wittliff said. "They were quite insightful," he added, noting that the canals are still irrigating thousands of acres of rice for farmers in the area. The canals make the system unique, Wittliff said. "It was a natural marriage."

The canals divert raw water from the Guadalupe River near Tivoli. Workers dug a channel to provide water to a pumping plant at a Union Carbide Dow facility. The water is re-lifted to the canal system.

GBRA and Port Lavaca signed a contract in 1968 for the water treatment plant. "City leaders knew they had to secure the water supply, and GBRA was very desirous to enter the community and to provide good quality water," Wittliff said. The plant was GBRA's first water treatment facility, and learning how to treat the water, which has a high mineral content, required lots of study. As Wittliff notes, operators at the time faced a "learning curve."

"They just did what they had to do," he added. "It was tough at first; they had problems with taste and odor

in the water. They did not have a whole lot of hands-on practical experience."

He recalled an early customer complaint that the plant's water made pipes plug up, which was probably true, he said. "The old problems are kind of interesting to speculate about. When you don't hear from people, you are doing good," he added.

Today, one of the most common complaints Chief Operator Stephanie Shelly hears is about the hard water, which contains calcium carbonate. "People say, 'Can't you soften it?'" Shelly said. "The rain helps, but the problem is worse during a drought." *(continued on page 33)*

Photos by Barbara Elmore



Stephanie Shelly and Herb Wittliff

Port Lavaca Water  
Treatment Plant  
1064 Texas Highway 316  
South

FY 2009 statistics:

Employees: 8

Service provided: Water  
treatment

Service area: City of Port  
Lavaca, Calhoun Country  
Rural Water Supply  
District, Port O'Connor  
Municipal Utility District

Plant capacity: 6 million  
gallons daily





# Port Lavaca Water Treatment Plant,

*(continued from page 31)*

Softening the water using sodium is both expensive and can be detrimental to the health of both people and plants, however.

By the time the Federal Safe Drinking Water Act came along in 1962, Texas was already requiring such filtration, Wittliff said, making it a leader among states. "The federal government made structural requirements and stringent clarity requirements," added Shelly. "Starting in the early '70s, the federal government came down hard on some states."

In the late 1980s, the federal government required an expansion of the Port Lavaca plant to meet structural requirements, Wittliff said. The city established a committee to deal with the issue, and allowed GBRA to sell bonds to expand. The project cost \$3 million.

The plant is built on the high end of a slope to deter flooding from hurricanes. "It's right on the bay," Shelly noted. "From parts of the office, you can see the tankers come in."

Because of the high demand for water during holidays and on summer weekends, the plant now charges customers based on demand instead of cost of service. "In Port O'Connor, customers used 981,000 gallons on one holiday night," Shelly said. "Ten years before, consumption might have been 300,000 gallons for one night." Demand is high because of the people who flock to the seaside on holidays. The Fourth of July weekend can bring in 30,000 people, she noted.

Employees are committed to supply drinking water to customers despite higher usage in the summer, or the threat

of hurricanes, or the intense drought that Texas faced in 2008 and 2009. "We never faltered," Wittliff said of water supply during drought times. "We continued to serve. The water is there and we have senior water rights on the river. In 1981, GBRA firmed up all those rights. We felt like that's because the state wanted those permits in dependable hands.

"There has been no rationing," he added. "That's true for industrial clients and rice farmers and everyone. We must conserve and we don't waste, but it feels good to say that there has been no rationing." GBRA's reliable service over the summer of 2009 made people rethink the drilling of wells or seeking other sources of water, he said.

Wittliff, who was raised near Port Lavaca at Austwell, went to work at the Port Lavaca plant in 1979. He worked at Port Arthur first, for the Corps of Engineers' hurricane flood system protection. In his spare time, he heats up an acetylene torch and fixes tractors and other farm implements to keep them working on his family's old home place, which requires a lot of work. "It's almost gotten to be too much fun," he said, smiling.

Shelly, who is originally from Cedar Rapids, Iowa, started in 1991, working for former chief operator Frank Carrigan. She is a marine biologist who went to school at Auburn and Texas A&M. When she isn't working, she is chaperone and chauffeur to two children.

Other employees of the system include Dave Dodd, chief water tender; Ron Gosnell, chief operator for rural water system; and Linda McPherson, office secretary and supervisor of office operations.





## Accountability - Results in Detail





# GFOA Certificate of Achievement

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## Certificate of Achievement for Excellence in Financial Reporting

Presented to

Guadalupe-Blanco River  
Authority, Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



December 16, 2009

The Honorable T. L. Walker, Chairman  
and Members of the Board of Directors

Dear Chairman Walker and Directors,

The Comprehensive Annual Financial Report (CAFR) of the Guadalupe-Blanco River Authority (GBRA) for the fiscal year ended August 31, 2009, is hereby submitted. Responsibility for both the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, rests with GBRA. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds (divisions) of GBRA. All disclosures necessary to enable the reader to gain an understanding of GBRA's financial activities have been included.

This CAFR is presented in four sections: introductory, financial, statistical and the independent auditors' report in accordance with government auditing standards. The introductory section includes this transmittal letter and the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting as well as descriptions of GBRA's operations, Board of Directors, and management. The financial section includes the independent auditors' report, management discussion and analysis, combined financial statements, notes to the combined financial statements and more detailed combining and individual schedules. The notes to the combined financial statements are an essential part of this comprehensive annual financial report and should be read for an enhanced understanding of the statements and information presented within. The statistical section includes selected financial and operating information, presented pursuant to the Government Accounting Standards Board Statement No. 44. The report includes all funds of GBRA. The independent auditors' report in accordance with government auditing standards includes the report on compliance and on internal controls over financial reporting. A single audit was not required this year since GBRA did not receive sufficient federal grant funds to require such an audit. Accordingly, a single audit report is not included with this CAFR.

GBRA provides a variety of services including hydroelectric generation; water and wastewater treatment; municipal, industrial and agricultural raw water supply; and recreation operations. These operations are accounted for in the following divisions.

The *General Division*, located in the general business office in Seguin, consists of technical, accounting, administrative and support staff working under the direction of the General Manager. Revenues are derived from interest earnings on investments as well as administrative and general charges that are paid by GBRA's operating divisions.

The *Guadalupe Valley Hydroelectric Division* operates six hydroelectric plants in Guadalupe and Gonzales counties. All electricity produced by the division is delivered to the Guadalupe Valley Electric Cooperative. Division personnel are responsible for the operation and maintenance of the generating stations as well as the associated dams, lakes, ancillary equipment and adjacent properties.



The *Rural Utilities Division* operates and maintains seven wastewater treatment plants in Comal, Hays and Guadalupe counties. These small plants serve housing subdivisions in areas where septic tanks do not provide proper or safe wastewater disposal and the extension of municipal services is not cost effective. The most recent wastewater treatment plant operation to be added to the Rural Utilities Division is the Sunfield Municipal Utility District's (MUD) Sunfield Wastewater Treatment Plant. GBRA began operating the plant in Fiscal Year 2009 utilizing personnel from the nearby City of Buda and Shadow Creek wastewater plants which GBRA also operates. GBRA's operation of these three plants using the same personnel provides a cost effective means for both the City and MUDs to safely and properly meet their wastewater treatment needs.

The development and operation of water supply sources and raw water delivery systems is the responsibility of the *Water Resource Division*. The division contracts with municipal, industrial and agricultural users throughout the river basin to provide a dependable supply of surface water. This division is anchored in the upper reaches of the river basin by Canyon Reservoir and in the lower reaches of the basin by the Guadalupe River Diversion Dam and Salt Water Barrier. This division is also responsible for GBRA's water quality program as well as the operation of a regional water quality laboratory located at the general office in Seguin. The regional water quality laboratory provides services to GBRA's other operations in addition to individuals, municipalities and private entities. Additional operations recognized within the Water Resource Division are the Calhoun Canal System, the City of San Marcos Water Treatment Plant, the City of Buda Wastewater Treatment Plant, the Western Canyon Water Treatment Plant, and the new treated water delivery systems and wastewater treatment systems in Comal County for the Comal Trace, Johnson Ranch, and Cordillera real estate developments.

GBRA also operates and maintains a water treatment plant for the benefit of the City of Port Lavaca, the Calhoun County Rural Water Supply System, and the Port O'Connor Municipal Utility District (MUD) through its *Port Lavaca Water Treatment Plant Division*. The division, which commenced operation in 1969, receives raw water from the Guadalupe River delivered through 20 miles of canals. It then treats and disinfects the water to drinking water standards before delivering it to the City, Rural Water System, and MUD.

The *Calhoun County Rural Water Supply Division* began in 1974 and currently operates and maintains a treated water distribution system to supply approximately 1,300 homes and businesses located throughout most of the unincorporated areas of Calhoun County.

GBRA contracted with the City of Victoria in 1970 to provide treatment services through its *Victoria Regional Wastewater Reclamation Division*. The division operates two plants with a combined treatment capacity of 11.6 million gallons per day (MGD). The Regional Plant uses a complete mix activated sludge process while the Willow Street Plant utilizes a conventional trickling filter process. The waste sludge from both plants is dewatered and disposed of in the City's sanitary landfill.

The *Coleta Creek Division* operates and maintains the Coleta Creek Reservoir located thirteen miles southwest of Victoria just off State Highway 59. The reservoir, which was completed and filled in 1981, serves as a cooling pond for a coal-fired electric generating plant owned by Coleta Creek Power, LP. This division also operates and maintains recreation facilities that provide grounds for camping and picnicking as well as public access to the lake for fishing, swimming, and boating.

Surface water from the San Marcos River is treated by the *Luling Water Treatment Plant Division* and delivered to the City of Luling and the City of Lockhart for distribution. The plant was constructed in 1978 and has a treatment capacity of 2.5 MGD.

The *Canyon Hydroelectric Division* operates the electric generating plant located at Canyon Dam in Comal County. All power generated by the plant is sold to New Braunfels Utilities for the benefit of the City of New Braunfels. The plant, completed in 1989 with a capacity of 6 megawatts, provides a

beneficial use of waters passed through the dam without interfering with the reservoir's primary purposes of flood control and water supply.

GBRA added the *Lockhart Division* to its list of operations on October 1, 1994. After signing a contract with the City of Lockhart during 1994, GBRA assumed the operation of the City's 1.1 million-gallon per day (MGD) wastewater treatment plant and began construction of a new 1.5 MGD plant that became fully operational in February 1999. On October 1, 2000, the Lockhart Division was expanded further when GBRA assumed operation of the City's water well system and water treatment plant.

## **ECONOMIC CONDITION AND OUTLOOK**

*The Texas Economy.* According to the Texas Comptroller of Public Accounts in her latest issue of "Texas Economy in Focus", the Texas economy, which is the world's 11<sup>th</sup> largest economy, is faring better than most other states but is nevertheless feeling the effects of the worldwide recession. Comptroller Combs cites numerous statistics in support of her assessment of Texas' relatively better economic position including a gross state product which contracted only 1.7% during fiscal year 2009 compared to the national contraction rate of 2.5%. Further, Comptroller Combs notes that the Texas unemployment rate stood at 8.3% in October 2009 compared to a national unemployment rate of 10.3%. The Federal Reserve Bank of Dallas (Fed) similarly states in its Third Quarter 2009 Southwest Economy Publication, "While broad measures of economic activity continue to decline, leading indicators have improve recently and further, the Texas Leading Index rise in the second quarter was particularly broad-based, with six of the eight indicators showing positive movements."

*The Local Economy.* GBRA's service area is geographically part of south central Texas. It stretches from the Hill Country through the IH-35 Corridor and onto the Gulf Coast. This geographic diversity in turn provides economic diversity with a unique combination of agriculture, oil and gas, defense, high tech, higher education centers, tourism, seawater ports, and heavy industry. This diversity allows the local economy to be among the State's growth leaders and outpace the national economy. The State Comptroller divides the GBRA service area into three principal areas for reporting purposes. These include the Alamo Region being the counties surrounding the City of San Antonio, the Capital Region being the counties surrounding the City of Austin, and the Coastal Bend Region being the counties surrounding the Cities of Corpus Christi and Victoria. GBRA's 10 county district includes three counties in the Alamo Region, two in the Capital Region, with the remaining five counties in the Coastal Bend Region. While each of these regions has suffered from the same economic forces slowing the national and state economy, it is GBRA's estimation that its service area should weather the economic slowdown better than most other areas of the nation. This estimation is primarily based on economist Dr. Ray Perryman's reasoning that there is abundant land still available between the San Antonio and Austin urban areas, considerable petroleum production and exploration exists in 5 out of the 10 counties in GBRA's service area, and the fact that south central Texas already has a well diversified economic base. This comparatively vibrant economy has yielded rapid population growth in GBRA's district with the U.S. Census Bureau stating that Kendall County and Hays County were the 8<sup>th</sup> and 10<sup>th</sup> fastest growing counties near metropolitan areas in the entire nation. In a similar statistic, the Texas Comptroller has stated that Comal, Kendall, and Guadalupe Counties of GBRA's district were among the top 100 fastest growing counties in the nation between the years 2000 and 2008. A final noteworthy indication of the comparatively strong economic prospects for the GBRA district is the ongoing construction of a \$169.7 million engine plant being built in Guadalupe County by Caterpillar Incorporated. When completed in 2011, the plant will employ an estimated 1,400 people. GBRA's role in assisting the area's economy and population growth is to continue providing high quality water and wastewater treatment while also seeking future water supplies in order to better assure the district's future economic vitality.

## **MAJOR INITIATIVES**

*For the Year.* GBRA's major initiative for Fiscal Year 2009 was the provision of adequate water resources for the Guadalupe River Basin along with the planning necessary for additional, future supplies



of water. This initiative was evident in GBRA's work with committees and stakeholder groups established by the Texas Legislature related to instream surface water flows, fresh water flows for bays and estuaries, the future desired conditions for Texas groundwater aquifers, and the proper regulation of the Edwards Aquifer. Because of the Guadalupe River's dependency upon water emanating from the Edwards Aquifer's Comal and San Marcos springs, GBRA helped to establish and is currently participating in a recovery implementation plan for the aquifer in conjunction with other stakeholder groups. Another major water and environmental related study project supported by GBRA that completed its initial data collection during the year was the interrelationship between fresh water flows and some of the food sources of the endangered whooping crane that winters in the Guadalupe River delta. While GBRA continued to protect the existing Guadalupe River Basin water supplies during 2009, it was also planning the development of future supplies. Throughout Fiscal Year 2009, GBRA's staff and consultants were actively exploring future water supply projects. These potential future supply projects included both groundwater and surface water sources, and supplies from existing surface water permits as well as new permits. New surface water permit applications have been filed by GBRA with the Texas Commission on Environmental Quality during the past two years to divert water in the mid-basin region and lower-basin region of the river.

Another major initiative that was underway during Fiscal Year 2009 was the completion of an expansion of the pumping capacity of GBRA's Regional Raw Water Delivery System. The Raw Water Delivery System project was financed with approximately \$14,900,000 of revenue bonds on September 15, 2007. This expansion of the System's pumping capacity is designed to increase the total delivery capacity to 25MGD. The principal components of the expansion include a second pump station located on the Guadalupe River and an intermediate booster station located approximately half way between the river and the San Marcos Water Treatment Plant. It is anticipated that the additional pumping capacity made available by this project will be utilized by the rapidly growing cities of Kyle and Buda.

A second construction project that was underway during Fiscal Year 2009 was an expansion of the Canyon Park Wastewater Treatment Plant. The Plant, which is located near Canyon Reservoir in Comal County, provides wastewater treatment to several developments along the periphery of the reservoir. This expansion will increase the Plant's treatment capacity from 100,000 gallons per day (GPD) up to 180,000 GPD in order to meet the needs of expected customer growth in the Canyon Reservoir area. A third construction project that was initiated and substantially completed during Fiscal Year 2009 was the replacement of the aging, small wastewater plant that serves an area near the Village of Wimberley. The existing plant was replaced by a new 25,000 GPD plant to primarily serve the needs of the Deer Creek Rehabilitation Center located near Wimberley in Hays County.

From an operational perspective, in many respects Fiscal Year 2009 was reasonably routine. No major storms impacted the Texas Gulf Coast and no major flooding occurred in the Guadalupe River Basin. In fact, quite the opposite occurred as far as the weather's impact on GBRA's operation. Fiscal Year 2009 was one of the driest years on record for the south central portion of Texas. The drought conditions that persisted during the year caused a severe reduction in GBRA's hydroelectric power generation, a 16 foot decline in the level of Canyon Reservoir to an historical low, and the GBRA Board of Directors' adoption of a drought contingency plan. Another major operational initiative completed during the year was the sale of GBRA's interest in the contract to provide treated water service in and around the City of Bulverde in Comal County. This sale followed negotiations between GBRA, the City of Bulverde, and Canyon Lake Water Supply Corporation (CLWSC). The principal term of this sale in addition to GBRA receiving compensation for relinquishing its rights was that GBRA would cease providing potable water service to the limited number of customers in the City of Bulverde and instead, CLWSC would commence providing this service.

*For the Future.* As touched on above, GBRA's efforts to insure adequate water supplies have complemented the work of the Texas State Legislature. Emanating from the 1997 legislative session was a new State Water Policy labeled Senate Bill One (SB1). One of the principal provisions of this new water plan was the establishment of regional water planning areas. GBRA has been actively involved in

and helps to underwrite the administrative costs of the South Central Texas Regional Water Planning Group which was charged with developing a water plan for this area of Texas. While the new water plan has been completed and approved by the Texas Water Development Board, the regional planning groups continue to update projected future water demands and the water supply projects that are anticipated to meet those demands. The plan includes several major water supply projects within the Guadalupe River Basin that will require GBRA's future participation.

While much of GBRA's water supply planning has traditionally focused on developing additional surface water supplies within the Guadalupe River Basin, GBRA's focus in recent years has been more focused on committing existing surface water supplies that are currently "under utilized". Consistent with this focus, GBRA has worked with a number of entities and potential water customers to determine how GBRA's run-of-river water rights located near the mouth of the river may be more fully utilized. During much of Fiscal Year 2009, GBRA worked with Exelon Corporation to commit approximately 75,000 acre-feet of water per year for cooling water purposes related to Exelon's proposed new nuclear power plant located in Victoria County. However recently, Exelon has informed GBRA that while the water may still be needed for a new power plant, the construction of the plant has been indefinitely delayed pending increased federal government loan guarantees. GBRA has also began to look at other possible water supply alternatives including the use of groundwater. Principal among these possibilities is the development of groundwater from the Simsboro Aquifer which lies north and east of GBRA's district and the development of Carrizo Aquifer water in the Gonzales County area. It is incumbent on both GBRA and the SB1 regional water planning group to continue studying and ultimately implement various water supply projects in order to meet the water demands of the rapidly growing Guadalupe River Basin.

In addition to the effort focused on future water supply alternatives, GBRA also worked to insure existing water supplies are used efficiently and wisely. GBRA actively worked with water users and local governments located within the Basin to educate them on water conservation efforts. GBRA also worked closely with the Edwards Aquifer Authority, Guadalupe Basin Coalition, and the Edwards Aquifer Recovery Implementation Group to insure the aquifer was managed effectively and in accordance with state law thereby insuring adequate springflow into the Guadalupe and San Marcos Rivers. The appropriate management of the aquifer will require ongoing efforts by GBRA to insure the protection of the Comal and San Marcos Springs.

On the federal level, GBRA will continue to participate with the Texas Water Conservation Association and the National Water Resource Association in efforts to further the Texas federal initiatives to obtain funding for water projects in the State.

## **FINANCIAL INFORMATION**

Management of GBRA is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of GBRA are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As demonstrated by the statements and schedules included in the financial section of this report as well as the Management Discussion and Analysis on pages 48 through 52, GBRA continues to meet its responsibility for sound financial management. GBRA recommends each reader to closely read each section of this report including the oversight review provided by the management discussion and analysis in order to have a thorough understanding of GBRA, its activities, financial position and results of operations.



*Budgeting Controls.* In addition to other internal controls, GBRA also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with contractual provisions and to properly manage resources. Since GBRA does not have the power of taxation, there is no appropriated budget or encumbrance accounting system. There are no legal requirements to include comparative budget to actual expenditure statements in this report. The staff prepares budget reports monthly that are used as management tools to measure GBRA's operations against the budgets adopted by the Board of Directors prior to the beginning of each year.

*Pension Plan Operations.* The operations of the Retirement Plan for Employees of GBRA was somewhat unfavorable during the year as the actuarial value of the plan assets increased from \$10,475,491 as of January 1, 2008 to \$10,916,278 as of January 1, 2009 but the Plan's unfunded actuarial accrued liability (UAAL) increased from \$6,278,868 up to \$8,956,042. This increase in UAAL was the result of several factors including the significant losses experienced by equities during the year and the adoption by GBRA of more-conservative actuarial assumptions. GBRA's annual contribution of \$1,264,425 during fiscal year 2009 as well as the Plan's actuarial recognition of investment gains and losses over a five-year period both contributed to the increase in plan assets. Nevertheless, the Plan's assets as a percentage of the actuarial accrued liability declined to 55% during the year from 63% the previous year primarily due to the reasons stated above.

*Debt Administration.* At August 31, 2009, GBRA had 11 bond issues outstanding. A schedule of those issues is included in Footnote B to the financial statements in this report. GBRA does not have the power of taxation nor does it derive any of its revenues from taxes; therefore, it issues no general obligation bonds. Outstanding revenue bonds as of August 31, 2009 were \$137,500,000 while outstanding long-term loans were \$11,232,658. No state law nor GBRA's enabling act requires debt service coverage greater than 1:1, thus a schedule of the revenue bond coverage is not included in the statistical section of this report. Debt service coverage is however required by GBRA to be greater than 1:1 if the size and complexity of the project financed necessitates it. Debt service coverage is discussed further in Footnote I. Each revenue bond issue is insured or credit rated based on the financial strength of GBRA's service contracts. GBRA did secure three new long-term loans during Fiscal Year 2009. One new long-term bank loan in the amount of \$110,000 was used to purchase a tractor and brush mower for the Guadalupe Hydroelectric Division, one \$102,945 bank loan was used to purchase laboratory equipment for the Regional Lab, and one loan in the amount of \$210,475 was used to purchase land in the Canyon Reservoir area for a potential new regional office and environmental learning center.

*Cash Management.* Cash not required for current operations, debt service payments or construction expenditures is invested in securities authorized by GBRA's investment policy that is reviewed and approved annually by the Board of Directors. For the year, the average yield on investments approximated 1.87%. This yield compares to an average 90 Day treasury yield of 0.14%. During most years, GBRA is able to equal or exceed the 90 Day treasury yield including this past year as rates declined precipitously after mid year. Interest earnings on investments were \$475,308 for Fiscal Year 2009 which compares to \$828,429 in interest earnings during Fiscal Year 2008. The reason for this significant decline was the drop in interest rates following the onset of recessionary conditions that occurred in calendar year 2008.

GBRA's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits are either insured by federal depository insurance or collateralized with United States government, agency, or instrumentality securities. All collateral on deposits is held by GBRA, its agent, or the Federal Reserve Bank in GBRA's name. All investments held by GBRA at August 31, 2009 were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The market value of all GBRA investments was 100.62% of their book value and 101.44% of their par value as of August 31, 2009. A complete disclosure of GBRA's investments is found in Footnote D in the notes to the financial statements.

*Risk Management.* GBRA has implemented an intensive loss control program to minimize risk exposures. Employees are well trained in safety practices and maintain a constant vigil to correct safety hazards. A safety committee coordinates the overall program under the direction of the Upper and Lower Basin Operations Managers while monthly safety meetings are held by each of the divisions. During the fiscal year, the safety manual continued to be updated; employee health fairs were held in Seguin and Victoria; GBRA's safety glasses and boots program continued, and pulmonary/hearing testing was completed at various operations. Part of the success of GBRA's excellent safety record can be attributed to the support it gets from the Texas Water Conservation Association Risk Management Fund. A schedule of insurance coverage is included in the statistical section of this report.

## **OTHER INFORMATION**

*Independent Audit.* Section 50.371 of the Texas Water Code requires an annual audit of the GBRA's accounting records by the state auditor or by an independent certified public accountant selected by the Board of Directors. The firm of Thompson, Williams, Biediger, Kastor & Young, LC was selected by the Board for the 2009 fiscal year. We appreciate their professionalism, timeliness and assistance in completing this report. Copies of this report will be filed with the TCEQ, State Comptroller, State Auditor, as well as with the county clerk of each county within the GBRA district.

*Awards.* The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to GBRA for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2008. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

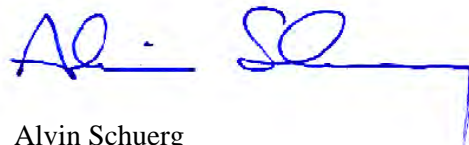
In order to be awarded a Certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. GBRA has received a Certificate for the last 35 consecutive fiscal years (1973-2008). We believe our current report continues to conform to the Certificate of Achievement program requirements.

*Acknowledgments.* We congratulate our employees for another successful year of operation. Without their dedication and professionalism, we could not have provided the high level of service to the residents of the GBRA service area. The preparation of the CAFR on a timely basis was made possible by the dedicated efforts of the accounting department and public communications department. Each member has our sincere appreciation for the contributions made in the preparation of this report. In closing, we would be remiss to not recognize the leadership and support each GBRA Director has provided to the staff and this organization. Without that leadership, another successful year and the preparation of this report would not have been possible. We thank you for your dedicated public service.

Sincerely,



W. E. West, Jr.  
General Manager



Alvin Schuerg  
Executive Mgr of Finance and Administration



# Financial Section

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# Independent Auditors' Report

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&  
Young,  
L.C.**

CERTIFIED PUBLIC ACCOUNTANTS  
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CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Board of Directors  
Guadalupe-Blanco River Authority

We have audited the accompanying financial statements of Guadalupe-Blanco River Authority, as of and for the years ended August 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of Guadalupe-Blanco River Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

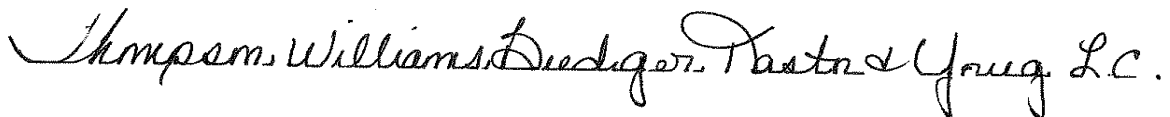
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Guadalupe-Blanco River Authority, as of August 31, 2009 and 2008, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.



In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2009 on our consideration of Guadalupe-Blanco River Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 48 through 52, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Guadalupe-Blanco River Authority's basic financial statements. The introductory section, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Certified Public Accountants

San Antonio, Texas

December 16, 2009

# Management Discussion and Analysis

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The Guadalupe-Blanco River Authority's (GBRA) financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). The components of the basic financial statements include this Management Discussion and Analysis (MD&A), the Basic Financial Statements, and Other Supplementary Information.

The MD&A, as Required Supplemental Information, introduces the basic financial statements and provides an analytical overview of GBRA's financial activities. GBRA implemented the provisions of the Government Accounting Standards Board Statement Number 34 (GASB 34) in 2002 and as such, the MD&A that follows presents a comparison of each of the last three years.

## Overview of the Basic Financial Statements

GBRA was created in 1935 as a political subdivision of the State of Texas and structured as a conservation and reclamation district under Article 16, Section 59 of the Texas Constitution. GBRA's principal functions are to control, store, preserve, and distribute the waters of the Guadalupe River Basin for all useful purposes within the ten county district that GBRA serves. In meeting these principal functions, GBRA does not have the power of taxation and instead must rely upon user fees to provide these services.

GBRA's financial statements consist entirely of one enterprise fund because of the nature of GBRA's activities, the reliance upon user fees, and the fact that GBRA does not have any separate component units to report the activities of. The major features of this enterprise fund reporting are:

- **Scope** – All GBRA activities are included in the enterprise fund, the reporting format of which is similar to private businesses.
- **Required Financial Statements** – The financial statements prepared for the enterprise fund include a Balance Sheet; Statement of Revenues, Expenses and Changes in Net Assets; and Statement of Cash Flows.
- **Accounting Basis and Measurement Focus** – Accrual accounting and economic resources focus are utilized.
- **Type of Asset/Liability Information** – The enterprise fund reports all current and long-term assets and liabilities, both financial and capital.
- **Type of Inflow/Outflow Information** – The enterprise fund records all revenues and expenses during the year, regardless of when the cash is received from the revenue or when the cash is paid for the expense.

The remaining information that is included within GBRA's basic financial statements are the Notes to the Financial Statements. These Notes are included to provide additional information to assist the readers of the CAFR attain a more complete understanding of GBRA's financial position.

## Condensed Financial Information

The financial statements are designed to provide readers with a broad overview of GBRA's financial position. The Balance Sheet presents information on all of GBRA's assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of GBRA is improving or deteriorating. In Fiscal Years 2009, 2008 and 2007 respectively, assets exceeded liabilities by \$61,954,814; \$58,058,871; and \$53,425,568. During this three year period, Net Assets have increased of \$8,529,246 which indicates a continued improvement in GBRA's financial position. Also during the period from FY 2007 to FY 2009, Current Unrestricted Assets increased by \$2,867,386, Current Restricted Assets increased by \$2,714,097, and Net Assets Restricted for Insurance increased \$3,016,489. These increases are principally due to increases in cash and investments due to favorable operating results and the sale of GBRA's interest in the City of Bulverde Water System. Another item that increased noticeably was Long-Term Capital Assets which increased by \$9,307,971 and which relates to GBRA's construction of various water supply projects. Other significant account changes include the \$4,221,391 increase in Investments in Capital Assets Net of Related Debt. This change is principally the result of various ongoing water supply construction projects and the related funding of those projects by the issuance of additional revenue bonds. This project funding through revenue bond issuance is readily apparent in the increase of \$2,027,125 from FY2007 to FY2009 in Long Term Liabilities-Bonds and Loans Payable. The following table presents a Condensed Balance Sheet for August 31, 2009, 2008 and 2007:

<b>GUADALUPE-BLANCO RIVER AUTHORITY</b>			
<b>CONDENSED BALANCE SHEET</b>			
<b>AUGUST 31, 2009, 2008, AND 2007</b>			
<b>ASSETS</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Current Assets			
Unrestricted Assets	\$ 11,935,489	\$ 11,186,118	\$ 9,068,103
Restricted Assets	13,164,974	9,078,330	10,450,877
Long-Term Assets			
Restricted Assets	926,746	3,350,705	2,514,214
Capital Assets	190,201,088	191,660,895	180,893,117
Other Assets	10,077,195	11,707,295	10,738,775
<b>Total Assets</b>	<b>\$ 226,305,492</b>	<b>\$ 226,983,343</b>	<b>\$ 213,665,086</b>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities			
Payable from Current Assets	\$ 4,099,619	\$ 3,689,544	\$ 3,529,501
Payable from Restricted Assets	7,103,351	7,300,216	7,007,492
Long-Term Liabilities			
Bonds and Loans Payable	143,971,931	149,405,029	141,944,806
Advances for Operations	509,820	537,754	488,203
Deferred Income	8,665,957	7,991,929	7,269,516
<b>Total Liabilities</b>	<b>164,350,678</b>	<b>168,924,472</b>	<b>160,239,516</b>
<b>NET ASSETS</b>			
Investments in Capital Assets Net of Related Debt	\$ 40,582,695	\$ 38,715,589	\$ 36,361,304
Restricted for Construction	1,029,472	2,677,793	1,098,804
Restricted for Debt Service	5,635,160	4,301,984	4,087,722
Restricted for Insurance	4,051,178	998,239	1,034,689
Unrestricted	10,656,309	11,365,266	10,843,049
<b>Total Net Assets</b>	<b>61,954,814</b>	<b>58,058,871</b>	<b>53,425,568</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 226,305,492</b>	<b>\$ 226,983,343</b>	<b>\$ 213,665,086</b>



In addition to the Investments in Capital Assets Net of Related Debt component of Net Assets as shown above, GBRA maintains other reserves as part of the total amount of Net Assets. These include reserves for future expansions, debt service payments, and insurance reservations. These reserve accounts are explained in more detail in Footnote A and G.

The following table presents a Condensed Statement of Revenues, Expenses and Changes in Net Assets for August 31, 2009, 2008 and 2007:

<b>GUADALUPE-BLANCO RIVER AUTHORITY</b>			
<b>COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS</b>			
<b>FISCAL YEARS ENDED AUGUST 31, 2009, AUGUST 31, 2008, AND AUGUST 31, 2007</b>			
<b>REVENUE</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Program Revenues			
General Operating	\$ 2,522,530	\$ 2,399,024	\$ 2,327,605
Recreation and Land Use	1,621,988	1,833,086	1,520,442
Hydroelectric Generation	3,165,208	4,013,923	3,849,466
Water Treatment & Distribution	33,374,916	31,587,409	26,328,967
Waste Water Treatment	6,749,053	7,201,960	6,842,145
Interfund Eliminations	(2,432,480)	(2,389,963)	(2,326,112)
Total Revenues	<u>45,001,215</u>	<u>44,645,439</u>	<u>38,542,513</u>
<b>EXPENSES</b>			
Program Expenses			
General Operating	2,148,832	2,209,840	1,759,617
Recreation and Land Use	1,747,402	1,726,748	1,512,871
Hydroelectric Generation	3,467,499	3,162,335	3,493,675
Water Treatment & Distribution	22,730,472	22,380,622	19,008,842
Waste Water Treatment	6,842,255	6,595,083	5,417,078
Interfund Eliminations	(2,432,480)	(2,389,963)	(2,326,112)
Total Expenses	<u>34,503,980</u>	<u>33,684,665</u>	<u>28,865,971</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>			
Investment Income	475,308	828,429	855,793
Gain (Loss) on Disposal of Capital Assets	(2,704)	(71,940)	-
Interest Expense	(7,410,716)	(7,046,879)	(4,199,747)
Total Non Operating Revenues (Expenses)	<u>(6,938,112)</u>	<u>(6,290,390)</u>	<u>(3,343,954)</u>
Income Before Recognition of Capital Contributions and Deferrals	3,559,123	4,670,384	6,332,588
Capital Contributions	<u>1,542,813</u>	<u>704,171</u>	<u>9,879</u>
Net Income Before Recognition of Deferrals	5,101,936	5,374,555	6,342,467
Revenue to be Recognized in Future Years	<u>(705,993)</u>	<u>(741,252)</u>	<u>(2,174,357)</u>
Income Before Special Items	4,395,943	4,633,303	4,168,110
<b>SPECIAL ITEMS</b>			
Supplementary Contribution to Defined Benefit Plan	(500,000)	-	-
Change in Net Assets	3,895,943	4,633,303	4,168,110
Net Assets August 31, 2008 and 2007 and 2006	<u>58,058,871</u>	<u>53,425,568</u>	<u>49,257,458</u>
Net Assets August 31, 2009 and 2008 and 2007	<u>\$ 61,954,814</u>	<u>\$ 58,058,871</u>	<u>\$ 53,425,568</u>

As stated above, changes to GBRA's Net Assets is one measure of whether GBRA's financial position is improving or not. The Fiscal Years 2009, 2008, and 2007 increases in Net Assets of \$3,895,943, \$4,633,303, and \$4,168,110 is indicative of strong financial performance and a stable financial position. The components of Net Assets and the means in which it is calculated is apparent in the above Combined Statement of Revenues, Expenses and Changes in Net Assets.

Contributing to the increase in Net Assets were aggregate revenue increases of \$6,102,926 from Fiscal Year 2007 to Fiscal Year 2008 and an additional revenue increase of \$598,333 from Fiscal Year 2008 to Fiscal Year 2009. While higher revenue results were achieved in the past year, GBRA's ability to raise additional revenue and raise customer rates was limited by the severe drought in south Texas and by poor overall economic conditions. Also contributing to the increase in Net Assets was the three year increase in expenses of only \$5,638,009 which was considerably below revenue increases.. Most noteworthy in these amounts is the revenue increase for GBRA resulting from increased firm water sales in the Water Resource Division. These firm water sales increased from approximately 75,600 acre-feet per year (AF/Y) in 2007 to 81,580 AF/Y in 2009. Also in the Water Resource Division, significant revenue increases resulted from additional deliveries of raw and treated water particularly along the IH35 Corridor to the Cities of San Marcos, Kyle and Buda among other customers.

Funds received from Capital Contributions increased appreciably over the three year period of 2007 – 2009. Between the years 2007 and 2008, Capital Contributions increased \$694,292 and were principally from the Federal Emergency Management Agency (FEMA) related flood mitigation projects within GBRA's hydroelectric operations. Between the years 2008 and 2009, Capital Contributions increased another \$838,642 and was principally from land developers funding an expansion of GBRA's Canyon Park Wastewater Treatment Plant.

GBRA did recognize a Special Item in Fiscal Year 2009 that was not recognized in Fiscal Years 2007 or 2008. This Special Item was in the amount of \$500,000 and represents a supplemental contribution into the GBRA Defined Benefit Pension Plan. GBRA's normal, annual contributions into the Plan have been in the amounts of \$662,796, \$707,443, and \$764,425 for Fiscal Years 2007, 2008, and 2009 respectively. Due to declining equity market conditions throughout much of 2008 and 2009 and due to GBRA's adoption of more conservative actuarial assumptions, the Plan's Unfunded Actuarial Accrued Liability (UAAL) increased \$2,676,174 as of the January 1, 2009 actuarial report. In order to start to arrest this increasing UAAL, the GBRA Board of Directors approved a supplemental contribution into the Plan of \$500,000. This contribution was made into the Plan in August 2009, before the end of Fiscal Year 2009. Additional supplemental contributions may also be approved in those future years when GBRA's annual financial operating results are favorable.

#### **Capital Asset and Long-Term Debt Activity**

As of August 31, 2009, 2008, and 2007 respectively, GBRA's total investment in capital assets net of depreciation were \$190,204,088, \$191,660,895, and \$180,893,117. These capital assets which are shown in the long-term asset section of GBRA's Balance Sheet are comprised of a number of different type of assets. Included in this asset type are water rights, dams, canals, water treatment plants, wastewater treatment plants, park facilities, hydroelectric plants, pipelines, and electric transmission facilities. The amount of capital assets recognized by GBRA grew by 5.1% or \$9,310,971 during period FY 2007-2009. The principal reason for this asset growth was the initiation of a construction project to expand the pumping capacity of the raw water system which delivers water from the Guadalupe River to the San Marcos Water Treatment Plant in the amount of \$14,955,000 less the depreciation recognized on all GBRA capital assets during the period 2007 - 2009.

GBRA's long-term debt is comprised of outstanding revenue bond issues, bank loans, and a loan from the United States Government related to the construction of Canyon Reservoir. The total revenue bonds outstanding, exclusive of bond discounts and premiums, as of August 31, 2007, 2008, and 2009 respectively were \$131,865,000; \$142,245,000; and \$137,500,000. The increase from 2007 to 2008 was the result of a new bond issue in the amount of \$14,955,000 for the construction of additional raw water delivery capacity to the San Marcos Water Treatment Plant. Between Fiscal Years 2008 and 2009, revenue bonds outstanding decreased by \$4,745,000 which represents the absence of any new bond issues and the annual principal repayment on the existing eleven GBRA bond issues. GBRA's long-term loans outstanding as of fiscal year end 2007, 2008, and 2009 respectively amounted to \$14,446,631;

\$11,471,573; and \$11,232,658. These declining amounts represent the early retirement of the loan with Hays Energy Limited Partners in the amount of \$2,761,382 as well as the annual principal repayments of the various other bank loans.

More information on GBRA's capital assets and long-term debt is available in footnotes to the Basic Financial Statements. Capital asset information is presented in Footnote E and information about GBRA's long-term debt is available in Footnote B.

### **Infrastructure**

GBRA recognizes all equipment and infrastructure with an original cost greater than \$2,000 and with a life exceeding one year as Capital Assets. Since all of GBRA's activity is accounted for in an enterprise fund similar to the accounting businesses have traditionally employed, GBRA has always recorded the historical cost of Capital Assets and depreciated that cost over the estimated life of the asset.

The condition of GBRA's infrastructure and capital assets is generally very good. Most of GBRA's equipment and infrastructure is generally less than 30 years old, with much of it being less than 10 years old, nevertheless this equipment is subject to the ongoing preventive maintenance program. One area of concern is the infrastructure within the Guadalupe Valley Hydroelectric System (GV Hydro). This system is comprised of six low-head hydroelectric dams, power houses and ancillary equipment all of which was originally constructed in the 1920's and 1930's. Due to the age of many of the GV Hydro components and an inadequate amount of funds to fully address all equipment replacement needs, a major emphasis will be required in the next few years to return this System to the level of equipment condition present in GBRA's other operations. An essential first step in this GV Hydro upgrade effort has already been initiated with the completion of a hydroelectric rate study and the start of negotiations with the System's sole customer.

### **Other Potentially Significant Matters**

The GBRA Board of Directors established on October 1, 2008 a rate of \$105 per acre-foot per year for committed, firm raw water. Presently, GBRA contracts with about 100 customers throughout the GBRA district to commit approximately 81,580 acre-feet of firm, raw water. Currently the source of this water is water stored in Canyon Reservoir although in the future, other sources of supply will also be used to supply customers. Despite the fact that GBRA's rate approximates the average rate for similar firm raw water supplies in Texas, during Fiscal Year 2002 three customers challenged GBRA's firm water rate by petitioning the Texas Commission on Environmental Quality (TCEQ) to review and possibly set a new rate. Two of the original three customers rescinded their rate challenge prior to Fiscal Year 2007, however the petition of the remaining one customer was still ongoing during Fiscal Years 2007 and 2008. During Fiscal Year 2009, the final customer that had challenge GBRA's committed, firm raw water rate also rescinded its appeal.

GBRA contracted with the City of Victoria to operate its only wastewater plant in 1970 and to construct and operate a new wastewater plant for the City. The contract to operate these plants has a termination date of December 31, 2010 unless the parties agree to extend the contract. The City notified GBRA during Fiscal Year 2009 that it intended to exercise its termination rights and to operate the plants using its own personnel following the termination date. In order to facilitate this operating transition, GBRA and the City's negotiated an agreement during 2009 whereby many of GBRA's current Victoria employees will become City employees prior to the actual termination date. GBRA does not anticipate a substantial impact on its financial position from this contract termination. This is primarily because the contract from its inception, has required that GBRA invoice the City for only the actual operating costs of the two plants and therefore no surplus, net revenues accrue to GBRA.



**GUADALUPE-BLANCO RIVER AUTHORITY  
COMBINED BALANCE SHEET**

**AUGUST 31, 2009 AND 2008**

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
<b>CURRENT ASSETS</b>		
Unrestricted Assets		
Cash and Cash Equivalents (Note A18 and Note D).....	\$ 5,112,310	\$ 3,059,198
Investments-Unrestricted (Note A18 and Note D).....	4,399,524	4,204,151
Interest Receivable.....	60,880	106,054
Accounts Receivable-Operating (Note A5).....	1,890,571	3,146,283
Other Current Assets.....	472,204	670,432
Total Unrestricted Assets.....	<u>11,935,489</u>	<u>11,186,118</u>
Restricted Assets		
Cash and Cash Equivalents (Note A18 and Note D).....	5,376,615	6,961,682
Investments-Restricted (Note A18 and Note D).....	7,688,892	2,008,748
Interest Receivable.....	99,467	107,900
Total Restricted Assets.....	<u>13,164,974</u>	<u>9,078,330</u>
Total Current Assets.....	<u>25,100,463</u>	<u>20,264,448</u>
<b>LONG-TERM ASSETS (Note A6)</b>		
Restricted Assets		
Investments-Restricted (Note D).....	926,746	3,350,705
Total Restricted Assets.....	<u>926,746</u>	<u>3,350,705</u>
Capital Assets		
Land, Water and Storage Rights.....	29,300,163	28,866,513
Dams, Plants and Equipment.....	214,974,741	198,736,549
Construction In Progress.....	2,075,684	14,901,213
Less Accumulated Depreciation.....	(56,149,500)	(50,843,380)
Total Capital Assets.....	<u>190,201,088</u>	<u>191,660,895</u>
Other Assets		
Investments-Unrestricted (Note D).....	4,735,760	3,466,773
Long-Term Loans Receivable .....	216,118	225,697
Contract Development Costs (Net of Amortization).....	42,434	48,998
Debt Issuance Costs (Net of Amortization).....	2,805,895	2,989,946
Permits and Licenses (Net of Amortization).....	640,952	669,468
Project Development Costs.....	310,027	2,676,873
Deferred Costs and Expenses (Note A12, and Note A17 ).....	1,326,009	1,629,540
Total Other Assets.....	<u>10,077,195</u>	<u>11,707,295</u>
Total Long-Term Assets.....	<u>201,205,029</u>	<u>206,718,895</u>
Total Assets.....	<u>\$ 226,305,492</u>	<u>\$ 226,983,343</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable (Note B).....	\$ 520,317	\$ 501,377
Interest Payable.....	70,593	73,894
Accounts Payable-Operating.....	3,508,709	3,114,273
Total Current Unrestricted Liabilities.....	<u>4,099,619</u>	<u>3,689,544</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds (Note B).....	5,195,000	4,745,000
Current Portion of Long-Term Loans Payable.....	141,335	133,209
Interest Payable.....	1,755,476	1,801,082
Accounts Payable-Construction.....	11,540	620,925
Total Current Restricted Liabilities.....	<u>7,103,351</u>	<u>7,300,216</u>
Total Current Liabilities.....	<u>11,202,970</u>	<u>10,989,760</u>
<b>LONG-TERM LIABILITIES (Note B)</b>		
Revenue Bonds Payable.....	138,595,925	143,313,042
Long-Term Loans Payable.....	11,232,658	11,471,573
	<u>149,828,583</u>	<u>154,784,615</u>
Less Current Portion.....	(5,856,652)	(5,379,586)
Total Bonds and Loans Payable.....	<u>143,971,931</u>	<u>149,405,029</u>
Advances for Operations.....	509,820	537,754
Deferred Income.....	8,665,957	7,991,929
Total Long-Term Liabilities.....	<u>153,147,708</u>	<u>157,934,712</u>
Total Liabilities.....	<u>164,350,678</u>	<u>168,924,472</u>
<b>NET ASSETS</b>		
Investments in Capital Assets Net of Related Debt .....	40,582,695	38,715,589
Restricted for Construction (Note A15).....	1,029,472	2,677,793
Restricted for Insurance (Note G).....	4,051,178	998,239
Restricted for Debt Service (Note A15).....	5,635,160	4,301,984
Unrestricted .....	<u>10,656,309</u>	<u>11,365,266</u>
Total Net Assets .....	<u>61,954,814</u>	<u>58,058,871</u>
Total Liabilities and Net Assets.....	<u>\$ 226,305,492</u>	<u>\$ 226,983,343</u>

*The accompanying notes are an integral part of this statement.*

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  


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**FISCAL YEARS ENDED AUGUST 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUE</b>		
Power Sales.....	\$ 3,056,054	\$ 3,854,491
Water Sales and Lake Operations.....	31,051,511	30,255,712
Recreation and Land Use.....	580,243	605,257
Waste Water Treatment Services.....	6,683,467	6,271,513
Laboratory Services.....	675,585	641,059
Rental.....	352,666	368,346
Pollution and Industrial Financing (Note F).....	-	163,560
Miscellaneous .....	2,601,689	2,485,501
Total Operating Revenue.....	<u>45,001,215</u>	<u>44,645,439</u>
<b>EXPENSES</b>		
Personnel Operating Costs.....	10,014,890	9,325,518
Operating Supplies and Services.....	14,371,964	13,858,478
Maintenance and Repairs .....	4,539,233	4,876,916
Depreciation and Amortization.....	5,577,893	5,623,753
Total Operating Expenses.....	<u>34,503,980</u>	<u>33,684,665</u>
Operating Income .....	<u>10,497,235</u>	<u>10,960,774</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment Income.....	475,308	828,429
Loss on the Disposal of Capital Assets.....	(2,704)	(71,940)
Interest Expense .....	(7,410,716)	(7,046,879)
Total Nonoperating Revenues (Expenses).....	<u>(6,938,112)</u>	<u>(6,290,390)</u>
Income Before Recognition of Capital and Grant Contributions and Deferrals.....	3,559,123	4,670,384
Capital and Grant Contributions.....	1,542,813	704,171
Income Before Recognition of Deferrals.....	5,101,936	5,374,555
Revenue to be Recognized in Future Years (Note A17).....	(705,993)	(741,252)
Income Before Special Item.....	4,395,943	4,633,303
<b>SPECIAL ITEM</b>		
Supplementary Contribution to Defined Benefit Plan.....	(500,000)	-
Change in Net Assets.....	3,895,943	4,633,303
Net Assets at August 31, 2008 and 2007.....	<u>58,058,871</u>	<u>53,425,568</u>
Net Assets at August 31, 2009 and 2008.....	<u>\$ 61,954,814</u>	<u>\$ 58,058,871</u>

*The accompanying notes are an integral part of this statement.*

**GUADALUPE-BLANCO RIVER AUTHORITY  
COMBINED STATEMENT OF CASH FLOWS**

**FISCAL YEARS ENDED AUGUST 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers.....	\$ 46,581,246	\$ 43,577,905
Cash Received from Interfund Administrative Charges.....	2,432,480	2,389,963
Cash Received from Administration of Industrial Revenue Bonds.....	-	163,560
Cash Paid for Personnel Operating Costs.....	(10,139,112)	(9,505,898)
Cash Paid for Other Operating and Maintenance Costs.....	(18,340,398)	(18,789,999)
Cash Paid for Interfund Administrative Charges.....	(2,308,258)	(2,209,583)
Net Cash Flows From Operating Activities.....	<u>18,225,958</u>	<u>15,625,948</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Cash Received from Grants.....	242,557	-
Cash Paid for Supplementary Contribution to Defined Benefit Plan.....	(500,000)	-
Net Cash Flows Used by Noncapital and Related Activities.....	<u>(257,443)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	1,443,950	753,722
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	9,579	15,364,276
Proceeds from Sale of Capital Assets.....	2,283,719	6,000
Purchase of Capital Assets.....	(2,595,391)	(3,269,069)
Cash Paid for Construction in Progress.....	(1,674,260)	(13,682,828)
Interest Paid.....	(7,377,645)	(6,782,435)
Principal Payments on Revenue Bonds.....	(4,854,546)	(4,575,000)
Principal Payments on Loans.....	(544,247)	(3,375,059)
Net Cash Flows Used by Capital and Related Financing Activities.....	<u>(13,308,841)</u>	<u>(15,560,393)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash Received from Investments .....	3,112,963	290,050
Investment Income Received.....	528,916	764,732
Cash Paid for Investments .....	(7,833,508)	(2,874,677)
Net Cash Flows Used by Investing Activities.....	<u>(4,191,629)</u>	<u>(1,819,895)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<u><u>468,045</u></u>	<u><u>(1,754,340)</u></u>
<b>CURRENT CASH AND CASH EQUIVALENTS:</b>		
At Beginning of Year.....	3,059,198	2,995,138
At End of Year.....	5,112,310	3,059,198
Net Increase.....	<u>2,053,112</u>	<u>64,060</u>
<b>RESTRICTED CASH AND CASH EQUIVALENTS:</b>		
At Beginning of Year.....	6,961,682	8,780,082
At End of Year.....	5,376,615	6,961,682
Net Decrease.....	<u>(1,585,067)</u>	<u>(1,818,400)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<u><u>\$ 468,045</u></u>	<u><u>\$ (1,754,340)</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS</b>		
<b>FROM OPERATING ACTIVITIES:</b>		
Operating Income .....	\$ 10,497,235	\$ 10,960,774
Adjustments to Reconcile Operating Income to Net Cash Flows		
From Operating Activities:		
Depreciation and Amortization.....	5,577,893	5,623,753
Net Change in Assets and Liabilities From Operating Activities:		
Operating Accounts Receivable.....	1,279,361	(1,637,795)
Other Current Assets.....	203,316	(506,566)
Operating Accounts Payable.....	668,153	1,185,782
Total Adjustments.....	<u>7,728,723</u>	<u>4,665,174</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES.....</b>	<u><u>\$ 18,225,958</u></u>	<u><u>\$ 15,625,948</u></u>

**NON-CASH TRANSACTIONS SCHEDULE**

1. During fiscal year 2009 and 2008, an adjustment of \$ 80,542 and \$114,694 respectively, was made to adjust investments to fair value

*The accompanying notes are an integral part of this statement.*



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**AUGUST 31, 2009 AND 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following summary of Guadalupe-Blanco River Authority's (GBRA) more significant accounting policies is presented to assist the reader in interpreting the combined financial statements. These policies, as presented, should be viewed as an integral part of the accompanying combined financial statements.

- Reporting Entity.** Guadalupe-Blanco River Authority is a political subdivision of the State of Texas, created by the Texas Legislature in 1935 by Article 8280-106 Vernon's Texas Civil Statutes. GBRA is a separate self-supporting governmental unit serving a ten county area and is administered by a nine member board of directors who are appointed by the Governor of the State of Texas. The State of Texas does not have a financial accountability with GBRA; therefore, GBRA is not a part of the State's reporting entity. In evaluating the governmental activities and entities to be included in the Authority's financial statements, the management has considered all potential component units. According to the criteria as set forth by the Governmental Accounting Standards Board and based upon the significance of their operational or financial relationships with the Authority there are no separate component units included in the financial statements.
- Principles of Accounting.** The accompanying combined financial statements have been prepared on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under GASB Statement No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 20, 1989. However, from that date forward, proprietary funds have the option of not applying future FASB pronouncements. GBRA has chosen to apply future FASB pronouncements unless they conflict with GASB guidance.
- Fund Reporting.** GBRA's accounting system is one enterprise fund consisting of eleven divisions. These divisions account for the acquisition, construction, operation and maintenance of GBRA's facilities and services which are entirely or predominately self-supporting through charges to customers.
- Budgets and Budgetary Accounting.** GBRA is not required under its enabling act to adopt a budget; therefore, comparative statements of actual expenses to budget expenses are not included within the combined financial statements.
- Accounts Receivable.** GBRA considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operating expenses when that determination is made.
- Restricted Assets.** Contractually restricted cash, investments, interest receivable and accounts receivable balances are reported as separate line items in the asset section of the balance sheet. Such amounts are physically segregated from other enterprise fund assets pursuant to provisions of the applicable bond indentures. It is GBRA's policy to first apply restricted resources when an expense is incurred for which both unrestricted and restricted assets are available.
- Capital Assets.** Land is not depreciated since it is considered to have an indefinite useful life. Land rights, storage rights and water rights were primarily acquired prior to November 1, 1970. Since these assets have no evident limited life, no amortization is recognized. Property, plant and equipment are recorded at their historical cost except for contributed assets which are recorded at their fair market value at the time donated. GBRA Board Policy, 411-Capital Assets, provides guidelines for safeguarding and disposing of GBRA's capital assets. This policy identifies capital assets as all equipment and machinery with a useful life exceeding one year and with an original cost exceeding \$2,000. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives as follows:

Asset	Service Lives	Depreciation Method
Dams	30-50 Years	Straight-Line
Plants	30-50 Years	Straight-Line
Equipment	3-15 Years	Straight-Line

- Other Assets.** Included within other assets are contract development costs, debt issuance costs, permits and licenses and project development costs. With the exception of project development costs, these assets are amortized on a straight-line basis over the life of the related contract, bond issue, or license. Project development costs represent the capitalization of expenditures during the initial stage of a new project. These costs are accumulated until the viability of the new project is determined. If a project is determined to be viable, the costs are either transferred to capital or intangible assets. If a project is determined not to be viable, the costs are expensed.
- Unbilled Revenue.** Revenue relating to unbilled rural water and waste water treatment services has not been recognized since the amounts are immaterial.
- Administrative and General Charges.** The operating divisions of GBRA pay administrative and general charges to the General Division for the administrative oversight the General Division provides. These interdivision charges and revenues have been eliminated in the combined statements.
- Vacation and Sick Leave.** GBRA allows employees to accumulate vacation and sick leave within certain limitations. Pursuant to Governmental Accounting Standards Board pronouncements, GBRA does not accrue nor record as an expense non-vested sick leave rights. GBRA does record as an expense and liability the value of vested vacation rights which as of August 31, 2009 and 2008 amounted to \$466,045 and \$429,077, respectively.
- Contingent Liabilities.** GBRA provides for contingent liabilities when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. At August 31, 2009 GBRA had \$144,473 for contractual commitments for expansion of the Canyon Park Wastewater Treatment Plant project. At August 31, 2008, GBRA had \$630,574 contractual commitments for the Regional Raw Water Delivery System Expansion and the IH-35 Pipeline project.
- Operating and Nonoperating Activities.** Proprietary funds, like GBRA, distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating activities result from providing services in connection with GBRA's principal ongoing operations. GBRA's primary operating revenues include charges for water sales and lake operations, power sales, wastewater treatment services, and other services. Operating expenses include the costs of sales and services, general and administrative expenses, and depreciation expense. Nonoperating revenues and expenses are all other activities not meeting the above definitions.
- Management's Use of Estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as, reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, allowance for doubtful accounts, realization of project development costs, and other accounts. Actual results may differ from these estimates.
- Restricted Net Assets.** GBRA recognizes net assets restricted for future construction costs, debt service payments, and insurance in divisions or funds in which assets exceed the related liabilities in accordance with bond issue and debt covenants and other externally imposed restrictions.
- Capitalization of Interest.** In accordance with Financial Accounting Standards Board (FASB) Statement 62, GBRA's policy is to capitalize net interest costs on funds borrowed to finance the construction of fixed assets. GBRA recorded no interest expense and interest income of \$5,028 as construction in progress in 2009 for the Regional Raw Water Delivery System Expansion project. GBRA recorded \$471,899 of interest expense and \$316,701 of interest income as construction in progress in 2008. related to the Western Canyon Construction project, the IH-35 Pipeline project, and the Regional Raw Water Delivery System Expansion project.

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

17. **Deferred Expenses/Revenue.** Certain utility expenses that do not require funds currently are deferred to such periods as they are intended to be recovered in rates charged to customers. Likewise, certain utility revenue is deferred to such periods in which the costs related to that revenue is recognized. Deferred expenses and revenue will be recognized in future years by setting rates sufficient to provide funds for the related debt service requirements. GBRA adopted the provisions of Statement of Financial Accounting Standards No. 71 "Accounting for the Effects of Certain Types of Regulation" in 1992.

**NOTE B - LONG TERM LIABILITIES**

GBRA currently has \$148,732,658 of debt outstanding from long-term loans and revenue bonds. This is exclusive of defeasance, discounts and premiums associated with these bonds.

The loans and revenue bonds outstanding at August 31, 2009 mature serially through 2039 as follows:

LONG-TERM LOANS					REVENUE BONDS			
Year Ending August 31	Total	Interest	Principal	Balance of Principal Outstanding	Total	Interest	Principal	Balance of Principal Outstanding
				\$11,232,658				\$137,500,000
2010	1,136,641	474,989	661,652	10,571,005	11,937,133	6,742,133	5,195,000	132,305,000
2011	1,100,966	447,672	653,294	9,917,712	11,954,398	6,539,398	5,415,000	126,890,000
2012	1,084,179	420,308	663,870	9,253,842	11,168,305	6,333,305	4,835,000	122,055,000
2013	1,077,194	392,030	685,164	8,568,678	11,180,721	6,105,721	5,075,000	116,980,000
2014	1,219,001	363,444	855,557	7,713,121	11,178,075	5,883,075	5,295,000	111,685,000
2015	942,708	323,891	618,817	7,094,304	10,098,208	5,648,208	4,450,000	107,235,000
2016	3,647,795	211,544	3,436,251	3,658,053	10,121,073	5,436,073	4,685,000	102,550,000
2017	430,978	108,282	322,696	3,335,357	9,814,435	5,219,435	4,595,000	97,955,000
2018	430,978	98,771	332,207	3,003,150	9,151,429	5,006,429	4,145,000	93,810,000
2019	430,978	88,959	342,019	2,661,131	9,151,459	4,796,459	4,355,000	89,455,000
2020	430,978	78,852	352,126	2,309,005	9,148,878	4,573,878	4,575,000	84,880,000
2021	430,978	68,399	362,579	1,946,426	9,154,321	4,339,321	4,815,000	80,065,000
2022	400,333	57,887	342,446	1,603,980	9,149,767	4,089,767	5,060,000	75,005,000
2023	369,690	48,939	320,751	1,283,229	9,150,680	3,835,680	5,315,000	69,690,000
2024	369,690	40,101	329,589	953,640	9,158,148	3,568,148	5,590,000	64,100,000
2025	369,690	31,006	338,684	614,956	8,506,955	3,301,955	5,205,000	58,895,000
2026	369,691	21,645	348,046	266,910	8,498,383	3,038,383	5,460,000	53,435,000
2027	60,800	12,011	48,789	218,121	8,501,737	2,761,737	5,740,000	47,695,000
2028	60,800	9,815	50,985	167,136	8,195,800	2,470,800	5,725,000	41,970,000
2029	60,800	7,521	53,279	113,857	8,194,749	2,179,749	6,015,000	35,955,000
2030	60,800	5,124	55,676	58,181	8,193,633	1,873,633	6,320,000	29,635,000
2031	60,790	2,609	58,181	--	7,756,598	1,561,598	6,195,000	23,440,000
2032					7,754,530	1,244,530	6,510,000	16,930,000
2033					7,756,281	911,281	6,845,000	10,085,000
2034					2,435,748	560,748	1,875,000	8,210,000
2035					2,438,181	458,181	1,980,000	6,230,000
2036					2,429,726	349,726	2,080,000	4,150,000
2037					2,430,698	235,698	2,195,000	1,955,000
2038					1,065,242	115,242	950,000	1,005,000
2039					1,064,255	59,255	1,005,000	--
	<u>\$ 14,546,458</u>	<u>\$ 3,313,800</u>	<u>\$ 11,232,658</u>		<u>\$236,739,542</u>	<u>\$ 99,239,542</u>	<u>\$137,500,000</u>	

**GUADALUPE BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE B – LONG-TERM LIABILITIES (CONTINUED)**

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2009 and 2008 (exclusive of interfund loans payable).

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2007	Retired During FY 2008	Outstanding 8/31/2008	Retired During FY 2009	Outstanding 8/31/2009	Amounts Due Within One Year
<b>OBLIGATIONS PAYABLE DIRECTLY BY GBRA</b>										
<b>GENERAL DIVISION</b>										
Casteel Loan, Property	08/21/2009	2014	6.5%	\$ 210,475	\$ --	\$ --	\$ --	\$ --	\$ 210,475	\$ --
<b>GUADALUPE VALLEY HYDROELECTRIC DIVISION</b>										
First Lockhart Nat'l Bank Loan, Equipment	11/17/2008	2013	3.9%	110,000	--	--	--	15,143	94,857	20,896
<b>RURAL UTILITIES DIVISION</b>										
Wells Fargo Loan, Dunlap Construction	09/15/2005	2015	6.1%	4,400,000	4,281,668	125,550	4,156,118	133,209	4,022,909	141,335
<b>WATER RESOURCE DIVISION</b>										
U. S. Government Loan	01/01/1977	2026	2.5%	8,979,862	4,626,834	193,219	4,433,615	198,050	4,235,565	203,001
GE Capital Public Finance Loan, Equipment	03/19/2004	2014	4.8%	467,276	329,535	43,993	285,542	46,170	239,372	48,453
Old National Bancorp Loan, Lab Equipment	12/21/2005	2010	4.38%	65,000	42,603	12,823	29,780	13,395	16,385	13,993
JPMorgan Chase Loan, Office Expansion	05/09/2006	2016	4.18%	1,600,000	1,386,667	160,000	1,226,667	160,000	1,066,667	160,000
Frost National Bank Loan, Equipment	06/26/2006	2011	4.95%	43,696	33,767	8,406	25,363	8,826	16,537	9,273
American Bank Loan, Lab Equipment	12/29/2006	2010	4.20%	120,000	94,666	39,420	55,246	41,141	14,105	14,105
A. Ussery, Water Rights	09/26/2006	2031	4.50%	343,496	326,148	7,823	318,325	8,175	310,150	8,543
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	555,177	13,317	541,860	13,916	527,944	14,543
Metcalf Bank Loan, Lab Equipment	10/20/2008	2014	5.25%	102,945	--	--	0	12,606	90,339	19,064
General Improvement Revenue Bonds, 2002	09/15/2002	2027	3.35-4.75%	4,390,000	3,870,000	115,000	3,755,000	125,000	3,630,000	130,000
<b>COLETO CREEK DIVISION</b>										
Frost National Bank Loan, Equipment	06/26/2006	2009	4.95%	13,609	8,184	4,591	3,593	3,593	--	--
<b>Total Obligations Payable Directly by GBRA</b>				<b>\$21,431,065</b>	<b>\$15,555,249</b>	<b>\$724,142</b>	<b>\$14,831,109</b>	<b>\$779,224</b>	<b>\$ 14,475,305</b>	<b>\$783,206</b>

**CONTRACT REVENUE BONDS AND LOANS**

**WATER RESOURCE DIVISION**

Hays Energy Ltd. Loan	09/23/1999	2024	8.0%	\$3,200,000	\$2,761,382	\$2,761,382	\$ --	\$ --	\$ --	\$ --
Regional Raw Wtr Delivery System Bonds, San Marcos										
1998	09/15/1998	2024	4.50-6.0%	9,735,000	7,725,000	310,000	7,415,000	325,000	7,090,000	340,000
Western Canyon Regional Water Supply Project Revenue Bonds										
2003	04/01/2003	2033	3.0-5.25%	79,450,000	76,505,000	1,575,000	74,930,000	1,620,000	73,310,000	1,685,000
IH35 Project Combination Contract Revenue Bonds										
2004A	12/07/2004	2037	3.0-4.13%	15,660,000	15,660,000	275,000	15,385,000	285,000	15,100,000	290,000
IH35 Project Combination Contract Revenue Bonds										
2004B	12/07/2004	2037	5.5-5.8%	5,305,000	5,305,000	70,000	5,235,000	75,000	5,160,000	80,000
RRWDS Combination Contract Revenue Bonds										
2007A	09/15/2007	2039	5.00%	9,180,000	--	--	9,180,000	--	9,180,000	145,000
RRWDS Combination Contract Revenue Bonds										
2007B	09/15/2007	2039	7.10%	5,775,000	--	--	5,775,000	--	5,775,000	65,000

**PORT LAVACA WATER TREATMENT PLANT DIVISION**

Frost National Bank, Clearwell	03/04/2008	2022	4.00%	400,000	--	4,533	395,467	8,111	387,356	8,446
Water Supply Revenue Refunding Bonds										
2000	12/15/2000	2016	4.50-5.375%	3,265,000	2,280,000	200,000	2,080,000	215,000	1,865,000	230,000

**VICTORIA REGIONAL WASTE DISPOSAL DIVISION**

Regional Waste Disposal Refunding and Improvement Revenue Bonds										
1989	12/15/1989	2010	6.15-7.10%	5,520,000	1,740,000	435,000	1,305,000	435,000	870,000	435,000 (1)
Regional Waste Disposal Revenue Bonds										
1996	07/18/1996	2010	2.9-4.75%	3,750,000	1,295,000	305,000	990,000	315,000	675,000	330,000



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
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**NOTE B – LONG-TERM LIABILITIES (CONTINUED)**

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outstanding 8/31/2007	Retired During FY 2008	Outstanding 8/31/2008	Retired During FY 2009	Outstanding 8/31/09	Amounts Due Within One Year
<b>LULING WATER TREATMENT PLANT DIVISION</b>										
Treated Water Delivery System Contract Revenue Bonds (City of Lockhart)										
2004	05/01/2004	2030	3.0-5.0%	6,370,000	6,070,000	155,000	5,915,000	160,000	5,755,000	165,000
<b>CANYON HYDROELECTRIC DIVISION</b>										
Hydroelectric Project Revenue Refunding Bonds										
2002	04/15/2002	2014	3.5-4.75%	9,705,000	6,320,000	780,000	5,540,000	815,000	4,725,000	850,000 (2)
<b>LOCKHART WASTEWATER RECLAMATION DIVISION</b>										
Regional Wastewater Treatment System Contract Revenue Bonds										
1996	04/02/1996	2017	2.85%-4.55%	5,480,000	5,095,000	355,000	4,740,000	375,000	4,365,000	450,000
<b>Total Contract Revenue Bonds and Loans</b>				<u>\$162,795,000</u>	<u>\$130,756,382</u>	<u>\$7,225,915</u>	<u>\$138,885,467</u>	<u>\$4,628,111</u>	<u>\$134,257,356</u>	<u>\$5,073,446</u>

**Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest**

	<u>\$146,311,631</u>	<u>\$153,716,576</u>	<u>\$148,732,661</u>	<u>\$5,856,652</u>
		<u>8/31/2008</u>	<u>8/31/2009</u>	
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest		\$153,716,576	\$148,732,661	
Less Revenue Bond Discounts and Deferred Defeasance		(817,643)	(670,057)	
Plus Revenue Bond Premiums		<u>1,885,682</u>	<u>1,765,979</u>	(1)(2)
<b>Net Revenue Bonds and Long-Term Loans Payable</b>		<u>154,784,615</u>	<u>149,828,583</u>	
Less Current Portion		<u>(5,379,586)</u>	<u>(5,856,652)</u>	
<b>TOTAL BONDS AND LOANS PAYABLE</b>		<u><u>149,405,029</u></u>	<u><u>143,971,931</u></u>	

**INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET**

**Long-term loans payable to the General Division are as follows:**

	<u>8/31/2008</u>	<u>8/31/2009</u>
Guadalupe Valley Hydroelectric Division	1,655,534	1,666,034
Rural Utilities Division	498,000	1,300,000
Water Supply Division	7,275,600	2,841,904
Coleto Creek Division	<u>62,207</u>	<u>25,207</u>
<b>Total Long-term loans payable to the General Division</b>	<u><u>9,491,341</u></u>	<u><u>5,833,145</u></u>

- GBRA issued in Fiscal Year 1990 Regional Waste Disposal Refunding and Improvement Revenue Bonds. These bonds included both current interest bonds and capital appreciation or deep-discount bonds. The original combined discount on these bonds was in the amount of \$1,879,910. GBRA is amortizing the discount over the life of the bonds using the effective interest method. The August 31, 2009 and 2008 discount balance was \$34,119 and \$92,942 respectively. Part of the proceeds from these bonds were used to purchase U.S. Government securities which were placed in a separate irrevocable trust fund in order to defease a 1982 bond issue which was subsequently called on October 1, 1992.
- GBRA issued in Fiscal Year 2002, Hydroelectric Project (City of New Braunfels, Texas) Revenue Refunding Bonds, Series 2002. These bonds were issued to retire the Series 1991 bonds, except for \$50,000 in principal and associated interest, which matured on December 1, 2002. The Series 2002 bonds were sold at a premium of \$33,774 which is being amortized over the life of the bond. The premium balance at August 31, 2009 and 2008 was \$16,196 and \$18,566 respectively. In addition to the refunding, New Braunfels Utilities contributed \$2,000,000 toward the reduction of the debt and reduced the term of the debt by two years. The refunding produced a net present value benefit (economic gain) of \$1,195,411. The combination of the refunding of the old bonds and the \$2,000,000 advance payment resulted in a net cash flow savings of \$2,972,819.
- The various bond indentures, resolutions and agreements provide for the establishment of separate restricted accounts for debt service retirement, construction, contingencies, etc. These accounts are reported as restricted assets in the accompanying combined financial statements. The bond indentures contain flow of funds requirements which generally provide the order in which funds are to be applied. These requirements have been met. None of the bond indentures of GBRA contain bond coverage requirement provisions, except the General Improvement Revenue Bonds and the Series 2004 Combination Contract Revenue Bonds. Therefore coverage data is not applicable for those issues. The General Improvement Revenue Bonds and the Series 2004 Combination Contract Revenue required provisions are disclosed in footnote "Continuing Disclosure Requirements".

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
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**NOTE C - DEFINED BENEFIT PENSION PLAN**

**1. PLAN DESCRIPTION**

GBRA contributes to the Retirement Plan for Employees of Guadalupe-Blanco River Authority which was established June 1, 1966, and restated effective January 1, 2008. The Plan is a single employer, non-contributory, defined benefit plan. The Plan's benefit provisions were established and may be amended by GBRA's Board of Directors. The Plan is administered by the Retirement and Benefit Committee appointed by the GBRA Board. GBRA does not have access nor can it utilize assets within the Retirement Plan Trust.

All full-time GBRA employees who have completed one (1) year of service are eligible to participate in the Plan. Employees are 100% vested in the accrued benefit upon completion of five (5) years of service. Employees with less than five (5) years of service are not vested. Normal retirement age is 65. The Plan also provides benefits for early and late retirement, death, and disability. The retirement benefit at normal retirement is equal to 1.3% of final average earnings times the number of years of credited service. The normal form of payment is a ten (10) year certain and lifetime monthly benefit.

Wells Fargo Bank is the trustee of the plan. There is no stand-alone pension plan report available but a copy of the actuarial report is available from Rudd and Wisdom, Inc. at 9500 Arboretum Boulevard, Suite 200, Austin, Texas 78759.

**2. FUNDING POLICY**

The GBRA Board of Directors has sole authority to establish or amend the obligations to contribute to the plan by participants or the employer. Employees are not required to contribute to the plan. GBRA makes contributions which are actuarially determined to pay the plan's total cost. GBRA contributes an amount annually (usually in December) for each plan year (ending December 31) that equals the sum of the normal cost using the entry age actuarial cost method plus an amount that will amortize the unfunded actuarial liability over an open period that varies from year to year but that in recent years has been 30 years. The employer contributions were 9.32% of total participant payroll for 2008 and are expected to be 11.32% for the 2009 plan year. All of the costs of administering the plan are paid by GBRA and are not considered in the determination of the employer contribution.

**3. ANNUAL PENSION COST AND NET PENSION OBLIGATION**

For the GBRA fiscal year commencing September 1, 2008 and ending August 31, 2009, the Annual Pension Cost for GBRA of \$764,425 was equal to the employer's required and actual contribution. The actual contribution during the fiscal year was \$1,264,425, the sum of the required contribution of \$764,425 and a supplemental contribution of \$500,000. Before August 31, 2009, there had been no net pension obligation or asset since GBRA had historically contributed the annual required contribution. Because of the supplemental contribution of \$500,000 in August 2009, there is now a net pension asset of \$500,000 as of August 31, 2009.

SIX-YEAR TREND INFORMATION				
Fiscal Year Ending	Annual Pension Cost (APC)	Amount Contributed	Percentage of APC Contributed	Net Pension Asset
August 31, 2004	\$ 538,629	\$ 538,629	100%	\$ 0
August 31, 2005	\$ 514,051	\$ 514,051	100%	\$ 0
August 31, 2006	\$ 625,333	\$ 625,333	100%	\$ 0
August 31, 2007	\$ 662,796	\$ 662,796	100%	\$ 0
August 31, 2008	\$ 707,443	\$ 707,443	100%	\$ 0
August 31, 2009	\$ 764,425	\$ 1,264,425	165%	\$ 500,000

The annual required contribution for the fiscal year ending August 31, 2009 was based on the results of the actuarial valuation as of January 1, 2008 using the entry age actuarial cost method and was determined in compliance with the GASB Statement No. 27 parameters. The actuarial assumptions used for the three most recent valuations are shown below:

Actuarial Valuation Date:	January 1, 2007	January 1, 2008	January 1, 2009
Actuarial Cost Method:	Entry age	Entry age	Entry age
Amortization Method:	Level % of payroll, open	Level % of payroll, open	Level % of payroll, open
Amortization Period:	30 years	30 years	30 years
Asset Valuation Method:	5-yr adjusted mkt value	5-yr adjusted mkt value	5-yr adjusted mkt value
Annual Actuarial Assumptions:			
Investment return*	8.25%	8.25%	8.00%
Projected salary increases*	4.0% plus merit**	4.0% plus merit**	4.0% plus merit**
Inflation	4.0%	4.0%	4.0%
Cost-of-living increases	0.0%	0.0%	0.0%

\* includes inflation at the stated rate

\*\*merit increases range from 5.0% to 0.0%

**4. REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Jan 2004	Jan 2005	Jan 2006	Jan 2007	Jan 2008	Jan 2009
Actuarial Value of Assets	\$7,205,740	\$7,677,107	\$8,298,010	\$9,238,097	\$10,475,491	\$10,916,278
Actuarial Accrued Liability (AAL)	\$11,372,521	\$12,690,710	\$13,572,098	\$14,779,785	\$16,755,359	\$19,872,320
Unfunded AAL (UAAL)	\$4,166,781	\$5,013,603	\$5,274,088	\$5,541,688	\$6,279,868	\$8,956,042
Funded Ratio	63%	60%	61%	63%	63%	55%
Covered Payroll	\$5,941,599	\$6,972,148	\$7,319,088	\$7,840,665	\$8,201,393	\$8,573,185
UAAL as a Percentage of Covered Payroll	70%	72%	72%	71%	77%	104%

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS**

The monetary assets of GBRA are held in various forms and accounts. These assets are described and presented in the combined financial statements in two groups. One group is described as "Cash and Cash Equivalents". This group is characterized as having high liquidity with little market risk and includes cash, checking accounts, money market accounts and bank time deposits with an original maturity of less than three months. The second group of monetary assets is presented in the combined financial statements as "Investments". Investments are recorded at their fair value as based upon quoted market prices with the exception of bank certificates of deposit which are recorded at their historical cost which approximates fair value.

**1. CASH AND DEPOSITS**

At August 31, 2009, GBRA held \$1,662,785 in restricted and unrestricted cash. Included in this amount was \$1,700 of cash on hand and the remainder was on deposit at various banks in demand accounts.

GBRA bank deposits were entirely insured or collateralized with securities held by GBRA's agent in GBRA's name.

**2. INVESTMENTS**

In March 2003 the GASB issued No. 40 "Deposits and Investment Risk Disclosures", which GBRA has implemented. Risk disclosures in previous financial reports (under the provisions of GASB 3) focused only on custodial credit risk. GASB 40 not only addresses custodial credit risk, but other common areas of investment risk as well (e.g. interest rate risk, credit risk, and concentration of credit risk).

GBRA customarily invests its funds in certificates of deposit, mortgage backed securities, direct obligations of the United States or money market investment funds such as the Texas State Treasury's TexPool Fund and the Texas Cooperative Liquid Assets Securities System (Texas CLASS). GBRA usually holds its investments until maturity.

**Custodial Credit Risk:** Investments which may be purchased pursuant to Texas state law and GBRA's investment policy are direct or indirect obligations of the United States of America, any "A" rated obligation of a state of the United States or political subdivision thereof, investment grade repurchase agreements, prime commercial paper rated P-1, obligations of the Federal National Mortgage Association and Government National Mortgage Association, and bank time deposits to the extent collateral is pledged on the amount exceeding Federal Deposit Insurance Corporation (FDIC) coverage.

	Fair Value	Weighted Average Maturity in Months
Federal Farm Credit Bank	\$ 306,843	6.43
Federal Home Loan Bank	1,350,778	11.38
Federal National Mortgage Assn.	758,910	3.48
U. S. Treasury	11,860,057	12.97
Subtotal	14,276,588	
Certificates of Deposit	3,840,340	6.48
Money Market Funds	5,146,765	1.00
Texas Class	210,020	1.00
TexPool	3,103,349	1.00
Total Investments	\$ 26,577,062	7.79

**Interest Rate Risk:** GBRA'S investment policy calls for maximum final maturity of any operating investments to be 5 years, with at least 50% of all operating investments maturing within 3 years. Bond funds may be invested with maturities of less than 5 years, and construction funds may be invested in accordance with a construction draw schedule. The weighted average maturities noted above are in compliance with this policy.

Investments are rated as follows:

	Moody's	S&P
Federal Farm Credit Bank	Aaa	AAA
Federal Home Loan Bank	Aaa	AAA
Federal National Mortgage Assn.	Aaa	AAA
Texas Class	Aaa	AAA
TexPool	Aaa	AAAm

TexPool has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts (Comptroller) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, under an agreement with the Comptroller, acting on behalf of the Trust Company. The Comptroller maintains oversight of the services provided to TexPool by Federated Investors. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases.



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Texas CLASS is rated "AAA/V1+". Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The pool invests in a high-quality portfolio of investments legally permissible for Texas local government entities pursuant to the Texas Public Funds Investment Act. MBIA Municipal Investors Service Corporation, which manages the Texas CLASS, is a Securities and Exchange Commission registered investment advisor and provides investment management services specifically for the public sector.

The investment pools seek to maintain a net asset value of \$1.00 and are designed to be used for investment of funds which may be needed at any time.

Concentration of Credit Risk: GBRA's investment policy provides for diversification to reduce overall portfolio risk. The funds portfolio should consist of no more than 75% government or mortgage backed securities, 50% certificates of deposits, or 50% other types of eligible instruments. The investment portfolio concentrations are as follows:

Description	Fair Value	% of Portfolio
Mortgage Backed Securities	\$ 2,416,531	8.56%
Government Securities	11,860,057	42.00%
Certificates of Deposit	3,840,340	13.60%
Money Market Funds	5,146,765	18.22%
Public Funds Investment Pool	3,313,369	11.73%
Cash	1,662,785	5.89%
Total	<u>\$ 28,239,847</u>	<u>100.00%</u>

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the fiscal year end was as follows:

<b>ASSETS</b>				
Classification	Balance August 31, 2008	Additions	Removals	Balance August 31, 2009
Land, Water & Storage Rights	\$ 28,866,513	\$ 433,650	\$ --	\$ 29,300,163
Construction in Progress	14,901,213	4,827,341	17,652,870	\$ 2,075,684
Total Assets Not Being Depreciated	<u>43,767,726</u>	<u>5,260,991</u>	<u>17,652,870</u>	<u>31,375,847</u>
Structures & Improvements	181,678,667	15,702,963	39,774	197,341,855
Specialized Equipment	7,035,272	142,709	51,829	7,126,152
Office Buildings & Communications	2,179,053	--	--	2,179,053
Shops & Storerooms	50,173	--	--	50,173
Auto & Heavy Equipment	3,438,879	248,342	18,792	3,668,429
Office Furniture & Equipment	1,126,907	121,309	23,513	1,224,703
Miscellaneous Equipment	3,227,598	169,314	12,537	3,384,375
Total Dams, Plants and Equipment	<u>198,736,549</u>	<u>16,384,636</u>	<u>146,445</u>	<u>214,974,741</u>
Total Capital Assets	<u>\$ 242,504,275</u>	<u>\$ 21,645,627</u>	<u>\$ 17,799,315</u>	<u>\$ 246,350,588</u>
<b>DEPRECIATION</b>				
Classification	Balance August 31, 2008	Additions	Removals	Balance August 31, 2009
Structures & Improvements	\$ (39,396,811)	\$ (4,693,731)	\$ (5,477)	\$ (44,085,065)
Specialized Equipment	(5,467,078)	(103,955)	(17,507)	(5,553,526)
Office Buildings & Communications	(1,426,112)	(46,218)	--	(1,472,330)
Shops & Storerooms	(42,693)	(1,047)	--	(43,740)
Auto & Heavy Equipment	(2,339,423)	(223,406)	(2,145)	(2,560,684)
Office Furniture & Equipment	(836,174)	(86,320)	(23,364)	(899,130)
Miscellaneous Equipment	<u>(1,335,089)</u>	<u>(209,918)</u>	<u>(9,982)</u>	<u>(1,535,025)</u>
Total Accumulated Depreciation	<u>\$ (50,843,380)</u>	<u>\$ (5,364,595)</u>	<u>\$ (58,475)</u>	<u>\$ (56,149,500)</u>
NET CAPITAL ASSETS	<u>\$ 191,660,895</u>	<u>\$ 16,281,032</u>	<u>\$ 17,740,840</u>	<u>\$ 190,201,088</u>

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE F - POLLUTION CONTROL AND INDUSTRIAL DEVELOPMENT BONDS**

GBRA has assisted industries within the GBRA service area by providing tax-exempt financing for pollution control facilities and private industrial development.

For each of the pollution control and industrial development bonds listed below, GBRA acted as an issuing conduit so that the user of the bond proceeds benefited from reduced debt service requirements. In each case, the user of the bond proceeds pledge their credit, bear sole responsibility for all debt service, make all payments directly to the trustee, and completely indemnify GBRA for any costs incurred. Due to the character of these bonds, GBRA considers them debts of the third party users rather than debts of GBRA. Therefore, these bonds and the related receivables have been excluded from the combined financial statements in order to avoid misrepresenting the nature of the bonds and distorting GBRA's financial statements. This exclusion is in conformity with the Texas State Auditor's Report dated October 6, 1986 for Water Districts and River Authorities reporting third party conduit financings. The Pollution Control and Industrial Development Bonds outstanding at August 31, 2009 total \$90,890,000 and are as follows:

Series	Date of Issue	Maturity	Interest Rate	Original Amount	Outstanding 8/31/2007	Outstanding 8/31/2008
Sewage and Solid Waste Disposal Facility Bonds (E.I. duPont Co. Project)						
1996	4/1/1996	2026	Variable	25,000,000	25,000,000	25,000,000
Sewage and Solid Waste Disposal Facility Bonds (E.I. duPont Co. Project)						
1999	5/1/1999	2029	3.50%	25,000,000	25,000,000	25,000,000
Pollution Control Revenue Refunding Bonds (AEP Texas Central, formerly Central Power & Light, Company Project)						
2008	4/1/2008	2017	Variable	40,890,000	40,890,000	40,890,000

**NOTE G - RISK MANAGEMENT**

GBRA is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, natural disasters, and job-related injuries or illnesses to employees for which GBRA carries commercial insurance or participates in the Texas Water Conservation Association Risk Management Fund (Fund). GBRA's relationship with the Fund parallels that with a commercial insurance company. The Fund has the responsibility to defend any suit seeking damages on account of any liability up to the applicable limits of the agreement. GBRA on the other hand has the responsibility to notify the Fund of all potential claims and to reimburse the Fund for amounts paid within the agreement's deductible. GBRA does not have the responsibility to reimburse the Fund for amounts related to the claims of other Fund participants. During the past three years, no settlements have exceeded insurance coverage. On January 1, 1994, GBRA changed its medical insurance coverage from a fully-insured plan to a partially self-insured plan. The purpose of the change was to reduce total medical costs for both the employees and GBRA. Medical claims exceeding \$1,570,569 for the group and \$50,000 per covered individual are insured through MedEx. The plan is administered by United Health Care.

Liabilities are reported when a contingency risk exists that may exceed reasonable cost projections. Annual costs did exceed the plan year budget over the past fiscal year. As a result, GBRA's previously accumulated restricted health insurance investment fund declined to a total of \$40,826. These funds will be available in any future year that health costs exceed that plan year budget.

	Beginning Balance	Additions	Deletions	Adjust to Market Value	Ending Balance
FY 2008 \$	194,996	\$ 1,627,913	\$ (1,746,768)	\$ 1,003	\$ 77,144
FY 2009 \$	77,144	\$ 1,743,143	\$ (1,779,461)	\$ -	\$ 40,826

**NOTE H - CONTINUING DISCLOSURE REQUIREMENTS**

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2002**

On September 18, 2002, GBRA authorized the issuance of General Improvement Revenue Bonds, Series 2002 in the amount of \$4,390,000 with a delivery date of September 27, 2002. The proceeds are being used for the expansion and construction of the GBRA headquarters, meeting room and office facilities, and an operations warehouse.

Moody's Investors Service, Inc. assigned an underlying rating on the Bonds of "A1" and an additional rating on the Bonds of "Aaa" based upon a municipal bond insurance policy issued by Ambac Assurance Corporation. As of August 31, 2009, the Bonds continued to have an underlying rating of "A1" from Moody's, but the enhanced rating on the Bonds had been downgraded to "Caa2" based upon Moody's latest downgrade (announced on July 29, 2009) of the insurance financial strength rating of Ambac Assurance Corporation.

The bonds constitute special obligations of GBRA, both principal and interest, payable from and secured by an irrevocable lien on and pledge of the "Pledged Revenues" and the Pledged Revenues are further pledged to the establishment and maintenance of certain funds created in the Resolution authorizing the Bonds. "Pledged Revenues" generally consist of the gross revenues received by GBRA from the sale or commitment of raw water currently stored in Canyon Reservoir and from other sources of firm, dependable supplies of water as they are acquired and developed in the "Water Supply System" of GBRA's Water Resources Division.

**COMBINATION CONTRACT REVENUE BONDS, SERIES 2004A & 2004B**

On December 7, 2004, GBRA authorized the issuance of Combination Contract Revenue, Subordinate Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Tax-Exempt Series 2004A and Taxable Series 2004B, \$15,660,000 and \$5,305,000, respectively. Proceeds from the sale of the Bonds will be used for the purpose of providing funds to construct and equip facilities and acquire rights-of-ways necessary for delivering treated water from a water treatment plant located in San Marcos, Texas to portions of Hays and Caldwell Counties, Texas.

Moody's Investors Service, Inc. ("Moody's") and Standard and poor's Ratings Services, a Division of The McGraw Hill Companies, Inc. ("S&P") assigned an underlying rating on the Bonds of "A3" and "A-" respectively, and an additional rating on the Bonds of "Aaa" and "AAA", respectively, based upon a municipal bond insurance policy issued by MBIA Insurance Corporation. As of August 31, 2009, the Bonds continued to have an underlying rating of "A3" and "A-" from Moody's and S&P, respectively, but the enhanced rating on the Bonds had been downgraded by Moody's to "Baa1" [based upon Moody's latest rating (confirmed on June 25, 2009) of the insurance financial strength rating of National Public Finance Guarantee Corporation (which entity has assumed MBIA Insurance Corporation's U.S. public finance portfolio)] and had been upgraded by S&P to "A" [based upon S&P's latest rating (announced on June 5, 2009 and affirmed on September 28, 2009) of the insurance financial strength rating of National Public Finance Guarantee Corporation].

The bonds constitute special obligations of GBRA that are equally and ratably payable from and secured by an irrevocable lien on and pledge of the "Pledged Revenues," and the Pledged Revenues are further pledged to the establishment and maintenance of certain funds created in the Resolution authorizing the bonds. "Pledged Revenues" generally consist of (i) the "Gross Contract Revenues" derived by GBRA from various public and private entities pursuant to certain "Water Supply Agreements" related to the Treated Water Delivery System; (ii) the "Subordinate Water Resources Division Revenues" (which generally consist of the gross revenues received by GBRA from the sale of firm raw water stored in Canyon Reservoir and other sources of firm, dependable supplies of water as they are acquired and developed in the Water Supply System of GBRA's Water Resource Division, less payment of all debt service and other payments required to be

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)**

made in connection with any “Senior Lien Water Resources Division Obligations” and operation and maintenance expenses of such Water Supply System), and (iii) the “Surplus Western Canyon Regional Water Supply Project Revenues” (which generally consist of gross revenues received by GBRA from various public and private entities and certain retail customers of GBRA that receive treated water from GBRA’s “Western Canyon Regional Water Supply Project” pursuant to water supply agreement with GBRA, less all debt service, reserve fund, operation and maintenance expenses, and other funding requirement payable from such gross revenues which are then due and payable).

Under the continuing disclosure agreements of these bonds, GBRA is obligated to provide certain updated financial information and operating data annually. The required information is identified below and in the preceding footnote.

**1. DEBT SERVICE REQUIREMENTS**

The amortization schedules associated with these bonds are included in the Other Supplemental Information section of this report.

**2. FUND BALANCES AND COVERAGE**

GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2002

Interest and Sinking Fund Balances as of August 31, 2009	\$	23,886	
Reserve Fund Balance as of August 31, 2009	\$	-	(1)
Pledged Revenues for the Fiscal Year Ended August 31, 2009	\$	9,022,433	(2)
Net Revenues for the Fiscal Year Ended August 31, 2009	\$	2,500,171	(3)
Average Annual Debt Service Requirements (2003-2027)	\$	295,625	
Coverage Factor based on Pledged Revenues		30.52	
Coverage Factor based on Net Revenues		8.46	

(1) The reserve fund requirements are funded through Ambac Assurance Corporation.

(2) See "Water Sales" under "Raw Water Sales" table.

(3) See "Net Revenues" under "Raw Water Sales" table.

**3. SOURCES OF PLEDGED REVENUES**

COMBINATION CONTRACT REVENUE, SUBORDINATE WATER RESOURCES DIVISION REVENUE,  
AND SURPLUS WATER PROJECT REVENUE BONDS, SERIES 2004A AND 2004B

	Fiscal Year Ended August 31		
	2009	2008	2007
Debt Service Component of Gross Contract Revenues			
From City of Buda, Texas	\$ 165,969	\$ 165,969	\$ 44,671
From City of Kyle, Texas	438,159	438,159	117,931
From GoForth Water Supply Corporation	156,011	156,011	41,990
From Sunfield Municipal Utilities District	663,877	663,877	178,683
From Monarch	82,985	6,915	--
Total Gross Contract Revenues	<u>\$ 1,507,001</u>	<u>\$ 1,430,931</u>	<u>\$ 383,275</u>
Subordinate Water Resources Division Revenues	2,212,473	1,257,278	1,738,821
Surplus West. Canyon Reg. Water Sup. Project Revs.	532,000	532,000	532,000
Total Pledged Revenues Available to Pay Debt Service	<u>\$ 4,251,474</u>	<u>\$ 3,220,209</u>	<u>\$ 2,654,096</u>
Annual Debt Service Requirements	\$ 1,372,183	\$ 1,369,282	\$ 1,024,283
Coverage Factor	3.10	2.35	2.59

1) Billings to contracted customers for debt service began in May 2007. Prior to that, capitalized interest was used to pay debt service.

However, the 10% debt coverage requirement from contracted customers commenced in August 2006.



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)**

**4. RAW WATER SALES COMPONENT OF WATER RESOURCES DIVISION – HISTORICAL OPERATING STATEMENT**

	Fiscal Year Ended August 31									
	2009		2008		2007		2006		2005	
<b>Revenue</b>										
Raw Water Sales (1)	\$	9,022,433	\$	8,316,007	\$	7,949,392	\$	6,713,379	\$	5,691,556
Reservation Fees (2)and(3)		--		58,771		117,543		39,181		609,750
Water Replacement Fees (4)		68,750		41,250		343,750		220,000		--
Recreation and Land Use		95,439		90,065		65,316		87,415		78,990
Rental Income		230,464		253,435		254,775		167,772		158,937
Miscellaneous		533,493		217,085		33,993		32,236		31,298
Total Operating Revenue	\$	9,950,580	\$	8,976,613	\$	8,764,769	\$	7,259,983	\$	6,570,531
<b>Expense</b>										
Operating Expenses (5)	\$	6,055,807	\$	5,819,131	\$	5,851,606	\$	3,613,693	\$	4,879,440
Maintenance and Repairs		870,150		1,120,329		397,331		1,030,821		430,913
Administrative and General		524,452		496,600		493,511		405,413		404,101
Total Operating Expense	\$	7,450,408	\$	7,436,060	\$	6,742,448	\$	5,049,926	\$	5,714,454
<b>Net Revenue</b>	\$	2,500,171	\$	1,540,553	\$	2,022,322	\$	2,210,057	\$	856,077
<b>Less Debt Service for Senior Lien Bonds (6)</b>	\$	287,698	\$	283,275	\$	283,500	\$	283,225	\$	282,725
<b>Subordinate Revenues Available</b>	\$	2,212,473	\$	1,257,278	\$	1,738,822	\$	1,926,832	\$	573,352

(1) Pledged Revenues.

(2) Annual fee paid by the San Antonio Water System and the San Antonio River Authority to preserve 70,000 acre-feet of run-of-the-river water rights currently held by GBRA and Union Carbide in the anticipation of the construction of a water supply delivery project from Refugio County to Bexar County, Texas. Both San Antonio Water System and the San Antonio River Authority cancelled their reservation contracts during FY2006.

(3) During FY 2008, FY 2007 and FY 2006, new customers in the Western Canyon project paid reservation to reserve plant capacity for water treatment at the Western Canyon Water Treatment Plant.

(4) New customers in the Western Canyon Project are required to pay a one time charge of \$225 per annual reserved acre foot commitment.

(5) Includes \$528,374 of FY 2005 costs recognized as Special Items in the Combining Schedule of Revenues, Expenses and Change in Net Assets.

(6) Senior Lien Bonds include the outstanding General Improvement Bonds, Series 2002.

**5. CUSTOMER BASE BY TYPE**

GBRA receives revenues from the sale or commitment of raw water currently stored in Canyon Reservoir. Such raw water is sold in accordance with various long-term contracts between GBRA and the purchaser where the purchaser agrees to pay for stored water whether or not it ultimately is delivered. There are four types of purchasers: municipal, domestic, industrial and irrigation. The total acre-feet of firm raw water contracted with each type of customer is shown below:

	August 31, 2009		August 31, 2008		August 31, 2007		August 31, 2006		August 31, 2005	
	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total
Municipal	61,292	78.85%	56,470	77.44%	56,142	77.10%	53,872	76.40%	49,856	74.96%
Domestic	17	0.02%	17	0.02%	19	0.03%	22	0.03%	25	0.04%
Industrial	15,827	20.36%	15,830	21.71%	15,833	21.74%	15,830	22.45%	15,831	23.80%
Irrigation	606	0.78%	609	0.84%	825	1.13%	792	1.12%	799	1.20%
Contracted	77,742	100.01%	72,926	100.01%	72,819	100.00%	70,516	100.00%	66,511	100.00%

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)**

**6. MAJOR FIRM WATER CUSTOMERS (1,000 ACRE-FEET PER YEAR OR MORE)**

Municipal and Industrial customers account for the majority of the total acre-feet under contract between GBRA and purchasers, and purchasers with contracts for 1,000 acre-feet or more per year account for 90% of the total acre-feet currently under contract. For this reason, major firm water customers have been identified as those with contracts for the sale of firm raw water in the amount of 1,000 or more acre-feet per year. Major firm water customers for the fiscal year ended August 31, 2009 are shown below:

Customer	Type	Total AF/YR	Revenue	Contract Information		
				Contract Date	Expiration Date	Renewal Option
Municipal						
Canyon Regional Water Authority City of Marion (100A/F) City of Cibolo (1,350 A/F) Green Valley SUD (1,800 A/F) Springs Hill WSC (1,925 A/F) East Central WSC (1,400 A/F) Bexar MWD (4,000 A/F)	Regional Water Authority	10,575	\$ 1,271,443	10/31/1998	12/31/2039	(1)
New Braunfels Utilities	City	6,720	702,800	01/26/1989	01/25/2009	20 Yrs
City of Seguin	City	1,000	104,584	07/11/1995	12/31/2037	(1)
Canyon Lake WSC	Water Supply Corporation	2,000	216,167	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	216,167	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	216,167	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	1,500	130,729	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	130,729	06/01/2000	12/31/2050	(1)
Green Valley SUD	Water Supply Corporation	1,000	70,000	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	7,000	714,674	10/01/1989	07/01/2047	(1)
City of Kyle	City	2,957	309,253	05/20/2005	12/31/2038	20 YRS
City of Buda	City	1,120	117,133	04/09/2002	12/31/2042	(1)
CRWA --Hays Project	Regional Water Authority	2,038	213,141	06/04/2003	12/31/2039	(1)
GoForth WSC	Water Supply Corporation	1,050	109,813	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	3,136	327,973	09/08/2005	12/31/2050	
Monarch	Utility Company	560	58,567	01/01/2008	12/31/2037	
GBRA Western Canyon						
SAWS	City	4,000	1,066,634	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Boerne	City	3,611	377,650	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	189,208	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
Total Major Municipal Customers		55,117	\$ 6,542,833			
Industrial						
Guadalupe Power Partners	Electric Generation	6,840	\$ 715,350	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Coletto Creek Power LP	Electric Generation	4,000	470,625	09/01/1975	09/01/2025	(1)
Hays Energy Limited Partners	Electric Generation	2,464	257,693	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	115,042	02/11/1980	02/21/2010	40 Yrs (15 Yrs = (5x5 Yrs))
Total Major Industrial Customers		14,404	\$ 1,558,710			
Other						
Cordillera Ranch	Housing Development	1,000	104,583	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Total Major Other Customers		1,000	\$ 104,583			
Total Major Customers		70,521	\$ 8,206,126			
Total Firm Water Sales		77,742	9,022,433			
Major Customers as a Percentage of Total		90.71%	90.95%			

(1) Contract does not provide for specific renewal options

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**7. FIRM WATER SALES RATE HISTORY**

Price Per Acre-Foot (1)	Effective Date
\$38.75	10/1/1980
44.76	10/1/1985
53.03	10/1/1990
61.00	10/1/1997
69.00	10/1/2000
80.00	10/1/2002
84.00	11/1/2003
88.00	10/1/2004
92.00	10/1/2005
96.00	10/1/2006
100.00	10/1/2007
105.00	10/1/2008

(1) Excludes out-of-district charges.

**8. OTHER OBLIGATIONS**

**Obligations Payable Directly by GBRA**

The long-term obligations payable directly by GBRA are disclosed in "Note B – Long Term Liabilities" in the "Notes to Combined Financial Statements" section of this report.

**Contract Revenue Bonds**

The contract revenue bonds which are payable from revenue derived from contracts between GBRA and the various parties securing payment to GBRA for debt service payments on the bonds are disclosed in "Note B – Long Term Liabilities" in the "Notes to Combined Financial Statements" section of this report.

**Pollution Control and Industrial Development Bonds**

GBRA has assisted industries within the GBRA service area by providing tax-exempt financing for pollution control facilities and private industrial development which are disclosed in "Note B – Long Term Liabilities" and in "Note F – Pollution Control and Industrial Development Bonds" in the "Notes to Combined Financial Statements" section of this report.

**9. CASH, CASH EQUIVALENTS AND INVESTMENTS OF GBRA**

The percentages of GBRA's unrestricted investable funds by category is included in Note D — Cash, Cash Equivalents and Investments of this report.



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2009 AND 2008**

**NOTE I - SEGMENT INFORMATION, INCLUDING INTERFUND RECEIVABLES/PAYABLES**

GBRA is comprised of eleven (11) enterprise funds. These funds provide various services including raw and treated water supply, wastewater treatment and disposal, water quality monitoring, cooling reservoir operation, parks and recreational opportunities, as well as, hydroelectric generation. Governments that use enterprise funds accounting and reporting standards to report their activities are required to present segment information. A segment is an identifiable activity reported as or within an enterprise fund or another stand-alone entity that has one or more bonds outstanding with a revenue stream pledged in support of that debt, and the activity is externally required to maintain separate accounts.

All operating revenues result from charges for services.

Segment information at August 31, 2009 is as follows:

	Water Sales	Port Lavaca Water Plant	Victoria Waste Disposal	Luling Water Plant	Canyon Hydroelectric	Lockhart WWTP	Total
<b>REVENUES, EXPENSES AND CHANGES IN NET ASSETS</b>							
Operating Revenue	\$ 20,158,843	\$ 1,630,626	\$ 3,379,614	\$ 1,162,206	\$ 1,315,709	\$ 1,647,402	\$ 29,294,400
Operating Expenses	(7,676,343)	(1,275,211)	(2,798,917)	(772,729)	(235,843)	(1,021,351)	(13,780,394)
Depreciation and Amortization Exp	(3,297,337)	(168,278)	(353,536)	(166,581)	(332,862)	(212,465)	(4,531,059)
Operating Income	9,185,163	187,137	227,161	222,896	747,004	413,586	10,982,947
Nonoperating Revenue (Expenses)	(5,750,241)	(104,643)	(87,018)	(270,902)	(318,215)	(198,885)	(6,729,904)
Costs to be Recovered (Deferred Rev)	136,164	(120,076)	(229,055)	(10,503)	(428,592)	(183,455)	(835,517)
Change in Net Assets	\$ 3,571,086	\$ (37,582)	\$ (88,912)	\$ (58,509)	\$ 197	\$ 31,246	\$ 3,417,526
<b>BALANCE SHEET ACTIVITIES</b>							
Current Assets	\$ 4,637,500	\$ 558,660	\$ 1,573,503	\$ 612,525	\$ 744,236	\$ 585,288	\$ 8,711,712
Capital Assets	151,425,959	3,427,673	4,582,800	5,629,717	6,536,171	3,773,548	\$ 175,375,868
Other Assets	2,716,116	625,199	22,447	173,921	878,143	874,758	\$ 5,290,584
Total Assets	\$ 158,779,575	\$ 4,611,532	\$ 6,178,750	\$ 6,416,163	\$ 8,158,550	\$ 5,233,594	\$ 189,378,164
Current Liabilities	\$ 6,119,173	\$ 544,502	\$ 1,380,321	\$ 411,210	\$ 982,248	\$ 756,966	\$ 10,194,420
Long Term Liabilities	127,577,602	2,042,160	2,794,597	5,654,544	6,484,169	3,945,412	148,498,484
Total Liabilities	133,696,775	2,586,662	4,174,918	6,065,754	7,466,417	4,702,378	158,692,904
Invested in Capital Assets Net of Related Debt	17,043,071	1,175,317	3,071,918	(113,227)	2,361,813	(591,452)	22,947,440
Restricted	4,109,858	176,658	715,254	120,025	232,156	281,209	5,635,160
Unrestricted	3,929,871	672,895	(1,783,340)	343,611	(1,901,836)	831,459	2,092,660
Total Net Assets	25,082,800	2,024,870	2,003,832	350,409	692,133	521,216	\$ 30,675,260
Total Liabilities and Net Assets	\$ 158,779,575	\$ 4,611,532	\$ 6,178,750	\$ 6,416,163	\$ 8,158,550	\$ 5,223,594	\$ 189,368,164
Revenue Bonds Payable	\$ 123,937,744	\$ 1,865,000	\$ 1,510,881	\$ 5,742,943	\$ 4,174,357	\$ 4,365,000	\$ 141,595,925
Loans Payable	6,396,231	378,910	--	--	--	--	6,775,141
Interfund Balances:							
Accounts Receivable	828,529	155,945	283,386	75,000	39,400	88,038	1,470,298
Accounts Payable	764,960	217,665	404,714	131,668	60,600	168,007	1,747,614
Notes Payable	--	--	--	--	--	--	--
<b>CASH FLOW ACTIVITIES</b>							
Cash Flows							
Operating Activities	\$ 12,562,153	\$ 404,535	\$ 995,738	\$ 498,049	\$ 966,837	\$ 630,790	\$ 16,058,102
Capital & Related Financing Activities	(10,991,818)	(364,706)	(886,229)	(438,729)	(1,064,669)	(584,514)	(14,330,665)
Investing Activities	(817,531)	(9,563)	166,566	164,087	109,343	29,514	(357,584)
	\$ 752,804	\$ 30,266	\$ 276,075	\$ 223,407	\$ 11,511	\$ 75,790	\$ 1,369,853
Current Cash and Cash Equivalents							
At Beginning of Year	\$ 949,781	\$ 27,025	\$ 70,203	\$ 136,434	\$ 107,997	\$ 119,841	\$ 1,411,281
At End of Year	2,044,639	57,281	297,320	359,841	137,756	152,475	3,049,312
Net Increase (Decrease)	\$ 1,094,858	\$ 30,256	\$ 227,117	\$ 223,407	\$ 29,759	\$ 32,634	\$ 1,638,031
Restricted Cash and Cash Equivalents							
At Beginning of Year	\$ 4,993,179	\$ 5,003	\$ 764,076	\$ --	\$ 300,154	\$ 238,053	\$ 6,300,465
At End of Year	4,651,125	5,013	813,034	--	281,906	281,209	6,032,287
Net Increase (Decrease)	(342,054)	10	48,958	--	(18,248)	43,156	(268,178)
	\$ 752,804	\$ 30,266	\$ 276,075	\$ 223,407	\$ 11,511	\$ 75,790	\$ 1,369,853

## Other Supplemental Information

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**COMBINING BALANCE SHEET**

**AUGUST 31, 2009**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division	Calhoun County Rural Water Supply Division
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Unrestricted Assets						
Cash and Cash Equivalents.....	\$ 1,705,367	\$ 2,906	\$ 122,196	\$ 2,033,742	\$ 57,281	\$ 194,626
Investments-Unrestricted.....	3,386,344	--	--	704,438	--	104,819
Interest Receivable.....	40,214	--	21	14,982	--	2,034
Accounts Receivable-Operating.....	84,760	119,310	550,053	575,128	130,146	95,395
Accounts Receivable-Interfund.....	3,458,295	211,359	120,047	1,715,553	155,945	69,000
Other Current Assets.....	13,839	71,081	10,391	225,344	37,856	28,057
Total Current Assets.....	8,688,819	404,656	802,708	5,269,187	381,228	493,931
Restricted Assets						
Cash and Cash Equivalents.....	561,302	--	318,165	3,115,986	5,013	--
Investments.....	2,474,705	--	977,550	3,917,639	171,645	--
Interest Receivable.....	23,651	--	40,813	33,412	774	--
Total Restricted Assets.....	3,059,658	--	1,336,528	7,067,037	177,432	--
Total Current Assets.....	11,748,477	404,656	2,139,236	12,336,224	558,660	493,931
<b>LONG-TERM ASSETS</b>						
Restricted Assets						
Investments.....	103,531	--	207,062	584,710	31,443	--
Total Restricted Assets.....	103,531	--	207,062	584,710	31,443	--
Capital Assets						
Land, Water and Storage Rights.....	945,504	2,248,823	84,199	23,901,066	41,424	51,396
Dams, Plants and Equipment.....	1,762,610	11,248,441	8,149,970	141,921,840	6,911,094	2,497,614
Construction In Progress.....	--	25,161	1,881,969	--	--	9,715
Less Accumulated Depreciation.....	(1,345,044)	(6,062,674)	(2,688,173)	(17,875,282)	(3,524,845)	(1,507,462)
Total Capital Assets.....	1,363,070	7,459,751	7,427,965	147,947,624	3,427,673	1,051,263
Other Assets						
Investments-Unrestricted.....	3,583,478	--	--	1,048,750	--	51,766
Long-Term Loans Receivable.....	--	--	216,118	--	--	--
Contract Development Costs (Net of Amortization).....	--	--	--	280	--	--
Debt Issuance Costs (Net of Amortization).....	--	--	--	2,278,590	71,923	--
Permits and Licenses (Net of Amortization).....	--	--	--	--	--	--
Project Development Costs.....	--	--	35,677	274,350	--	--
Interfund Loans Receivable.....	5,833,145	--	--	--	--	--
Deferred Costs and Expenses.....	--	--	--	--	521,833	--
Total Other Assets.....	9,416,623	--	251,795	3,601,970	593,756	51,766
Total Long-Term Assets.....	10,883,224	7,459,751	7,886,822	152,134,304	4,052,872	1,103,029
Total Assets.....	\$ 22,631,701	\$ 7,864,407	\$ 10,026,058	\$ 164,470,528	\$ 4,611,532	\$ 1,596,960
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Payable from Unrestricted Assets						
Current Portion of Long-Term Loans Payable.....	\$ --	\$ 20,896	\$ --	\$ 490,975	\$ 8,446	\$ --
Interest Payable.....	--	--	--	70,593	--	--
Accounts Payable-Operating.....	913,268	264,999	542,323	1,099,334	73,448	39,915
Accounts Payable-Interfund.....	2,754,298	381,325	243,342	1,598,109	217,665	118,178
Total Current Unrestricted Liabilities.....	3,667,566	667,220	785,665	3,259,011	299,559	158,093
Payable from Restricted Assets						
Current Portion of Debt.....	--	--	141,335	2,735,000	230,000	--
Interest Payable.....	--	--	122,699	1,511,624	14,943	--
Accounts Payable-Construction.....	--	--	--	11,540	--	--
Total Current Restricted Liabilities.....	--	--	264,034	4,258,164	244,943	--
Total Current Liabilities.....	3,667,566	667,220	1,049,699	7,517,175	544,502	158,093
<b>LONG-TERM LIABILITIES</b>						
Revenue Bonds Payable.....	--	--	--	120,937,744	1,865,000	--
Long-Term Loans Payable.....	210,475	94,857	4,022,909	6,517,061	387,356	--
Interfund Loans Payable.....	--	1,666,034	1,300,000	2,841,904	--	--
	210,475	1,760,891	5,322,909	130,296,709	2,252,356	--
Less Current Portion.....	--	(20,896)	(141,335)	(3,225,975)	(238,446)	--
Total Bonds and Loans Payable.....	210,475	1,739,995	5,181,574	127,070,734	2,013,910	--
Advances for Operations.....	--	--	13,975	64,830	28,250	--
Deferred Income.....	--	--	--	3,753,181	--	--
Total Long-Term Liabilities.....	210,475	1,739,995	5,195,549	130,888,745	2,042,160	--
Total Liabilities.....	3,878,041	2,407,215	6,245,248	138,405,920	2,586,662	158,093
<b>NET ASSETS</b>						
Investments in Capital Assets Net of Related Debt.....	1,152,595	5,698,860	2,109,947	17,856,217	1,175,317	1,051,263
Restricted for Construction.....	--	--	838,075	191,397	--	--
Restricted for Insurance.....	4,051,178	--	--	--	--	--
Restricted for Debt Service.....	--	--	--	4,109,858	176,658	--
Unrestricted.....	13,549,887	(241,668)	832,788	3,907,136	672,895	387,604
Total Net Assets.....	18,753,660	5,457,192	3,780,810	26,064,608	2,024,870	1,438,867
Total Liabilities and Net Assets.....	\$ 22,631,701	\$ 7,864,407	\$ 10,026,058	\$ 164,470,528	\$ 4,611,532	\$ 1,596,960

See accompanying independent auditors' report.

Victoria Regional Wastewater Reclamation Division	Coletto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2009 Eliminations	2009 Total
\$ 297,320	\$ 99,167	\$ 359,841	\$ 137,756	\$ 102,108	\$ --	\$ 5,112,310
103,815	--	50,000	--	50,108	--	4,399,524
1,252	--	640	--	1,737	--	60,880
3,238	20,465	--	273,421	38,655	--	1,890,571
283,386	117,049	75,000	39,400	138,038	(6,383,072)	--
43,486	10,240	6,846	11,753	13,311	--	472,204
732,497	246,921	492,327	462,330	343,957	(6,383,072)	11,935,489
813,034	--	--	281,906	281,209	--	5,376,615
27,328	--	120,025	--	--	--	7,688,892
644	--	173	--	--	--	99,467
841,006	--	120,198	281,906	281,209	--	13,164,974
1,573,503	246,921	612,525	744,236	625,166	(6,383,072)	25,100,463
--	--	--	--	--	--	926,746
--	--	--	--	--	--	926,746
1,003,391	--	875,292	12,187	136,881	--	29,300,163
14,515,023	1,930,845	7,123,737	12,553,881	6,359,686	--	214,974,741
--	--	--	--	158,839	--	2,075,684
(10,935,614)	(1,585,109)	(2,369,312)	(6,029,897)	(2,226,088)	--	(56,149,500)
4,582,800	345,736	5,629,717	6,536,171	4,429,318	--	190,201,088
--	--	--	--	51,766	--	4,735,760
--	--	--	--	--	--	216,118
--	--	--	31,722	10,432	--	42,434
22,447	--	173,921	205,469	53,545	--	2,805,895
--	--	--	640,952	--	--	640,952
--	--	--	--	--	--	310,027
--	--	--	--	--	(5,833,145)	--
--	--	--	--	804,176	--	1,326,009
22,447	--	173,921	878,143	919,919	(5,833,145)	10,077,195
4,605,247	345,736	5,803,638	7,414,314	5,349,237	(5,833,145)	201,205,029
\$ 6,178,750	\$ 592,657	\$ 6,416,163	\$ 8,158,550	\$ 5,974,403	(12,216,217)	\$ 226,305,492
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	520,317
--	--	--	--	--	--	70,593
197,385	103,923	91,531	17,789	164,794	--	3,508,709
404,714	252,959	131,668	60,600	220,214	(6,383,072)	--
602,099	356,882	223,199	78,389	385,008	(6,383,072)	4,099,619
765,000	--	165,000	850,000	450,000	--	5,336,335
13,222	--	23,011	53,859	16,118	--	1,755,476
--	--	--	--	--	--	11,540
778,222	--	188,011	903,859	466,118	--	7,103,351
1,380,321	356,882	411,210	982,248	851,126	(6,383,072)	11,202,970
1,510,881	--	5,742,943	4,174,357	4,365,000	--	138,595,925
--	--	--	--	--	--	11,232,658
--	25,207	--	--	--	(5,833,145)	--
1,510,881	25,207	5,742,943	4,174,357	4,365,000	(5,833,145)	149,828,583
(765,000)	--	(165,000)	(850,000)	(450,000)	--	(5,856,652)
745,881	25,207	5,577,943	3,324,357	3,915,000	(5,833,145)	143,971,931
82,673	--	34,805	254,875	30,412	--	509,820
1,966,043	--	41,796	2,904,937	--	--	8,665,957
2,794,597	25,207	5,654,544	6,484,169	3,945,412	(5,833,145)	153,147,708
4,174,918	382,089	6,065,754	7,466,417	4,796,538	(12,216,217)	164,350,678
3,071,918	320,528	(113,227)	2,361,813	64,319	5,833,145	40,582,695
--	--	--	--	--	--	1,029,472
--	--	--	--	--	--	4,051,178
715,254	--	120,025	232,156	281,209	--	5,635,160
(1,783,340)	(109,960)	343,611	(1,901,836)	832,337	(5,833,145)	10,656,309
2,003,832	210,568	350,409	692,133	1,177,865	--	61,954,814
\$ 6,178,750	\$ 592,657	\$ 6,416,163	\$ 8,158,550	\$ 5,974,403	(12,216,217)	\$ 226,305,492



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET ASSETS**

**FISCAL YEAR ENDED AUGUST 31, 2009**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
<b>REVENUE</b>					
Power Sales.....	\$ --	\$ 1,773,324	\$ --	\$ --	\$ --
Water Sales and Lake Operations.....	--	--	--	25,801,308	1,630,624
Recreation and Land Use.....	--	--	--	95,439	--
Waste Water Treatment Services.....	--	--	1,459,278	531,992	--
Laboratory Services.....	--	--	--	675,585	--
Rental.....	--	7,734	--	263,664	--
Administrative and General.....	2,432,480	--	--	--	--
Miscellaneous.....	90,050	68,441	34,710	1,935,411	2
Total Operating Revenue.....	2,522,530	1,849,499	1,493,988	29,303,399	1,630,626
<b>EXPENSES</b>					
Personnel Operating Costs.....	1,067,594	998,566	516,428	4,216,342	464,162
Operating Supplies and Services.....	845,971	408,790	494,436	9,127,916	563,275
Maintenance and Repairs.....	148,344	873,351	313,169	1,772,822	130,015
Administrative and General.....	--	342,009	128,148	1,022,496	117,759
Depreciation and Amortization .....	86,923	276,078	210,939	3,583,306	168,278
Total Operating Expenses .....	2,148,832	2,898,794	1,663,120	19,722,882	1,443,489
Operating Income (Loss).....	373,698	(1,049,295)	(169,132)	9,580,517	187,137
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income.....	224,790	--	51,139	169,984	4,167
Loss on Disposal of Capital Assets.....	--	--	--	--	--
Interest Expense.....	--	(3,372)	(245,397)	(6,162,515)	(108,810)
Total Nonoperating Revenues (Expenses).....	224,790	(3,372)	(194,258)	(5,992,531)	(104,643)
Income (Loss) Before Recognition of Capital Contributions and Deferrals.....	598,488	(1,052,667)	(363,390)	3,587,986	82,494
Capital and Grant Contributions.....	--	--	1,300,256	242,557	--
Income (Loss) Before Recognition of Deferrals.....	598,488	(1,052,667)	936,866	3,830,543	82,494
Costs (Revenue) to be Recognized in Future Years .....	--	--	--	246,759	(120,076)
Income (Loss) Before Special Item.....	598,488	(1,052,667)	936,866	4,077,302	(37,582)
<b>SPECIAL ITEM</b>					
Supplementary Contribution to Defined Benefit Plan.....	500,000	--	--	--	--
Change in Net Assets.....	98,488	(1,052,667)	936,866	4,077,302	(37,582)
Net Assets at September 1, 2008.....	18,655,172	6,509,859	2,843,944	21,987,306	2,062,452
Net Assets at August 31, 2009 .....	\$ 18,753,660	\$ 5,457,192	\$ 3,780,810	\$ 26,064,608	\$ 2,024,870

Calhoun County Rural Water Supply Division	Victoria Regional Wastewater Reclamation Division	Coledo Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ --	\$ --	\$ --	\$ --	\$ 1,282,730	\$ --	\$ --	\$ 3,056,054
814,910	--	1,044,373	1,162,006	--	598,290	--	31,051,511
--	--	484,804	--	--	--	--	580,243
36,793	3,311,945	--	--	--	1,343,459	--	6,683,467
--	--	--	--	--	--	--	675,585
--	--	81,268	--	--	--	--	352,666
--	--	--	--	--	--	(2,432,480)	--
56,575	67,669	11,543	200	32,979	304,109	--	2,601,689
908,278	3,379,614	1,621,988	1,162,206	1,315,709	2,245,858	(2,432,480)	45,001,215
315,575	1,090,920	673,566	288,040	97,515	410,404	(124,222)	10,014,890
355,513	984,358	502,147	333,085	61,623	694,850	--	14,371,964
61,818	429,925	369,723	77,375	48,162	314,529	--	4,539,233
79,220	293,714	125,833	74,229	28,543	96,307	(2,308,258)	--
73,190	353,536	76,133	166,581	332,862	250,067	--	5,577,893
885,316	3,152,453	1,747,402	939,310	568,705	1,766,157	(2,432,480)	34,503,980
22,962	227,161	(125,414)	222,896	747,004	479,701	--	10,497,235
5,447	7,436	42	8,360	1,502	2,441	--	475,308
--	(2,704)	--	--	--	--	--	(2,704)
--	(91,750)	(74)	(279,262)	(319,717)	(199,819)	--	(7,410,716)
5,447	(87,018)	(32)	(270,902)	(318,215)	(197,378)	--	(6,938,112)
28,409	140,143	(125,446)	(48,006)	428,789	282,323	--	3,559,123
--	--	--	--	--	--	--	1,542,813
28,409	140,143	(125,446)	(48,006)	428,789	282,323	--	5,101,936
--	(229,055)	18,929	(10,503)	(428,592)	(183,455)	--	(705,993)
28,409	(88,912)	(106,517)	(58,509)	197	98,868	--	4,395,943
--	--	--	--	--	--	--	500,000
28,409	(88,912)	(106,517)	(58,509)	197	98,868	--	3,895,943
1,410,458	2,092,744	317,085	408,918	691,936	1,078,997	--	58,058,871
\$ 1,438,867	\$ 2,003,832	\$ 210,568	\$ 350,409	\$ 692,133	\$ 1,177,865	\$ --	\$ 61,954,814

**GUADALUPE-BLANCO RIVER AUTHORITY  
COMBINING SCHEDULE OF CASH FLOWS**

**FISCAL YEAR ENDED AUGUST 31, 2009**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers.....	\$ --	\$ 2,141,300	\$ 1,280,537	\$ 30,569,952
Cash Received from Interfund Administrative Charges.....	2,432,480	--	--	--
Cash Paid for Personnel Operating Costs.....	(1,067,594)	(998,566)	(516,428)	(4,216,342)
Cash Paid for Other Operating and Maintenance Costs.....	(732,204)	(1,145,621)	(383,337)	(11,402,676)
Cash Paid for Interfund Administrative Charges.....	.	(342,009)	(128,148)	(1,022,496)
Net Cash Flows From (Used by) Operating Activities.....	632,682	(344,896)	252,624	13,928,438
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund Operating Loans Received.....	--	310,500	802,000	129,000
Interfund Operating Loans Made .....	(1,241,500)	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	(300,000)	--	(4,562,696)
Principal Payments Received on Interfund Operating Loans.....	4,899,696	--	--	--
Cash Received from Grants .....	--	--	--	242,557
Supplementary Contribution to Defined Benefit Plan.....	(500,000)	--	--	--
Net Cash Flows From (Used by) Noncapital Financing Activities.....	3,158,196	10,500	802,000	(4,191,139)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	--	--	1,300,256	143,694
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	9,579	--
Proceeds from Sale of Capital Assets.....	--	--	--	2,283,719
Purchase of Capital Assets.....	(274,580)	(55,269)	(391,854)	(1,708,206)
Cash Paid for Construction in Progress.....	--	--	(1,560,606)	--
Cash Paid for Project Development.....	--	--	--	(54,734)
Interest Paid.....	--	--	(249,460)	(6,189,484)
Principal Payments on Revenue Bonds.....	--	--	--	(2,540,512)
Principal Payments on Loans.....	--	--	(133,209)	(399,334)
Net Cash Flows Used by Capital and Related Financing Activities.....	(274,580)	(55,269)	(1,025,294)	(8,464,857)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash Received from Investments .....	209,899	--	759,330	1,630,194
Investment Income Received.....	263,199	286	36,084	182,376
Cash Paid for Investments .....	(3,173,574)	--	(659,316)	(3,957,737)
Net Cash Flows From (Used by) Investing Activities.....	(2,700,476)	286	136,098	(2,145,167)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>\$ 815,822</b>	<b>\$ (389,379)</b>	<b>\$ 165,428</b>	<b>\$ (872,725)</b>
<b>CURRENT CASH AND CASH EQUIVALENTS:</b>				
At Beginning of Year.....	906,708	392,285	54,037	1,133,092
At End of Year.....	1,705,367	2,906	122,196	2,033,742
Net Increase (Decrease).....	798,659	(389,379)	68,159	900,650
<b>RESTRICTED CASH AND CASH EQUIVALENTS:</b>				
At Beginning of Year.....	544,139	--	220,896	4,889,361
At End of Year.....	561,302	--	318,165	3,115,986
Net Increase (Decrease).....	17,163	--	97,269	(1,773,375)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>\$ 815,822</b>	<b>\$ (389,379)</b>	<b>\$ 165,428</b>	<b>\$ (872,725)</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS</b>				
<b>FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss).....	\$ 373,698	\$ (1,049,295)	\$ (169,132)	\$ 9,580,517
Adjustments to Reconcile Operating Income to Net Cash Flows				
From Operating Activities:				
Depreciation and Amortization.....	86,923	276,078	210,939	3,583,306
Net Change in Assets and Liabilities From Operating Activities				
Operating Accounts Receivable.....	(79,467)	291,801	(213,429)	1,266,553
Other Current Assets.....	(699)	(1,584)	(338)	228,300
Operating Accounts Payable.....	252,227	138,104	424,584	(730,238)
Total Adjustments.....	258,984	704,399	421,756	4,347,921
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES.....</b>	<b>\$ 632,682</b>	<b>\$ (344,896)</b>	<b>\$ 252,624</b>	<b>\$ 13,928,438</b>

**NON-CASH TRANSACTIONS SCHEDULE**

1. During fiscal year 2009 and 2008, an adjustment of \$80,542 and \$114,694 respectively, was made to decrease investments to fair value.

See accompanying independent auditors' report.

Port Lavaca Water Treatment Plant Division	Calhoun County Rural Water Supply Division	Victoria Wastewater Reclamation Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ 1,635,911	\$ 893,367	\$ 3,715,749	\$ 1,621,521	\$ 1,229,720	\$ 1,214,735	\$ 2,278,454	\$ --	\$ 46,581,246
--	--	--	--	--	--	--	--	2,432,480
(464,162)	(315,575)	(1,090,920)	(673,566)	(288,040)	(97,515)	(410,404)	--	(10,139,112)
(649,455)	(360,459)	(1,335,377)	(746,978)	(369,402)	(121,840)	(1,093,049)	--	(18,340,398)
(117,759)	(79,220)	(293,714)	(125,833)	(74,229)	(28,543)	(96,307)	--	(2,308,258)
404,535	138,113	995,738	75,144	498,049	966,837	678,694	--	18,225,958
--	--	--	--	--	--	--	(1,241,500)	--
--	--	--	--	--	--	--	1,241,500	--
--	--	--	(37,000)	--	--	--	4,899,696	--
--	--	--	--	--	--	--	(4,899,696)	--
--	--	--	--	--	--	--	--	242,557
--	--	--	--	--	--	--	--	(500,000)
--	--	--	(37,000)	--	--	--	--	(257,443)
--	--	--	--	--	--	--	--	1,443,950
--	--	--	--	--	--	--	--	9,579
--	--	--	--	--	--	--	--	2,283,719
(31,154)	(28,727)	(38,507)	(7,830)	--	--	(59,264)	--	(2,595,391)
--	(4,547)	--	--	--	--	(54,373)	--	(1,619,526)
--	--	--	--	--	--	--	--	(54,734)
(110,441)	--	(97,722)	(74)	(279,695)	(249,669)	(201,100)	--	(7,377,645)
(215,000)	--	(750,000)	--	(159,034)	(815,000)	(375,000)	--	(4,854,546)
(8,111)	--	--	(3,593)	--	--	--	--	(544,247)
(364,706)	(33,274)	(886,229)	(11,497)	(438,729)	(1,064,669)	(689,737)	--	(13,308,841)
--	50,914	151,962	--	157,310	101,825	51,529	--	3,112,963
4,943	5,976	14,604	141	9,126	7,518	4,663	--	528,916
(14,506)	(26,026)	--	--	(2,349)	--	--	--	(7,833,508)
(9,563)	30,864	166,566	141	164,087	109,343	56,192	--	(4,191,629)
\$ 30,266	\$ 135,703	\$ 276,075	\$ 26,788	\$ 223,407	\$ 11,511	\$ 45,149	\$ --	\$ 468,045
27,025	58,923	70,203	72,379	136,434	107,997	100,115	--	3,059,198
57,281	194,626	297,320	99,167	359,841	137,756	102,108	--	5,112,310
30,256	135,703	227,117	26,788	223,407	29,759	1,993	--	2,053,112
5,003	--	764,076	--	--	300,154	238,053	--	6,961,682
5,013	--	813,034	--	--	281,906	281,209	--	5,376,615
10	--	48,958	--	--	(18,248)	43,156	--	(1,585,067)
\$ 30,266	\$ 135,703	\$ 276,075	\$ 26,788	\$ 223,407	\$ 11,511	\$ 45,149	\$ --	\$ 468,045
\$ 187,137	\$ 22,962	\$ 227,161	\$ (125,414)	\$ 222,896	\$ 747,004	\$ 479,701	\$ --	\$ 10,497,235
168,278	73,190	353,536	76,133	166,581	332,862	250,067	--	5,577,893
825	(10,267)	24,676	(467)	67,514	(100,974)	32,596	--	1,279,361
(13,421)	1,182	(9,587)	5,745	(277)	(134)	(5,871)	--	203,316
61,716	51,046	399,952	119,147	41,335	(11,921)	(77,799)	--	668,153
217,398	115,151	768,577	200,558	275,153	219,833	198,993	--	7,728,723
\$ 404,535	\$ 138,113	\$ 995,738	\$ 75,144	\$ 498,049	\$ 966,837	\$ 678,694	\$ --	\$ 18,225,958



**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

<b>CASTEEL PROPERTY LOAN</b>				
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2010	\$ --	\$ 13,681	\$	13,681
2011	--	13,681		13,681
2012	--	13,681		13,681
2013	--	13,681		13,681
2014	210,475	13,681		224,156
	<u>\$ 210,475</u>	<u>\$ 68,405</u>	<u>\$</u>	<u>278,880</u>

<b>FIRST LOCKHART NATIONAL BANK, EQUIPMENT LOAN</b>				
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2010	\$ 20,896	\$ 3,410	\$	24,306
2011	21,746	2,560		24,306
2012	22,627	1,679		24,306
2013	23,552	754		24,306
2014	6,036	41		6,077
	<u>\$ 94,857</u>	<u>\$ 8,444</u>	<u>\$</u>	<u>103,301</u>

<b>WELLS FARGO BANK, DUNLAP WASTEWATER TREATMENT PLANT EXPANSION LOAN</b>				
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2010	\$ 141,335	\$ 241,087	\$	382,422
2011	149,956	222,776		372,732
2012	159,103	222,776		381,879
2013	168,809	212,775		381,584
2014	179,106	202,163		381,269
2015	190,032	190,905		380,937
2016	3,034,568	92,554		3,127,122
	<u>\$ 4,022,909</u>	<u>\$ 1,385,036</u>	<u>\$</u>	<u>5,407,945</u>

<b>U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR</b>				
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	
2010	\$ 203,001	\$ 105,889	\$	308,890
2011	208,076	100,814		308,890
2012	213,278	95,612		308,890
2013	218,610	90,280		308,890
2014	224,075	84,815		308,890
2015	229,677	79,213		308,890
2016	235,419	73,471		308,890
2017	241,305	67,585		308,890
2018	247,337	61,553		308,890
2019	253,521	55,369		308,890
2020	259,859	49,031		308,890
2021	266,355	42,535		308,890
2022	273,014	35,876		308,890
2023	279,839	29,051		308,890
2024	286,835	22,055		308,890
2025	294,006	14,884		308,890
2026	301,358	7,532		308,890
	<u>\$ 4,235,565</u>	<u>\$ 1,015,565</u>	<u>\$</u>	<u>5,251,130</u>

**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

<b>GE CAPITAL PUBLIC FINANCE, EQUIPMENT LOAN</b>			
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>REQUIREMENTS</b>
2010	\$ 48,453	\$ 10,672	\$ 59,125
2011	50,850	8,276	59,126
2012	53,365	5,760	59,125
2013	56,005	3,120	59,125
2014	30,699	550	31,249
	<u>\$ 239,372</u>	<u>\$ 28,378</u>	<u>\$ 267,750</u>

<b>OLD NATIONAL BANKCORP CORPORATION, LAB EQUIPMENT LOAN</b>			
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 13,993	\$ 439	\$ 14,432
2011	2,392	13	2,405
	<u>\$ 16,385</u>	<u>\$ 452</u>	<u>\$ 16,837</u>

<b>JP MORGAN CHASE BANK, GENERAL IMPROVEMENT OFFICE EXPANSION LOAN</b>			
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 160,000	\$ 41,521	\$ 201,521
2011	160,000	34,833	194,833
2012	160,000	28,145	188,145
2013	160,000	21,457	181,457
2014	160,000	14,769	174,769
2015	160,000	8,081	168,081
2016	106,667	1,672	108,339
	<u>\$ 1,066,667</u>	<u>\$ 150,478</u>	<u>\$ 1,217,145</u>

<b>EQUIPMENT LOAN AMORTIZATION SCHEDULE FROST NATIONAL BANK</b>			
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 9,273	\$ 610	\$ 9,883
2011	7,264	151	7,415
	<u>\$ 16,537</u>	<u>\$ 761</u>	<u>\$ 17,298</u>

<b>AMERICAN BANK OF TEXAS, LAB EQUIPMENT LOAN</b>			
<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 14,105	\$ 125	\$ 14,230
	<u>\$ 14,105</u>	<u>\$ 125</u>	<u>\$ 14,230</u>

**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

**WATER RESOURCE WATER RIGHT PURCHASE AMORTIZATION SCHEDULE**

YR END AUG 31	<u>LULING FOUNDATION</u>			<u>ABNER USSERY</u>			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2010	\$ 14,543	\$ 23,757	\$ 38,300	\$ 8,543	\$ 13,957	\$ 22,500	\$ 60,800
2011	15,197	23,103	38,300	8,928	13,572	22,500	60,800
2012	15,881	22,419	38,300	9,329	13,171	22,500	60,800
2013	16,595	21,705	38,300	9,749	12,751	22,500	60,800
2014	17,342	20,958	38,300	10,188	12,312	22,500	60,800
2015	18,123	20,177	38,300	10,646	11,854	22,500	60,800
2016	18,938	19,362	38,300	11,126	11,374	22,500	60,800
2017	19,790	18,510	38,300	11,626	10,874	22,500	60,800
2018	20,681	17,619	38,300	12,149	10,351	22,500	60,800
2019	21,612	16,688	38,300	12,696	9,804	22,500	60,800
2020	22,584	15,716	38,300	13,267	9,233	22,500	60,800
2021	23,600	14,700	38,300	13,864	8,636	22,500	60,800
2022	24,662	13,638	38,300	14,488	8,012	22,500	60,800
2023	25,772	12,528	38,300	15,140	7,360	22,500	60,800
2024	26,932	11,368	38,300	15,822	6,678	22,500	60,800
2025	28,144	10,156	38,300	16,534	5,966	22,500	60,800
2026	29,410	8,890	38,300	17,278	5,222	22,500	60,800
2027	30,734	7,566	38,300	18,055	4,445	22,500	60,800
2028	32,117	6,183	38,300	18,868	3,632	22,500	60,800
2029	33,562	4,738	38,300	19,717	2,783	22,500	60,800
2030	35,072	3,228	38,300	20,604	1,896	22,500	60,800
2031	36,653	1,647	38,300	21,533	967	22,500	60,800
	<u>\$ 527,944</u>	<u>\$ 314,656</u>	<u>\$ 842,600</u>	<u>\$ 310,150</u>	<u>\$ 184,850</u>	<u>\$ 495,000</u>	<u>\$ 1,337,600</u>

**METCALF BANK LOAN, EQUIPMENT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2010	\$ 19,064	\$ 4,288	\$ 23,352
2011	20,089	3,263	23,352
2012	21,170	2,182	23,352
2013	22,308	1,044	23,352
2014	7,708	84	7,792
	<u>\$ 90,339</u>	<u>\$ 10,861</u>	<u>\$ 101,200</u>

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2002**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2010	\$ 130,000	\$ 156,635	\$ 286,635
2011	135,000	152,280	287,280
2012	145,000	147,623	292,623
2013	150,000	142,475	292,475
2014	155,000	137,000	292,000
2015	165,000	131,188	296,188
2016	175,000	124,753	299,753
2017	180,000	117,753	297,753
2018	190,000	110,283	300,283
2019	200,000	102,208	302,208
2020	210,000	93,608	303,608
2021	220,000	84,368	304,368
2022	230,000	74,468	304,468
2023	245,000	63,888	308,888
2024	255,000	52,250	307,250
2025	270,000	40,138	310,138
2026	280,000	27,313	307,313
2027	295,000	14,013	309,013
	<u>\$ 3,630,000</u>	<u>\$ 1,772,244</u>	<u>\$ 5,402,244</u>

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**AMORTIZATION SCHEDULES**

REGIONAL RAW WATER DELIVERY SYSTEM CONTRACT REVENUE BONDS, SERIES 1998			
CITY OF SAN MARCOS, TEXAS			
YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2010	\$ -- *	\$ -- *	\$ --
2011	340,000	314,383	654,383
2012	355,000	299,440	654,440
2013	370,000	283,668	653,668
2014	385,000	266,865	651,865
2015	405,000	249,090	654,090
2016	420,000	230,528	650,528
2017	440,000	211,178	651,178
2018	460,000	190,698	650,698
2019	485,000	168,963	653,963
2020	505,000	145,940	650,940
2021	530,000	121,618	651,618
2022	555,000	95,981	650,981
2023	585,000	69,638	654,638
2024	610,000	42,750	652,750
2025	645,000	14,513	659,513
	<u>\$ 7,090,000</u>	<u>\$ 2,705,253</u>	<u>\$ 9,795,253</u>

\* The principal and related interest were due on September 1, 2009 but were paid in fiscal year ending August 31, 2009.

CONTRACT REVENUE BONDS, SERIES 2003			
WESTERN CANYON REGIONAL WATER SUPPLY PROJECT			
YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2010	\$ 1,685,000	\$ 3,634,525	\$ 5,319,525
2011	1,755,000	3,567,125	5,322,125
2012	1,825,000	3,496,925	5,321,925
2013	1,915,000	3,405,675	5,320,675
2014	1,990,000	3,329,075	5,319,075
2015	2,070,000	3,249,475	5,319,475
2016	2,180,000	3,140,800	5,320,800
2017	2,295,000	3,026,350	5,321,350
2018	2,415,000	2,905,863	5,320,863
2019	2,540,000	2,779,075	5,319,075
2020	2,675,000	2,645,725	5,320,725
2021	2,815,000	2,505,288	5,320,288
2022	2,965,000	2,357,500	5,322,500
2023	3,110,000	2,209,250	5,319,250
2024	3,265,000	2,053,750	5,318,750
2025	3,430,000	1,890,500	5,320,500
2026	3,600,000	1,719,000	5,319,000
2027	3,780,000	1,539,000	5,319,000
2028	3,970,000	1,350,000	5,320,000
2029	4,170,000	1,151,500	5,321,500
2030	4,375,000	943,000	5,318,000
2031	4,595,000	724,250	5,319,250
2032	4,825,000	494,500	5,319,500
2033	5,065,000	253,250	5,318,250
	<u>\$ 73,310,000</u>	<u>\$ 54,371,401</u>	<u>\$ 127,681,401</u>



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**AMORTIZATION SCHEDULES**

**COMBINATION CONTRACT REVENUE BONDS SERIES 2004A & 2004B**  
**IH 35 PROJECT**

YR END AUG 31	SERIES 2004A			SERIES 2004B			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2010	\$ 290,000	\$ 703,737	\$ 993,737	\$ 80,000	\$ 295,770	\$ 375,770	\$ 1,369,507
2011	300,000	694,675	994,675	85,000	291,370	376,370	1,371,045
2012	310,000	684,775	994,775	90,000	286,695	376,695	1,371,470
2013	320,000	673,925	993,925	95,000	281,745	376,745	1,370,670
2014	335,000	662,325	997,325	100,000	276,520	376,520	1,373,845
2015	345,000	649,762	994,762	105,000	271,020	376,020	1,370,782
2016	360,000	636,825	996,825	110,000	265,245	375,245	1,372,070
2017	370,000	622,425	992,425	115,000	259,195	374,195	1,366,620
2018	385,000	607,625	992,625	125,000	252,870	377,870	1,370,495
2019	405,000	591,744	996,744	130,000	245,995	375,995	1,372,739
2020	420,000	574,025	994,025	135,000	238,845	373,845	1,367,870
2021	440,000	555,650	995,650	145,000	231,420	376,420	1,372,070
2022	460,000	533,650	993,650	150,000	223,010	373,010	1,366,660
2023	485,000	510,650	995,650	160,000	214,310	374,310	1,369,960
2024	510,000	486,400	996,400	170,000	205,030	375,030	1,371,430
2025	535,000	460,900	995,900	180,000	195,170	375,170	1,371,070
2026	560,000	435,487	995,487	190,000	184,730	374,730	1,370,217
2027	585,000	408,887	993,887	200,000	173,710	373,710	1,367,597
2028	615,000	381,100	996,100	215,000	162,110	377,110	1,373,210
2029	645,000	351,887	996,887	225,000	149,640	374,640	1,371,527
2030	675,000	321,250	996,250	240,000	136,590	376,590	1,372,840
2031	705,000	287,500	992,500	255,000	122,670	377,670	1,370,170
2032	740,000	252,250	992,250	270,000	107,880	377,880	1,370,130
2033	780,000	215,250	995,250	285,000	92,220	377,220	1,372,470
2034	820,000	176,250	996,250	300,000	75,690	375,690	1,371,940
2035	860,000	135,250	995,250	315,000	58,290	373,290	1,368,540
2036	900,000	92,250	992,250	335,000	40,020	375,020	1,367,270
2037	945,000	47,250	992,250	355,000	20,590	375,590	1,367,840
	<u>\$ 15,100,000</u>	<u>\$ 12,753,704</u>	<u>\$ 27,853,704</u>	<u>\$ 5,160,000</u>	<u>\$ 5,358,350</u>	<u>\$ 10,518,350</u>	<u>\$ 38,372,054</u>

**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

**COMBINATION CONTRACT REVENUE BONDS SERIES 2007A & 2007B  
RRWDS PROJECT**

YR END AUG 31	SERIES 2007A			SERIES 2007B			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2010	\$ 145,000	\$ 459,000	\$ 604,000	\$ 65,000	\$ 408,293	\$ 473,293	\$ 1,077,293
2011	145,000	451,750	596,750	65,000	403,697	468,697	1,065,447
2012	150,000	444,500	594,500	70,000	399,102	469,102	1,063,602
2013	160,000	437,000	597,000	75,000	394,153	469,153	1,066,153
2014	170,000	429,000	599,000	80,000	388,850	468,850	1,067,850
2015	175,000	420,500	595,500	85,000	383,194	468,194	1,063,694
2016	185,000	411,750	596,750	90,000	377,185	467,185	1,063,935
2017	195,000	402,500	597,500	100,000	370,822	470,822	1,068,322
2018	205,000	392,750	597,750	105,000	363,752	468,752	1,066,502
2019	215,000	382,500	597,500	110,000	356,328	466,328	1,063,828
2020	225,000	371,750	596,750	120,000	348,551	468,551	1,065,301
2021	235,000	360,500	595,500	130,000	340,067	470,067	1,065,567
2022	250,000	348,750	598,750	135,000	330,876	465,876	1,064,626
2023	260,000	336,250	596,250	145,000	321,332	466,332	1,062,582
2024	275,000	323,250	598,250	155,000	311,080	466,080	1,064,330
2025	285,000	309,500	594,500	170,000	300,122	470,122	1,064,622
2026	300,000	295,250	595,250	180,000	288,103	468,103	1,063,353
2027	315,000	280,250	595,250	195,000	275,377	470,377	1,065,627
2028	330,000	264,500	594,500	205,000	261,590	466,590	1,061,090
2029	350,000	248,000	598,000	220,000	247,097	467,097	1,065,097
2030	365,000	230,500	595,500	235,000	231,543	466,543	1,062,043
2031	385,000	212,250	597,250	255,000	214,928	469,928	1,067,178
2032	405,000	193,000	598,000	270,000	196,900	466,900	1,064,900
2033	425,000	172,750	597,750	290,000	177,811	467,811	1,065,561
2034	445,000	151,500	596,500	310,000	157,308	467,308	1,063,808
2035	470,000	129,250	599,250	335,000	135,391	470,391	1,069,641
2036	490,000	105,750	595,750	355,000	111,706	466,706	1,062,456
2037	515,000	81,250	596,250	380,000	86,608	466,608	1,062,858
2038	540,000	55,500	595,500	410,000	59,742	469,742	1,065,242
2039	570,000	28,500	598,500	435,000	30,755	465,755	1,064,255
	<u>\$ 9,180,000</u>	<u>\$ 8,729,500</u>	<u>\$ 17,909,500</u>	<u>\$ 5,775,000</u>	<u>\$ 8,272,263</u>	<u>\$ 14,047,263</u>	<u>\$ 31,956,763</u>

**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

**FROST NATIONAL BANK, PORT LAVACA WTP CLEARWELL**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 8,446	\$ 15,554	\$ 24,000
2011	8,795	15,205	24,000
2012	9,117	14,883	24,000
2013	9,535	14,465	24,000
2014	9,929	14,071	24,000
2015	10,339	13,661	24,000
2016	29,533	13,111	42,644
2017	49,975	11,313	61,288
2018	52,040	9,248	61,288
2019	54,190	7,098	61,288
2020	56,416	4,872	61,288
2021	58,760	2,528	61,288
2022	30,281	362	30,643
	<u>\$ 387,356</u>	<u>\$ 136,371</u>	<u>\$ 523,727</u>

**WATER SUPPLY REVENUE BONDS  
CITY OF PORT LAVACA, TEXAS, SERIES 2000**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 230,000	\$ 84,370	\$ 314,370
2011	240,000	73,500	313,500
2012	250,000	62,045	312,045
2013	265,000	49,810	314,810
2014	275,000	36,850	311,850
2015	295,000	22,875	317,875
2016	310,000	7,750	317,750
	<u>\$ 1,865,000</u>	<u>\$ 337,200</u>	<u>\$ 2,202,200</u>

**REGIONAL WASTE DISPOSAL REVENUE BONDS AND  
REFUNDING AND IMPROVEMENT REVENUE BONDS  
(CITY OF VICTORIA, TEXAS) SERIES 1989 AND 1996**

<b>YR END AUG 31</b>	<b>1989 SERIES</b>		<b>1996 SERIES</b>		<b>TOTAL</b>
	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	
2010	\$ 435,000	\$ -	\$ 330,000	\$ 24,060	\$ 789,060
2011	435,000	--	345,000	8,194	788,194
	<u>\$ 870,000</u>	<u>\$ --</u>	<u>\$ 675,000</u>	<u>\$ 32,254</u>	<u>\$ 1,577,254</u>

*The 1989 series bonds maturing during fiscal years 2009 through 2011 are capital appreciation bonds which were sold at a deep discount and with no stated interest rate. These bonds do not pay interest but rather mature at their face value which exceeds their original discounted sales price.*

**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

**CONTRACT REVENUE BONDS  
CITY OF LOCKHART, TEXAS, SERIES 2004**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 165,000	\$ 272,829	\$ 437,829
2011	175,000	266,029	441,029
2012	180,000	258,929	438,929
2013	190,000	251,434	441,434
2014	200,000	243,039	443,039
2015	205,000	233,926	438,926
2016	215,000	224,584	439,584
2017	225,000	214,791	439,791
2018	235,000	204,324	439,324
2019	250,000	192,669	442,669
2020	260,000	179,756	439,756
2021	275,000	166,047	441,047
2022	285,000	151,875	436,875
2023	300,000	137,250	437,250
2024	315,000	121,875	436,875
2025	335,000	105,625	440,625
2026	350,000	88,500	438,500
2027	370,000	70,500	440,500
2028	390,000	51,500	441,500
2029	405,000	31,625	436,625
2030	430,000	10,750	440,750
	<u>\$ 5,755,000</u>	<u>\$ 3,477,857</u>	<u>\$ 9,232,857</u>

**HYDROELECTRIC PROJECT (CITY OF NEW BRAUNFELS, TEXAS)  
REVENUE REFUNDING BONDS, SERIES 2002**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 850,000	\$ 215,438	\$ 1,065,438
2011	905,000	178,463	1,083,463
2012	945,000	138,190	1,083,190
2013	995,000	95,193	1,090,193
2014	1,030,000	48,925	1,078,925
	<u>\$ 4,725,000</u>	<u>\$ 676,209</u>	<u>\$ 5,401,209</u>

**CONTRACT REVENUE BONDS, SERIES 1996  
CITY OF LOCKHART PROJECT**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2010	\$ 450,000	\$ 183,963	\$ 633,963
2011	475,000	164,300	639,300
2012	500,000	143,088	643,088
2013	525,000	120,406	645,406
2014	555,000	96,376	651,376
2015	585,000	70,865	655,865
2016	620,000	43,753	663,753
2017	655,000	14,901	669,901
	<u>\$ 4,365,000</u>	<u>\$ 837,652</u>	<u>\$ 5,202,652</u>





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## Statistical Section

## Index and Explanation

*This part of the Guadalupe Blanco River Authority's (GBRA) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about GBRA's overall financial health.*

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#### **Financial Trends Information**

*These schedules contain trend information to help the reader understand how GBRA's financial performance and well-being have changed over time.*

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*These schedules contain information to help the reader assess GBRA's most significant revenue sources and types of operating systems.*

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*These schedules present information to help the reader assess and understand GBRA's debt burden.*

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#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which GBRA's financial activities take place.*

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#### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in GBRA's financial report relates to the services GBRA provides and the activities it performs.*

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**Guadalupe Blanco River Authority**  
**Net Assets By Component**  
**Last Seven Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year						
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Primary government							
Invested in capital assets, net of related debt	\$ 40,582,695	\$ 38,715,589	\$ 36,361,304	\$ 38,506,620	\$ 41,278,632	\$ 29,946,905	\$ 28,544,428
Restricted	10,715,810	7,978,016	6,221,215	3,649,302	3,712,823	3,767,282	3,732,721
Unrestricted	<u>10,656,309</u>	<u>11,365,266</u>	<u>10,843,049</u>	<u>7,698,500</u>	<u>2,751,204</u>	<u>13,498,123</u>	<u>14,427,337</u>
Total primary government net assets	<u>\$ 61,954,814</u>	<u>\$ 58,058,871</u>	<u>\$ 53,425,568</u>	<u>\$ 49,854,422</u>	<u>\$ 47,742,659</u>	<u>\$ 47,212,310</u>	<u>\$ 46,704,486</u>

**Note:** GBRA began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.



**Guadalupe Blanco River Authority**  
**Changes in Net Assets**  
**Last Seven Fiscal Years**

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income</u>	<u>Total Nonoperating Revenues (Expenses)</u>	<u>Income before Capital Contributions</u>	<u>Capital Contributions</u>	<u>Change in Net Assets</u>
2003	\$ 24,715,917	\$ 19,570,481	\$ 5,145,436	\$ (2,478,241)	\$ 2,667,195	\$ 422,599	\$ 3,089,794
2004	24,746,450	21,722,827	3,023,623	(2,527,295)	496,328	11,496	507,824
2005	27,391,962	22,423,013	4,968,949	(4,748,011)	220,938	309,411	530,349
2006	32,739,335	24,507,001	8,232,334	(4,838,756)	3,393,578	11,496	3,405,074
2007	38,542,513	28,865,971	9,676,542	(3,343,954)	6,332,588	9,879	6,342,467
2008	44,645,439	33,684,665	10,960,774	(6,290,390)	4,670,384	704,171	5,374,555
2009	45,001,215	34,503,980	10,497,235	(6,938,112)	3,559,123	1,542,813	5,101,936

**Note:** GBRA began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

## Guadalupe Blanco River Authority

### Operating Revenues by Source Last Seven Fiscal Years

Year	Pollution and Industrial Financing	Power Sales	Water Sales and Lake Operations	Rental, Recreation and Land Use	Waste Water Treatment Services	Laboratory Services	Miscellaneous	Total
2003	\$ 341,600	\$ 3,291,811	\$ 13,218,362	\$ 693,986	\$ 4,787,951	\$ 303,199	\$ 2,079,008	\$ 24,715,917
2004	324,725	3,497,610	12,612,934	739,851	4,994,556	337,564	2,239,210	24,746,450
2005	205,233	3,872,868	15,663,761	740,988	5,002,254	435,819	1,471,039	27,391,962
2006	222,657	3,427,563	20,122,065	781,252	5,581,511	538,302	2,065,985	32,739,335
2007	-	3,764,212	24,850,270	916,797	6,248,195	594,524	2,168,515	38,542,513
2008	163,560	3,854,491	30,255,712	973,603	6,271,513	641,059	2,485,501	44,645,439
2009	-	3,056,054	31,051,511	932,909	6,683,467	675,585	2,601,689	45,001,215

### Operating Expenses Last Seven Fiscal Years

Year	Personnel Operating Costs	Operating Supplies and Services	Maintenance and Repairs	Depreciation and Amortization	Total
2003	\$ 6,328,767	\$ 7,676,099	\$ 2,807,840	\$ 2,757,775	\$ 19,570,481
2004	6,800,123	9,034,504	3,068,368	2,819,832	21,722,827
2005	7,229,312	8,879,415	3,298,910	3,015,376	22,423,013
2006	7,830,077	10,084,494	3,454,708	3,137,722	24,507,001
2007	8,997,620	12,770,894	4,036,894	3,060,563	28,865,971
2008	9,325,518	13,858,478	4,876,916	5,623,753	33,684,665
2009	10,014,890	14,371,964	4,539,233	5,577,893	34,503,980

### Nonoperating Revenue and Expenses Last Seven Fiscal Years

Year	Interest Expense	Investment Income	Gain (Loss) on Disposal of Capital Assets	Costs (Revenue) Recovered in Future Years	Special Items (a)	Total
2003	\$ (2,521,188)	\$ 171,472	\$ (4,004)	\$ (124,521)	\$ -	\$ (2,478,241)
2004	(2,413,026)	180,130	(734)	(293,665)	-	(2,527,295)
2005	(4,015,142)	310,337	(19,523)	(790,362)	(233,321)	(4,748,011)
2006	(5,401,953)	555,481	7,716	(1,604,770)	-	(6,443,526)
2007	(4,199,747)	855,793	-	(2,174,357)	-	(5,518,311)
2008	(7,046,879)	828,429	(71,940)	(741,252)	-	(7,031,642)
2009	(7,410,716)	475,308	(2,704)	(705,993)	(500,000)	(8,144,105)

(a.) Special Items in FY 2005 include a gain of \$295,053 resulting from early pay-off of Bonded debt, and a loss of (\$528,374) from the write off of Certain Diversion and Water Supply Development Costs.

Special Items in FY 2009 include a supplementary contribution to the Defined Benefit Plan.

Note: GBRA began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

## List of Principal Customers



The above customers represent GBRA's principal customers. Because of the long term nature of GBRA's contracts, the majority of these customers have been customers of GBRA for ten years or more. The Water Sales Customers represent GBRA's largest source of revenue. The rate history for the previous ten years for Water Sales Customers is as follows:

Price Per Acre-Foot (1)	Effective Date
61.00	10/1/1997
69.00	10/1/2000
80.00	10/1/2002
84.00	11/1/2003
88.00	10/1/2004
92.00	10/1/2005
96.00	10/1/2006
100.00	10/1/2007
105.00	10/1/2008

## Types of Operating Systems

GBRA divisions are segregated into systems to allow for cost accounting and control. Each system has one of two types of budgets, either “Budget-to-Actual” or “Units of Service”. Budget-to-Actual systems provide services based on a budget approved by the customer and GBRA. During the course of the year, the customer is billed based on the annual budget with those billings adjusted to the total actual cost of service at each fiscal year end. Unit-of Service budgets are for the other GBRA operations where the customer pays for some type of service based on a unit of measure at a rate approved by the GBRA Board of Directors. The revenue, derived from these customers, pay the operating and maintenance, debt service, and capital addition expenses of the system. In these divisions and systems, the income is completely dependent upon the number of units sold. The table below distinguishes the systems according to the type of operations in which they operate:

<b>Budget-to-Actual Operations:</b>	<b>Principal Customers</b>	<b>County</b>
Shadow Creek Wastewater Treatment Plant	North Hays County MUD #1	Hays
Northcliffe Wastewater Treatment Plant	City of Schertz	Guadalupe
Sunfield Wastewater Treatment Plant	Sunfield MUD #4	Hays
Buda Wastewater Treatment Plant	City of Buda	Hays
Port Lavaca Water Treatment Plant	City of Port Lavaca	Calhoun
Victoria Regional Wastewater Reclamation System	City of Victoria	Victoria
Coleto Creek Reservoir	Coleto Creek Power, LP	Victoria/Goliad
Luling Water Treatment Plant	City of Luling	Caldwell
Canyon Hydroelectric Plant	New Braunfels Utilities	Comal
Lockhart Wastewater Reclamation System	City of Lockhart	Caldwell
Lockhart Water Treatment Plant	City of Lockhart	Caldwell

<b>Unit of Service Operations:</b>	<b>Principal Customers</b>	<b>County</b>
General Division	GBRA Systems	Guadalupe
Guadalupe Valley Hydroelectric Division	Guadalupe Valley Electric Coop.	Guadalupe/Gonzales
Canyon Park Wastewater Reclamation System	Residential Customers	Comal
Dunlap Wastewater Reclamation System	Residential Customers	Guadalupe
Springs Hill Wastewater Reclamation System	Residential Customers	Guadalupe
Wimberley Wastewater Treatment Plant	Village of Wimberley	Hays
Water Sales System	Communities, industries, farmers	Entire River Basin
Regional Laboratory System	Residential, Industrial, City Customers	Guadalupe
Calhoun Canal System	Farmers, Port Lavaca Plant, Industrial	Calhoun
San Marcos Water Treatment Plant	City of San Marcos	Hays
Western Canyon Division	Boerne, Bulverde, Fair Oaks, Cordillera	Comal/Kendall
Bulverde Water Distribution System	Residential and Commercial Customers	Comal
Cordillera Water Treatment Plant	Residential and Commercial Customers	Kendall
Cordillera Wastewater Treatment Plant	Residential and Commercial Customers	Kendall
Comal Trace Water Distribution System	Residential and Commercial Customers	Comal
Calhoun County Rural Water System	Residential Customers	Calhoun
Coleto Creek Recreation	Recreational Customers	Victoria/Goliad



**Guadalupe Blanco River Authority**  
**Debt By Type**  
**Last Ten Fiscal Years**

Year	Obligations Payable Directly By GBRA		Obligations Payable From Revenue Contracts (a)		Pollution Control (b)
	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>
2000	-	5,853,659	38,950,000	3,171,710	4,700,000
2001	-	5,691,110	37,320,000	3,126,123	4,700,000
2002	-	7,112,802	33,990,000	3,076,778	4,700,000
2003	4,280,000	6,610,246	106,905,000	3,023,337	4,700,000
2004	4,185,000	6,544,463	116,310,000	2,965,461	4,700,000
2005	4,085,000	5,971,257	135,450,000	2,902,781	-
2006	3,980,000	11,431,676	131,955,000	2,834,899	-
2007	3,870,000	11,685,249	127,995,000	2,761,382	-
2008	3,755,000	11,076,109	138,490,000	395,467	-
2009	3,630,000	10,845,301	133,870,000	387,356	-

(a) Contract revenue bonds and loans are payable from revenue derived from various contracts between GBRA and the various parties securing payment to GBRA for debt service payments on the bonds and loans. Debt coverage is 100% for these bonds and loans. Each customer is billed monthly for 1/12 of the total debt service for the fiscal year. Each revenue bond contract is insured or credit rated based on the financial strength of GBRA's service contract.

(b) A bond issue totaling \$4,700,000 was guaranteed by Standard Oil Company of Ohio. Although GBRA owns the water supply supply facilities and the bond issue bore GBRA's name, GBRA did not pledge its credit nor was it liable for any principal, premium, interest or costs associated with this issued. British Petroleum Chemical Company and Standard Oil Company pledged their credit and bore sole responsibility for all debt service payments. The amount of debt service that British Petroleum paid was recognized as pollution and industrial financing income as well as interest expense. The bond issue was entirely retired by Standard Oil Company of Ohio during 2005.

**Notes:** All balances for bonds and loans outstanding are shown prior to defeasance and accretion of interest.

**Guadalupe Blanco River Authority  
Third Party Debt  
Last Ten Fiscal Years**

**Pollution Control and  
Industrial Development Bonds**

---

<b>Year</b>	
2000	128,890,000
2001	125,390,000
2002	104,390,000
2003	104,390,000
2004	104,390,000
2005	104,390,000
2006	90,890,000
2007	90,890,000
2008	90,890,000
2009	90,890,000

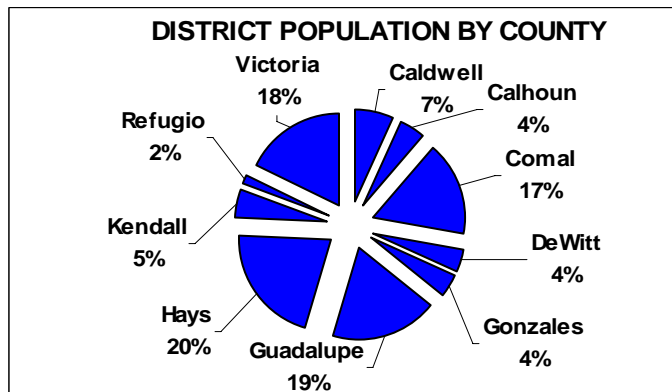
GBRA has assisted industries within the GBRA service area by acting as issuing conduit so that the user of the bond proceeds benefited from reduced debt service requirements. Fees to administer this debt are recognized as pollution and industrial financing income. In each case, the user of the bond proceeds pledge their credit, bear sole responsibility for all debt service, make all payments directly to the trustee and completely indemnify GBRA for any costs incurred. Due to the character of these bonds, GBRA considers them debts of the third party users rather than debts of GBRA. Therefore, these bonds and the related receivables have been excluded from the combined financial statements in order to avoid misrepresenting the nature of the bonds and distorting GBRA's statements. The exclusion is in conformity with the Texas State Auditor's Report dated October 6, 1986 for Water Districts and River Authorities reporting third party conduit financings.

## GBRA District Demographics

GBRA's service area is geographically part of south central Texas. It stretches from the Hill Country through the I-35 Corridor and into the Gulf Coast. GBRA's service area includes ten-counties and more than seventy cities and communities. This geographic diversity in turn provides economic diversity with a unique combination of agriculture, oil and gas, defense, high tech and heavy industry.

GBRA provides a variety of services to rural water corporations, electric cooperatives, industries and individuals within this ten-county district. The array of services includes water sales and distribution, water treatment, wastewater treatment, hydroelectric generation, laboratory analysis and recreation opportunities.

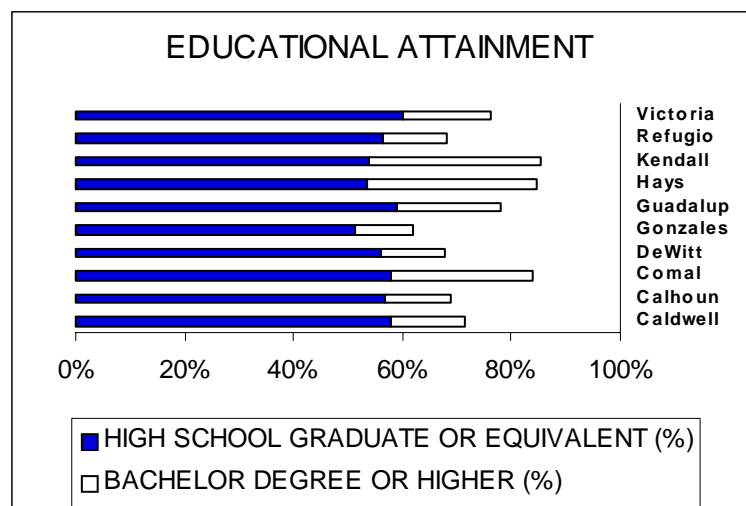
This diversity allows the local economy to be among the State's growth leaders and outpace the national economy as well as weather the effects of any global economic problems better than other areas may. The local economy is also being spurred by tremendous population growth along the I-35 Corridor. Indicative of this population boom is the fact that the cities of Austin and San Antonio are the 3<sup>rd</sup> and 5<sup>th</sup> fastest growing metropolitan areas in the state. The graphs below and on the following page portray the population and economic base within GBRA's ten-county district.



SOURCE: U.S. Census Bureau, Census 2000

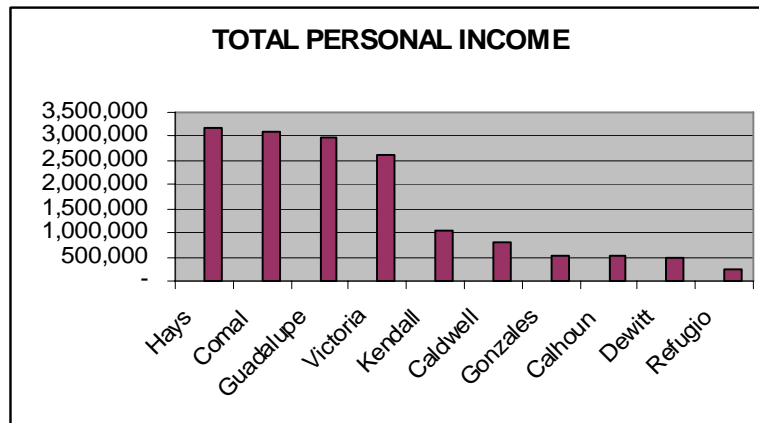
COUNTY	POPULATION
Hays	97,589
Guadalupe	89,023
Victoria	84,088
Comal	78,021
Caldwell	32,194
Kendall	23,743
Calhoun	20,647
DeWitt	20,013
Gonzales	18,628

COUNTY	HIGH SCHOOL GRADUATE OR EQUIV.	BACHELOR DEGREE OR HIGHER
Caldwell	58%	13%
Calhoun	57%	12%
Comal	58%	26%
DeWitt	56%	12%
Gonzales	51%	11%
Guadalupe	59%	19%
Hays	53%	31%
Kendall	54%	31%
Refugio	57%	12%
Victoria	60%	16%



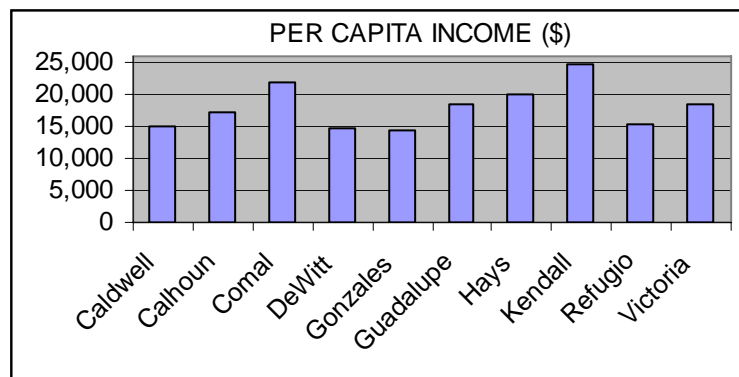
SOURCE: U.S. Census Bureau, Census 2000

<u>COUNTY</u>	<u>TOTAL PERSONAL INCOME</u>
Hays	3,186,753
Comal	3,117,052
Guadalupe	2,960,808
Victoria	2,629,240
Kendall	1,057,535
Caldwell	803,644
Gonzales	519,198
Calhoun	504,580
Dewitt	494,756
Refugio	223,168

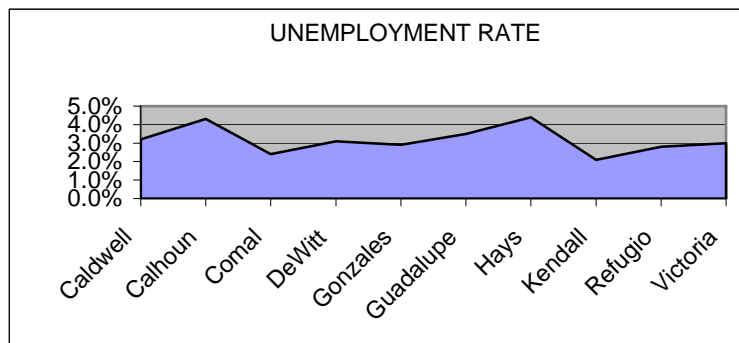


SOURCE:: Bureau of Economic Analysis U.S. Dept.of Commerce 2005

<u>COUNTY</u>	<u>PER CAPITA INCOME</u>
Kendall	24,619
Comal	21,914
Hays	19,931
Guadalupe	18,430
Victoria	18,379
Calhoun	17,125
Refugio	15,481
Caldwell	15,099
DeWitt	14,780
Gonzales	14,269



SOURCE: U.S. Census Bureau, Census 2000



SOURCE: U.S. Census Bureau, Census 2000

<u>COUNTY</u>	<u>UNEMPLOYMENT RATE</u>
Hays	4.4%
Calhoun	4.3%
Guadalupe	3.5%
Caldwell	3.2%
DeWitt	3.1%
Victoria	3.0%
Gonzales	2.9%
Refugio	2.8%
Comal	2.4%
Kendall	2.1%

**Guadalupe Blanco River Authority  
Number of Employees by Division  
Last Ten Fiscal Years**

Division	Number of Authorized Positions Full Time Equivalent Fiscal Year Ended August 31									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General	32.5	28.5	30	33.5	34.5	35.5	35.5	36	38	40
Guadalupe Valley Electric	24	24	24	24	25	25	25	25	25	25
Rural Utilities	5	5	5	5	6	5	6	6	7	7
Water Resources	26	33.5	34	39	41.5	45.5	45	45	46	51
Western Canyon	0	0	0	0	0	7	7	8	9	9
Port Lavaca WTP	8	8	8	8	8	8	8	8	8	8
Calhoun County RWSS	4	4	4	4	4	4	4	4	4	4
Victoria Regional WWRS	19	20	20	21	21	21	21	21	21	21
Coleto Creek Park and Reservoir	16.5	16.5	16.5	16	16	16	16	16	16	16
Luling WTP	5	5	5	5	5	5	5	5	5	5
Canyon Hydroelectric	2	2	2	2	2	2	2	2	2	2
Lockhart WWTP & WTP	4	9	10	10	10	11	11	11	11	11
<b>Total</b>	<b>146</b>	<b>155.5</b>	<b>158.5</b>	<b>167.5</b>	<b>173</b>	<b>185</b>	<b>185.5</b>	<b>187</b>	<b>192</b>	<b>199</b>

**Notes:** A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave).





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**GUADALUPE-BLANCO RIVER AUTHORITY**  
**OPERATING STATISTICS**

<b>Operating Statistics:</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>
<b>Water Treatment Customers:</b>					
Total Water Distributed (Gal.)					
Calhoun County Rural Water Supply Division	137,396,000	83,603,000	70,348,000	70,501,000	72,392,000
Total Water Treated (Gal.)					
CRWA-Hays/Caldwell Water Treatment Plant System	--	--	--	331,000,000	225,000,000
Lockhart Water Treatment System	--	519,389,102	614,466,054	560,814,000	527,260,000
Luling Water Treatment Plant Division	315,290,000	321,077,000	306,271,000	286,951,000	256,335,000
Port Lavaca Water Treatment Plant Division	723,545,000	798,749,000	753,453,000	642,047,000	686,938,000
San Marcos Water Treatment Plant System	946,459,000	1,498,437,000	1,401,515,000	1,656,000,000	1,586,000,000
Western Canyon Water Treatment Plant System	--	--	--	--	--
<b>Waste Water Treatment Customers:</b>					
Total Wastewater Treated (Gal.)					
Buda Wastewater Treatment Plant	--	--	102,900,000	125,300,000	110,470,000
Crestview Subdivision Wastewater Treatment Plant	1,660,552	2,846,072	1,867,506	1,910,945	2,433,849
Lockhart Wastewater Reclamation System	430,700,000	459,200,000	516,100,000	588,700,000	542,930,000
Rural Utilities Division	130,715,651	148,990,000	152,410,000	147,100,000	150,410,000
Victoria Regional Wastewater Reclamation Division	2,867,800,000	2,687,800,000	2,155,900,000	2,741,000,000	2,788,000,000
Village of Wimberley Wastewater Treatment Plant	--	--	--	--	1,760,000
North Hayes County MUD #1	--	--	--	--	--
<b>Water Sales Customers:</b>					
Rice Irrigation (Acres)					
Calhoun Canal System	1,758	1,458	1,475	1,897	2,488
Water Delivered (Gal.)					
Guadalupe Power Partners	--	599,209,000	821,496,000	846,695,620	898,443,000
Regional Raw Water Delivery System	952,000,000	1,525,000,000	1,445,000,000	1,965,000,000	1,713,000,000
<b>Power Sales &amp; Other Services:</b>					
Total Generation (kWh)					
Guadalupe Valley Hydroelectric Division	29,738,100	74,338,600	77,361,500	64,974,600	77,975,500
Canyon Hydroelectric Division	5,509,240	25,930,989	16,493,895	--	14,930,325
Annual Permits					
Lake Wood Recreation Area	66	59	45	34	35
Coleto Creek Regional Park	229	211	241	246	262
Camping Permits					
Lake Wood Recreation Area	2,548	2,459	2,105	2,323	2,030
Coleto Creek Regional Park	12,051	11,255	12,326	11,856	12,736
Camping Cabins					
Coleto Creek Regional Park	--	--	425	568	573
Day Use Permits					
Lake Wood Recreation Area	3,248	3,127	2,501	2,671	2,641
Coleto Creek Regional Park	17,055	15,455	15,056	15,052	14,771

<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
76,710,000	75,334,000	62,684,000	75,006,000	87,252,000
89,818,289	--	--	--	--
557,882,000	581,087,000	479,150,000	525,871,000	554,970,000
470,651,000	802,677,000	651,263,000	734,704,000	677,043,000
692,600,000	666,085,000	592,510,000	673,172,000	739,501,000
1,645,448,005	1,711,018,000	2,129,290,000	2,404,842,000	2,773,635,000
--	1,041,235,000	2,713,775,000	3,648,193,000	3,669,842,000
120,300,000	119,580,000	198,200,000	243,800,000	273,300,000
2,523,245	2,404,060	3,256,203	2,191,534	2,184,018
609,430,000	491,100,000	489,000,000	447,100,000	380,250,000
153,054,000	149,520,000	190,740,000	168,630,000	168,400,000
2,811,000,000	2,741,000,000	2,390,000,000	2,585,000,000	2,209,000
2,974,000	4,381,000	5,385,000	3,660,000	4,720,000
--	3,641,000	23,790,000	35,570,000	35,980,000
2,430	2,634	2,086	2,809	2,153
966,788,000	1,129,607,000	974,680,000	1,157,790,000	1,146,655,000
2,151,367,000	1,811,222,000	2,129,290,000	3,274,240,000	2,908,782,000
86,911,400	44,412,900	64,980,700	66,914,600	25,726,200
24,371,501	7,906,746	9,102,504	19,026,827	2,415,841
13	23	11	17	9
260	258	274	285	252
2,264	3,235	2,112	2,635	2,995
11,800	12,554	13,376	14,594	12,941
692	664	542	662	725
2,686	2,860	2,164	2,567	2,739
16,051	16,378	14,177	16,851	15,139

**Guadalupe Blanco River Authority**  
**Schedule of Capital Asset Additions by Division**  
**Last Seven Fiscal Years**

		Guadalupe			Port Lavaca	Calhoun	Victoria		Luling			
		Valley	Rural	Water	Water	County	Regional		Water	Canyon		
	General	Hydro	Utilities	Resource	Treatment	Rural Water	Wastewater	Coeto	Treatment	Hydro	Lockhart	
Year	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Total
2003	\$ 115,774	\$ 1,057,456	\$ 31,397	\$ 2,470,569	\$ 37,202	\$ 191,897	\$ 77,682	\$ 37,499	\$ 1,256	\$ -	\$ 598,990	\$ 4,619,722
2004	114,217	26,438	35,959	598,056	29,509	39,592	39,466	13,074	-	-	13,193	\$ 909,504
2005	86,849	99,352	28,790	334,940	17,721	51,209	66,455	14,451	5,803,879	-	32,030	\$ 6,535,676
2006	54,012	13,010	118,078	350,993	1,165	114,275	95,199	43,171	275,991	-	27,638	\$ 1,093,531
2007	114,664	409,952	4,557,535	102,312,530	52,897	107,390	64,896	81,342	131,282	125,553	36,057	\$ 107,994,098
2008	41,054	990,319	117,216	1,936,806	22,614	113,413	14,254	37,238	5,893	-	29,332	\$ 3,308,138
2009	485,055	121,593	391,855	14,182,783	1,464,060	28,727	77,120	7,829	-	-	59,264	\$ 16,818,286

**Schedule of Capital Asset Additions by Classification**  
**Last Seven Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009
Land, Water & Storage Rights	\$ 2,077,812	\$ -	\$ 1,088,461	\$ -	\$ 6,718,880	\$ 99,723	\$ 433,650
Structures & Improvements	1,984,279	142,425	4,612,873	647,401	99,724,123	2,759,542	15,702,963
Specialized Equipment	1,791	14,738	68,966	60,202	110,451	69,706	142,709
Auto & Heavy Equipment	402,739	617,808	213,367	195,622	238,477	193,219	248,342
Office Furniture & Equipment	93,149	84,821	108,694	94,745	102,270	54,612	121,309
Miscellaneous Equipment	59,952	49,712	443,314	95,561	1,099,896	131,337	169,314
Total	\$ 4,619,722	\$ 909,504	\$ 6,535,676	\$ 1,093,531	\$ 107,994,097	\$ 3,308,138	\$ 16,818,286

**Note:** GBRA began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Independent Auditor's Report In  
Accordance With Government  
Auditing Standards

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# Report on Compliance and Internal Controls

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Biediger,  
Kastor  
&  
Young,  
L.C.**

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Guadalupe-Blanco River Authority

We have audited the financial statements of Guadalupe-Blanco River Authority, as of and for the year ended August 31, 2009, which collectively comprise Guadalupe-Blanco River Authority's basic financial statements, and have issued our report thereon dated December 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Guadalupe-Blanco River Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Guadalupe-Blanco River Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

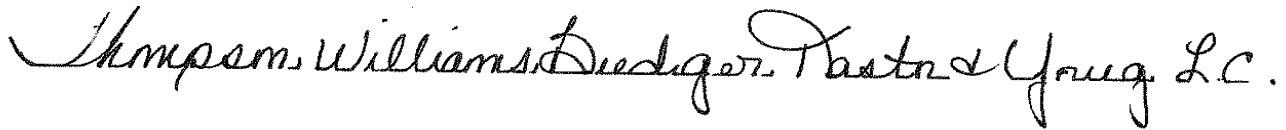
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Guadalupe-Blanco River Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guadalupe-Blanco River Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, others within the entity, the board of directors, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

San Antonio, Texas

December 16, 2009

# Principal Offices and Business Locations

General Office  
General Division  
Canyon Hydroelectric Division  
Guadalupe Valley Hydroelectric Division  
Regional Laboratory  
Rural Utilities Division  
Water Resources Division  
933 East Court Street  
Seguin, TX 78155  
TEL: (830) 379-5822 or (800) 413-5822  
FAX: (830) 379-9718  
Website: <http://www.gbraz.org>

Buda Wastewater Reclamation Plant  
P. O. Box 216  
Buda, TX 78610  
TEL: (512) 312-0526  
FAX: (512) 295-1207  
email: [dball@gbraz.org](mailto:dball@gbraz.org)

Coleto Creek Division  
P. O. Box 68  
Fannin, TX 77960  
TEL: (361) 575-6366  
FAX: (361) 575-2267  
email: [gbraccp@gbraz.org](mailto:gbraccp@gbraz.org)

Lake Wood Recreation Area  
Route 2, Box 158-A  
Gonzales, TX 78629  
TEL and FAX: (830) 672-2779  
email: [lakewood@gvrc.com](mailto:lakewood@gvrc.com)

Lockhart Wastewater  
Reclamation Division  
4435 FM 20 East  
Lockhart, TX 78644  
TEL: (512) 398-6391  
FAX: (512) 398-2036  
email: [gbr-lockhart@lockhart.net](mailto:gbr-lockhart@lockhart.net)

Lockhart Water Treatment Division  
547 Old McMahan Road  
Lockhart, TX 78644  
TEL: (512) 398-3528  
email: [gbr-lockhart-wtp@lockhart.net](mailto:gbr-lockhart-wtp@lockhart.net)

Luling Water Treatment Plant  
350 Memorial Drive  
Luling, TX 78648  
TEL: (830) 875-2132  
FAX: (830) 875-3670  
email: [jdowney@gbraz.org](mailto:jdowney@gbraz.org)

Port Lavaca Water Treatment Plant  
Calhoun County Rural Water  
Supply Division  
Calhoun Canal System  
P. O. Box 146  
Port Lavaca, TX 77979  
TEL: (361) 552-9751  
FAX: (361) 552-6529  
email: [gbrapl@gbraz.org](mailto:gbrapl@gbraz.org)

San Marcos Water Treatment Plant  
91 Old Bastrop Road  
San Marcos, TX 78666  
TEL: (512) 353-3888  
FAX: (512) 353-3127  
email: [jsharp@gbraz.org](mailto:jsharp@gbraz.org)

Victoria Regional Wastewater  
Reclamation Division  
P. O. Box 2085  
Victoria, TX 77902  
TEL: (361) 578-2878  
FAX: (361) 578-9039  
email: [gbravic@gbraz.org](mailto:gbravic@gbraz.org)

Western Canyon Regional Treated  
Water Plant  
4775 South Cranes Mill Road  
New Braunfels, Texas 78132  
TEL: (830) 885-2639  
FAX: (830) 885-2564  
email: [jturner@gbraz.org](mailto:jturner@gbraz.org)

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Seguin, Texas 78155

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