

# Boot Scootin'

## Across the Basin



Guadalupe-Blanco River Authority  
Comprehensive Annual Financial Report  
Fiscal Years Ended August 31, 2013 and 2012



Guadalupe-Blanco River Authority  
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or visit our website at <http://www.gbra.org>.





# *Guadalupe-Blanco River Authority of Texas Annual Financial Report Fiscal Years Ended August 31, 2013 and 2012*

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.



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*Boot Scootin' Across the Basin*

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# 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 Management 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 10-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

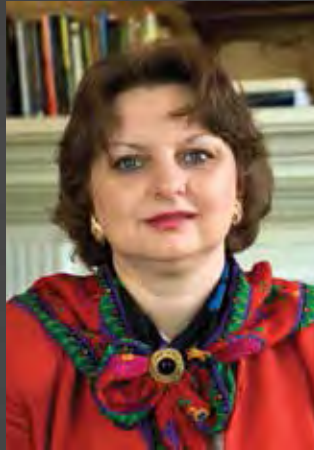
The mission of GBRA is to protect, conserve, reclaim and steward the resources of the district, and provide leadership in regional cooperation, in order to enhance quality of life for those we serve.



# GBRA Board of Directors



**Oscar H. Fogle, Chair**  
Caldwell County  
Reappointed 2011, Gov. Rick Perry



**Grace G. Kunde, Vice-Chair**  
Guadalupe County  
Reappointed: 2009, Gov. Rick Perry



**Tommy Mathews, Secretary-Treasurer**  
Kendall County  
Appointed 2011, Gov. Rick Perry



**Rusty Brockman, Director**  
Comal County  
Appointed 2011, Gov. Rick Perry



**Dennis L. Patillo, Director**  
Victoria County  
Appointed: 2011, Gov. Rick Perry



**William R. Carbonara, Director**  
DeWitt County  
Appointed: 2013, Gov. Rick Perry



**Darrell McLain, Director**  
Gonzales County  
Appointed: 2013, Gov. Rick Perry



**Kenneth Motl, Director**  
Calhoun County  
Reappointed: 2013, Gov. Rick Perry



**Don B. Meador, Director**  
Hays County  
Appointed: 2013, 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.

# Basin Map

## Operations

1. Canyon Park Estates Wastewater Treatment Plant
2. Canyon Dam and Reservoir and Canyon Hydroelectric Plant
3. Cordillera Ranch Water Distribution System and Wastewater Treatment Plant
4. Comal Trace Water Distribution System and Johnson Ranch Water Distribution System and Wastewater Treatment Plant
5. Western Canyon Water Treatment Plant
6. Buda Wastewater Treatment Plant
7. Shadow Creek Wastewater Treatment Plant
8. Sunfield Wastewater Treatment Plant
9. San Marcos Water Treatment Plant and IH-35 Treated Water Delivery System
10. Northcliffe Wastewater Treatment Plant
11. Guadalupe Power Partners Raw Water Delivery System
12. Dunlap Wastewater Treatment Plant
13. Lake Dunlap (TP-1) Hydroelectric Plant and Regional Raw Water Delivery System
14. Lake McQueeney (TP-3) Hydroelectric Plant
15. Lake Placid (TP-4) Hydroelectric Plant
16. GBRA Main Office and Regional Laboratory
17. Lake Nolte (TP-5) Hydroelectric Plant and Nolte Island Park
18. Springs Hill Wastewater Treatment Plant
19. Lockhart Wastewater Treatment Plant #1
20. Lockhart Wastewater Treatment Plant #2
21. Lockhart Water Treatment Facility
22. Luling Water Treatment Plant and Luling to Lockhart Treated Water Delivery System
23. Lake Gonzales (H-4) Hydroelectric Power Plant
24. Lake Wood Park (H-5) Hydroelectric Power Plant
25. Coletto Creek Park and Reservoir
26. Diversion Dam and Salt Water Barrier
27. Crestview Subdivision Wastewater Treatment Plant
28. Port Lavaca Water Treatment Plant and Calhoun County Rural Water and Canal System Division



# CBRA Operational Chart

## Board of Directors

General Manager

William E. West, Jr.

General Counsel  
Bruce Wasinger

Executive Manager,  
Science, Intergovernmental  
Relations and Policy  
Todd Votteler

Executive Manager,  
Water Resources and  
Utility Operations  
James Murphy

Executive Manager,  
Finance and  
Administration  
Avin Schuerg

Executive Manager,  
Business Development  
and Resource Management  
David Weisch

Chief Strategic  
Communications and  
Public Affairs Officer  
LaMarriol Smith

Communication  
and Education

Grants Administration

Public Policy

Accounting  
and Finance  
Sandra Terry  
Susan Hubbert

Information  
Technology  
Leigh Crettenden

Human  
Resources  
Barbara Gunn

Economic Development  
Community Projects

Operations Manager  
Upper Basin  
John Smith

Chief  
Engineer  
Thomas Hill

Manager of Project  
Engineering  
Gary Asbury

Operations Manager  
Lower Basin  
Bryan Serold

Director of Water  
Quality Services  
Debbie Magin

Upper  
Basin  
Teresa VanBooven

Lower  
Basin  
Tommy Schulte

Director of Project  
Development  
Vacant

Hydrology  
Charlie Hickman

Engineering

Construction

Environmental  
Permitting

Clean Rivers  
Program

Regional  
Laboratory

Watershed  
Management

Customer  
Relations

Community  
Affairs

Permit/  
Property  
Acquisition

Flood  
Response  
Coordination

Contact  
Development

San Marcos  
WTP

# GBRA Year in Review

## September 2012

- General Manager Bill West served as moderator for the Greater Boerne Water Forum at the Boerne Convention and Community Center. Panelists participating in the forum, themed "Perspectives from the State Capitol and Regional Water Experts," included Rep. Doug Miller, Rep. Allen Ritter, Steve Clouse and Ed Vaughn.



*Photo by LaMarriol Smith*

- In September, the Texas Parks and Wildlife Department initiated the 2012 vegetation management program to control water hyacinth at GBRA's Lake Gonzales (H-4) and Lake Wood (H-5).

## October 2012

- Twenty-six participants and 14 boats participated in the Come and Take It Canoe Race in October as part of the three-day Come and Take It Festival celebrated by the Gonzales, Texas community.



*Photo by Julie Matthews*

- The GBRA Board of Directors held its regular monthly meeting for October at the Boerne Convention and Community Center in Kendall County, Texas. During the meeting,

constituents heard a presentation related to GBRA's educational programs, partnerships and initiatives, a discussion about the feasibility of a power and desalinated water project, and a discussion about a water supply study to assist in securing water supplies for that area that would involve a multi-party memorandum of understanding.

## November 2012

- Through efforts of the Plum Creek Watershed Partnership, Hays and Caldwell County Commissioners, local businesses, volunteer groups and landowners, more than 800 feral hogs were removed from the Plum Creek Watershed and more than 100 individuals received feral hog management training.



*Photo by Connie Rothe*

SABAY was organized July 2008 as a vehicle to protect and steward the resources of San Antonio Bay and its associated estuarine system.

- Patti Coggins, Ph.D., joined GBRA in December as its grant writer/administrator, a newly created position organizationally located under the Chief Strategic Communications and Public Affairs Officer.

- At the December meeting in Seguin, the GBRA Board of Directors elected board officers for 2013, including Oscar Fogle of Caldwell County as chair, Grace Kunde of Guadalupe County as vice-chair, and Tommy Mathews of Kendall County as secretary/treasurer.



*Photo by Janet Thome*



## January 2013

- Eight Texas Commission on Environmental Quality (TCEQ) inspectors convened at the GBRA-run San Marcos Water Treatment Plant (SMWTP) in January and undertook environmental training and conducted a special performance evaluation (SPE). The TCEQ inspectors toured the treatment plant and learned about critical items they need to evaluate when performing routine annual plant inspections. This training would help the investigators inspect other water treatment plants throughout the state. "We're happy to be of service to our state's inspectors in this way," Bill West, GBRA general manager, said. "The fact that the TCEQ selected this plant speaks highly to both our staff's expertise in running the plant and the uniqueness of the plant itself."



*Photo courtesy Texas Parks and Wildlife*

## February 2013

- After more than seven years and rigorous negotiations between 26 stakeholders and a dedicated program manager, the U.S. Fish and Wildlife Service (USFWS) approved the Edwards Aquifer Recovery Implementation Program (EARIP) Habitat Conservation Plan (HCP) and issued an incidental take permit under the Endangered Species Act (ESA) to protect most users of aquifer water. GBRA's Executive Manager of Science,



*Photo by Bryan Serold*

Intergovernmental Relations and Policy Todd Votteler, Ph.D., served as the liaison to the EARIP working with the stakeholders and another 60 participants who developed the Edwards Aquifer HCP that is designed to protect endangered species that depend on springflow emanating from the Edwards Aquifer springs.

## March 2013

- GBRA officials, led by Bryan Serold, operations manager for GBRA's Lower Basin, briefed more than 30 stakeholders on the challenges related to log jams in the Guadalupe River Basin during a meeting in March at the Refugio County Community Center in Refugio.



*Photo by Connie Rothe*

- U.S. District Court Judge Janis Jack decided in *The Aransas Project v. Shaw* case, in which GBRA was a defendant intervener, that TCEQ mismanagement of water permitting caused the death of endangered whooping cranes and issued an order prohibiting the TCEQ from issuing further water permits until the state created a plan that would protect them. Then State Attorney General Greg Abbott moved that the federal district court stay its order. His motion was denied and he appealed to the U.S. Fifth Circuit Court of Appeals, which granted the stay request and agreed to hear the appeal in August.

## April 2013

- A successful first Geronimo and Alligator Creeks Cleanup event in April made a real impact by removing debris from the creeks. Almost 100 students, officials and citizens from the surrounding area, including New Braunfels, Seguin, and other parts of Comal and Guadalupe counties participated in the cleanup that was organized by the Geronimo and Alligator Creeks Partnership, Texas AgriLife Extension and GBRA. Volunteers collected nearly 3,000 pounds of trash, 26 tires, and various large items.
- GBRA officials in April announced Stage II restrictions to be effective for diversions and use of water from its hydroelectric lakes in Comal, Guadalupe and Gonzales counties. The measure was implemented as part of GBRA's Drought Contingency Plan.

## GBRA Year in Review, *continued*

### May 2013

- Officials with GBRA and its partners, the General Land Office (GLO) and the University of Texas at San Antonio (UTSA) in May named a team led by MWH Global as the preferred finalist to conduct a feasibility assessment study for developing ocean water desalination as a regional water supply, including the option of co-located power generation facilities.



- Hydroelectric crews made repairs to Lake Dunlap Dam in May. Repairs included adding new long splashboards across the top of the dam.

### June 2013

- As part of the ongoing Coletto Creek Reservoir Aquatic Plant Management Program, Coletto Creek Park staff applied the aquatic herbicides Navigate and HardBall in selected cove areas of the park and the Lake Wood Subdivision Park located on the Coletto Creek Reservoir for control of Watermilfoil.
- The San Marcos Water Treatment Plant earned its fifth consecutive year of the state's T.O.P. Award for meeting rigorous criteria in surface water treatment and was recognized in June by TCEQ officials for its efforts. The plant is owned by the City of San Marcos and operated by the Guadalupe-Blanco River Authority.



*Photo by Don Anders*

### July 2013

- The TCEQ executive director in June prepared a draft permit that would allow GBRA to develop a water project to meet the demands of the Guadalupe River Basin, including the

fast-developing region that includes Hays, Caldwell, Comal, Guadalupe and Gonzales counties. Preparation of the draft permit brings GBRA's Mid-Basin Project, which may include the use of both surface and groundwater and is among the recommended strategies in the 2011 South Central Texas Regional Water Planning Group's projects in the State Water Plan, closer to reality.

- More than 190 professional electric linemen from throughout the state and Kansas City competed in July for the "Best in Texas" award at the Texas Lineman's Rodeo at GBRA's Nolte Island Recreation Area in Seguin. The event, which also includes a barbeque cook-off, attracted nearly 1,000 friends and family. Of the 26 BBQ teams, GBRA entered two teams. Robby Scott of the team called the GBRA River Wranglers, earned 1st place in ribs. The Calhoun County Cookin' Crew with Curtis Gosnell, David Garcia, and Ryan Boedecker earned 5th place in chicken, 10th place in ribs, and 7th place in brisket.

### August 2013

- The Guadalupe-Blanco River Trust (GBR Trust) Board of Trustees hired Jeff Crosby as its new executive director in August. As a graduate of the University of Oklahoma with a bachelor's degree in environmental design, Crosby has a decade of land conservation experience, having spent the previous nine years at Oklahoma's only state-wide land trust.
- GBR officials announced Stage III restrictions to be effective for diversions and use of water from its hydroelectric lakes in Comal, Guadalupe and Gonzales counties. The measure was implemented as part of GBRA's Drought Contingency Plan.
- In partnership with the Texas Parks and Wildlife Department (TPWD), GBRA officials initiated a vegetation management program to control waterhyacinth in the lower Guadalupe River Basin to help control excessive vegetation, improve navigation and reduce losses of water through uptake by the plants. The vegetation management program was a two-pronged attack starting with an aerial application of the herbicide AquaNeat, with the active ingredient, glyphosate, on approximately 208 acres of waterhyacinths, including the TPWD Wildlife Management Area. The second application of herbicide was conducted from a boat to treat those plants that were not reached in the first phase.



*Photo by Janet Thome*



## Boot Scootin' Across the Basin



Our dance card is full!

This report features the special places with live bands that play Texas music, from swing to country rock to Tejano to traditional country, and maybe even a polka.

"Boot-scootin' across the Basin," the Guadalupe-Blanco River Authority's series about some of the most colorful old dance halls in Texas, will lead readers on a tour of the places and introduce the characters that give Texas its rich flavor. Each location featured has its own distinct personality, from one in Kendall County where tacos are given away for free at each monthly dance – until they run out – to a round building in the old community of Lindenau, near Cuero, where a rifle club owns the hall that still brings the community together, even without public dances.

This journey through the Guadalupe River Basin covered eight venues where the owners opened their doors and shared their knowledge, revealing a love for music, history, architecture, people and good food – not always in that order. We found places that have large heating and cooling systems and some that don't. We found old barns and warehouses with great acoustics. We heard famous names. We saw two-stepping, line-dancing and waltzing. We saw historical markers at some, and learned that some encourage children, and some don't. Some are musician-owned, and two emphasize food alongside music and dancing. And in all of them, we found, people like to get together to have a great time. If there's music playing, what could be better?

Now, get your boots and let's dance?

A stylized, cursive signature in white ink, likely belonging to Oscar H. Fogle.

Oscar H. Fogle  
Chair, Board of Directors

A stylized, cursive signature in white ink, likely belonging to W. E. "Bill" West, Jr.

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

# Gruene Hall



Gruene Hall ,1281 Gruene Road, New Braunfels/Gruene

*Photos by Connie Rothe*

## The glue of friendship

The historical marker on the front of the building describes Gruene Hall, built in 1878, as a "saloon and social hall."

Four women who cross the threshold regularly to meet friends call it home. "The hall is our glue. The music, you can feel it in the walls," said Ann McClendon, whose photos appear on Gruene Hall's website. "It's a place where families can come."

Ann has another job, but she works occasionally as a band runner for Gruene Hall. That means when performers arrive to play at the hall, she might be the person driving them to and from their hotel. Or picking up a fancy cake for a birthday.

Ann and friends Cherie Rinehart, Karen Toon and Nancy Kromer are part of a network of women who go to the hall to discuss life, death and all subjects in between. Like members of a quilting bee without the quilts, they sit next to good friends after funerals, floods, and just because it's Monday – or any day.

Nancy met her husband at Gruene Hall. They were sitting in a circle listening to Lyle Lovett. She also was the friend who told Karen that she would be safe going to Gruene Hall. That was 1987. "I had never been in a bar," Toon said.

Gruene Hall brought Cherie and her husband, David, to New Braunfels from Odessa in 1989. They visited first, liked the area and decided to move. Later they lost both a business and a home to flooding. Gruene Hall was their port.

Sometimes, these four and others can be found there several times a week. Occasionally, only two or three will share the table. Sometimes as many as 12. At first, they brought their children. Now their grandchildren and great-grandchildren go to Gruene Hall.

Famous names trickle out: Robert Earl Keen, Kevin Bacon, Lyle Lovett, Little Richard. Marcia Ball donated clothes to people who lost everything in a flood, and the women remember searching through them for something to wear.

The friends also recall when someone stole the red, white and blue Texas trash can from its outdoor spot. Facebook "blew up," Rinehart said. Soon the trash can reappeared, tossed over the back fence. Now it stays inside.

Mary Jane Nalley, who has owned the hall with Pat Molak since 1975, said she visits a couple of times a month to see how things are going and to hear the music. "I like the eclectic blend," she said.

One of Mary Jane's favorite things about the hall is the diversity of people it attracts. "There are so many different kinds of people who go there for so many different reasons. And what attracts them is the place itself. It just speaks to people."





Photo by Cade Mahnke



Vignettes Written by Barbara Elmore





Photo by Barbara Elmore





# Kendalia Halle



Kendalia Halle, 1135 FM 3351, Kendalia

*Photos by Connie Rothe*

## Children an essential part of the place

Dancers at Kendalia Halle who notice an extra spring in their two-step are not imagining things. There is a definite bounce due to a floor-beneath-the-floor. You could call it new over old, except that would not be 100 percent true.

The "new" oak floor is 70 or 80 years old. The floor beneath is the original fir, brought to the hall when it was built in 1903 by horse-drawn wagon from Boerne after being shipped from Oregon.

The floor is one of several changes made in this historic showpiece. For example: "Eight years ago they moved the dance hall over 12 inches, using pulleys, because it was leaning," said Judi Temple, whose husband Lee bought the hall in 1995. "They reinforced it with steel and put up paneling."

The Temples, with their friend and manager Greg Greget, have installed insulation in the ceiling and swamp coolers and ceiling fans to encourage cool air to waft over dancers. Outside air circulates through huge windows.

When Judi married Lee in 2002, she wanted to use her 20 years of experience as an event planner to re-open the hall, formerly home to plays and other community events. Now people from throughout the state flow into tiny Kendalia to hear performers like Gary P. Nunn. Attendance ranges from 100 to 300, said Judi, depending on who is playing, what else

is happening, and what the weather is like. At every monthly dance, Greget is the "pit master extraordinaire," cooking the free brisket and sausage tacos that people eat until all are gone. Judi attends every dance, and hears from couples how they met there, or how their grandparents met there.

Next door to the hall is a former general store, built in 1911 by George Elbel. The Temples also own the store and use it for dinners, receptions, and a place for brides to prepare for their weddings under a canopy beneath huge Texas oaks behind the store.

Family is encouraged here. Children 11 and younger get into dances free. "Children are the essence of the dance hall," Judi noted. "That's how they learn to dance."

Also a part of Kendalia Halle's core are people like Robyn Wilson, who works the door. "I sit at the door and harass people," she said with a smile. "I card people and I seat them in the right spot."

Wilson moved to Kendalia from Houston 14 years ago and works at Kendalia Store. She enjoys the atmosphere at the hall and is spoiled by its nearness to her home. "It's a fun, upbeat place to go. You can bring your kids safely, and they can play outside. I like to dance, I like music, and I like people."

# RILEY'S TAVERN



Riley's Tavern, 8894 FM 1102, New Braunfels/Hunter

*Photos by Connie Rothe*

## A place in Texas history, a mention in a song

Immortalized in song and saga, Riley's Tavern rests near York Creek and the railroad tracks and has become a place where folks hang out with their friends and relax.

In fact, hanging out is how musician-owner Joel Hoffmann found Riley's. "I first played there in a band called Fender and The Skirtchasers. I had thought it was a really cool place that had a lot of potential. When the sale to a former bartender fell through the owners called me and we worked out a deal," Hoffmann explained.

He was not the first to think the place had potential -- which brings up the saga imbedded in the history of Riley's Tavern. Before Prohibition, Riley's had been the Galloway Saloon. But after Prohibition, it was a gleam in the eye of its 17-year-old founder, James Curtis (J.C.) Riley. In September 1933, J.C. drove 45 miles from his home in Hunter to Austin to wait on the Capitol steps for the doors of government to open. His goal: To obtain a beer license.

He was the first person in line for the license, and the first person in the state to get said license. According to the history on the Riley's Tavern website, the renamed place was an instant success, and J.C. Riley ran it until illness forced him to close it in 1991. He died in 1992 and is buried in nearby York Creek Cemetery.

Joel has owned Riley's since 2004, and added a back room to the bar in 2006, taking care not to disturb the original structure, built around the mid-1800s. The addition includes a stage and a dance floor "so when we have acts like Billy Joe Shaver [Hoffmann's favorite], it leaves room for people to gather and watch."

The bar's regulars include a mix of folks from up and down Hunter Road, Hoffmann said. "On the weekends we get people from all over Texas stopping by -- lots of motorcycles and folks out for a drive. There are a lot of neighborhoods between New Braunfels and San Marcos and those people need a place to hang out that is not college- or hipster-oriented."

And that's where the song comes in: The lyrics to "Comal County Blue" by Jason Boland & the Stragglers, mentions Riley's on Hunter Road as a place on a journey.

The feelings she gets when she's there is one of the things that bartender Brandie Reyes enjoys about the place. She started going to Riley's with her boyfriend, who started going with his father. Then she got a job there. She likes the laid-back atmosphere, friendly customers, and the old-time ambience.



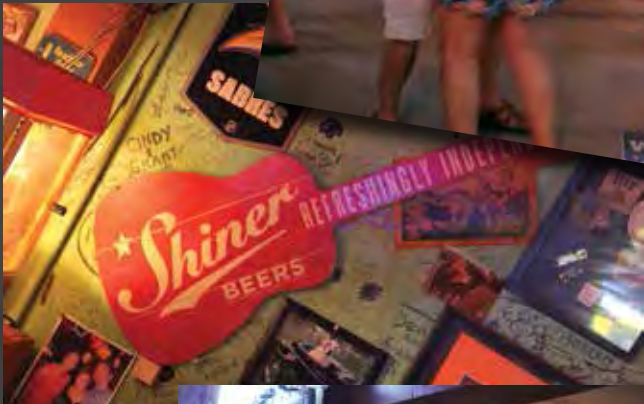






Photo by Barbara Elmore



Photos by Connie Rothe



Photo by Barbara Elmore



Photo by Barbara Elmore





# Cheatham Street Warehouse



Cheatham Street Warehouse, 199 Cheatham St., San Marcos

*Photo by Connie Rothe*

## *Lots of good bands but only 7 nights in a week*

When Cheatham Street Warehouse first opened in the mid-1970s with Freda and the Firedogs performing, the young owners were all about the music.

Almost 40 years later, the century-old cotton warehouse turned honky-tonk is widely known as a friendly place for music-makers to perform. It opens seven nights a week for listening, dancing, and the opportunity to watch big careers begin.

Owner Kent Finlay, who noted that Marcia Ball set the bar high for opening night in 1975 (she was Freda). "There were 300 to 400 people. Everybody was trying to figure it out."

He paved the way for musicians with his Song Writer Circle, a Wednesday night event in which the up-and-coming sign a list, starting at 8 p.m., to play two songs. Beginning at 9, they perform. An artist's two songs are the fee for getting to listen to everyone else, said Kent. The weekly event is similar to the times Finlay spent in Luckenbach, sitting in a circle making music with Jerry Jeff Walker, Willie Nelson, Gary P. Nunn and others who created because it was what they did.

When Cheatham first opened, Kent's goal was to make enough money to get to the next day. Few bands existed, and almost no places to hear music in San Marcos. Cheatham Street became the city's first music hall.

Although the place now has a manager and the Cheatham Street Music Foundation to ensure its future, Kent still books

every band himself, finding musicians who need help. "There are lots of those. There are some really good bands out there, but only seven nights in the week."

Doing the same work outside of the warehouse is another Finlay -- Kent's daughter Jenni, also a musician and music promoter. She started at an independent record label, and seven years ago opened Jenni Finlay Productions. Her work dovetails nicely with her father's. "We both promote and preserve Americana and Texas music," she said.

Reminiscing about the people who once played at Cheatham Street Warehouse -- including George Strait and Stevie Ray Vaughan, Kent sometimes cannot believe what he started. It helps that he watched it unfold. "I told people George was going to be a star, and Stevie Ray, too. But people don't think about knowing a star until they are."

Cheatham's fame has grown, too. Kent doesn't have to search for bands anymore. The old cotton warehouse, once in danger of being demolished, is secure, thanks to the music foundation. And so is Texas music, thanks in part to Cheatham Street Warehouse.

Said Kent: "The poets our children will study 100 years from now are Kris Kristofferson and Bob Dylan."

# LINDENAU HALL



Lindenau Hall, 22 Striedel Lane, Cuero

*Photos by Connie Rothe*

## Old dance halls died hard

No longer used for public dances, this building five miles outside Cuero has recently undergone repairs to its dance floor just the same. That's because it's a venue for wedding receptions, family reunions and other festive occasions that don't require more than a few fans -- or Mother Nature -- for cooling. Built in 1927, the hall offers heaters only. And its owners, members of Lindenau Rifle Club, work to keep it in shape.

The small community of Lindenau once had a railroad depot, cotton gin and a store. The only business now is Arndt Sausage, and one of the few buildings is the round hall founded as a social club, and its adjacent pavilion.

Club president Clemence Weber is not certain of the reason behind the hall's unusual shape, but attributes it to the style preferred by the builders. Lindenau, on Farm Road 953 in northwest DeWitt County, was settled by a group of German farmers in the 1890s. "I would guess [the construction] must go back to the old country with perhaps some adaptations for the climate in South Central Texas," said Weber, adding, "Besides, don't you have to go round and round when you dance to avoid pile-ups?"

Lindenau Rifle Club existed for more than two decades before members built the hall. They founded the club in 1901 and first used another building before erecting the hall. In the 1930s

or '40s, members added a bar area to the hall. Maintenance is ongoing and has included a partial re-roofing, new septic system, exterior painting, and restroom repair and remodeling. "Almost all repairs are major for us," Weber said, as the club relies on rentals, club-sponsored benefits, and member dues to raise money. Septic system repair alone cost almost \$20,000, and about 10 members loaned the club the money to finish the job. "Then we paid them back."

The gun club meets on the second Sunday of every month, but no longer holds shooting events. These days members help 4-H and FFA groups by buying animals at stock shows, and sponsoring fundraisers -- a "Spring Chicken BBQ" in March, a Sausage Feast in September, and a Lindenau Stew and Craft Show in November.

"We have about 45 members, mostly couples," noted Weber. Some of those members actively participate in meetings and other events, while the rest along with family and friends help with the fundraisers. Club officers are elected, and Weber has agreed to serve as president for four or five terms.

"Time flies. But tradition and old dance halls die hard. This is something I do for the community," Weber said. "It's a social event for those involved, and that's why we keep the hall up."









Photos by Connie Rothe





# Schroeder Hall



Schroeder Hall, 12516 FM 622, Goliad

Photo by Wilfred Korth

## A lifelong tradition

When Sharon Kleinecke was still working at her day job, her husband Jack called her one day at work to ask an important question: "Do you care if we buy Schroeder Hall?"

Sharon knew that he had wanted to own a bar and grill and thought that would happen one day. But a dance hall? Never in her wildest dreams. Six weeks later, Sharon and Jack owned the hall.

That was 2000. In the years between Sharon has become a dance hall manager, band scheduler, and dinner host to artists, especially those who have played the hall on holidays. Cross Canadian Ragweed attended Thanksgiving dinner at the Kleineckes one year. Another year, the band was running late, and the family took holiday dinner to the dance hall. She makes a home-cooked meal for all the out-of-town bands. "We always try to make them feel at home."

Customers from near and far and even outside U.S. borders have found their way to the dances. A couple from Arizona comes to hear Merle Haggard. A Canadian friend who "loves the music and the dance halls" arrives twice a year.

The original hall, built in 1890 as a grocery store, was torn down to make way for the current structure, built in 1935. The Kleineckes' renovations of the two-winged building included raising the ceiling over the dance floor by 4 feet, and creating

an elevated stage. The hall is air-conditioned and heated, and regulars know to bring a sweater and a blanket for children, who sleep on the floor and sometimes on the tables. "That's what my girls remember," Sharon said. "The kids go to sleep and you lay them on the floor under the table, and sometimes on top of the table." Children 9 and under get in free to encourage the tradition of family attendance.

One longtime patron of Schroeder Hall is Robin White of Goliad. She has known Sharon 25 years and has been attending dances since she was 14. In fact, that's how White said she learned to dance. "We would all go with our boyfriends and then we'd go home and my mother would cook a huge breakfast for everyone."

Because grandchildren have entered their lives, the Kleineckes have different interests now and want to spend their time differently. "The easiest part is when you open the doors," noted Kleinecke. Between dances is the work of scheduling bands, advertising performances, updating the web site and stocking supplies. Sharon does it all. So the couple has put Schroeder Hall on the market, with some reluctance, knowing it will be hard to give up. "I love the hall," Kleinecke said, "And if I were 10 or 15 years younger, I would not think about selling."

# CEDAR HALL



Cedar Hall, 1721 S. Commerce St., Lockhart

*Photo by Connie Rothe*

## *Good food, good music...and a ghost*

With a parking lot big enough to hold a circus tent, a "CH" brand on the double doors and a tidy, paneled interior, Cedar Hall Bar & Grill emits an air of cool efficiency.

When evening arrives, the place eases into festiveness, with music, dancing, pool playing and a full menu. "The pool tables stay pretty full on weekends," said owner Paulette Hayter. Music and dancing mesh with the click of cue sticks; diner favorites include grilled shrimp and Philly cheesesteak sandwiches.

From this 3.5-acre location on the edge of Lockhart, Paulette and husband Jack cater parties, offer a menu ranging from tater tots to steak, and host benefits, birthday and graduation parties, weddings (Paulette is an ordained minister), and class reunions.

It might be a bit of a stretch to imagine the retooled Cedar Hall as the former home of hundreds of chickens. But the place was built in 1963 to sell fryers and eggs, and since then the remodeled building has also been home to a flea market and once was the site of regular Sunday afternoon conjunto dances. The Hayters, who took it over in 2010, have paved the parking lot and recently added an outdoor patio and stage in the back.

Although both Hayters work at Cedar Hall, Jack has an oilfield job which often keeps him on the road. They bought the place after she was laid off from her job and wanted something to

do. "I like people," said Paulette. "I am a talker. I get along with people and I like to play and visit."

Former owners Dwayne and Cathy Kaufman, who bought the building 30 years ago and owned it 12 years, enjoyed it for the same reasons. When they bought the former chicken house, it was being used as storage. Dwayne cleaned it out, added a parking lot and a concrete floor, and started a flea market, steakhouse and a bar and grill. He also scheduled country music Wednesday through Sunday nights, and conjunto dances Sunday afternoons. At one point before the Kaufmans sold it in 1995, the business was open from 5 a.m. to midnight seven days a week. It went through several other owners before the Hayters took over, and continues to attract customers who want good food and good music.

Cedar Hall is also home to a ghost who visited after closing one morning in November 2010 and whose aura Paulette saw on security films the next day. She has not seen the ghost since then, but hasn't forgotten it, either.

If Cedar Hall leaves a legacy under Hayter ownership, Paulette wants it to be funding worthwhile causes. She is on her way. Dance hall benefits helped raise \$20,000 for juvenile diabetes in 2012.





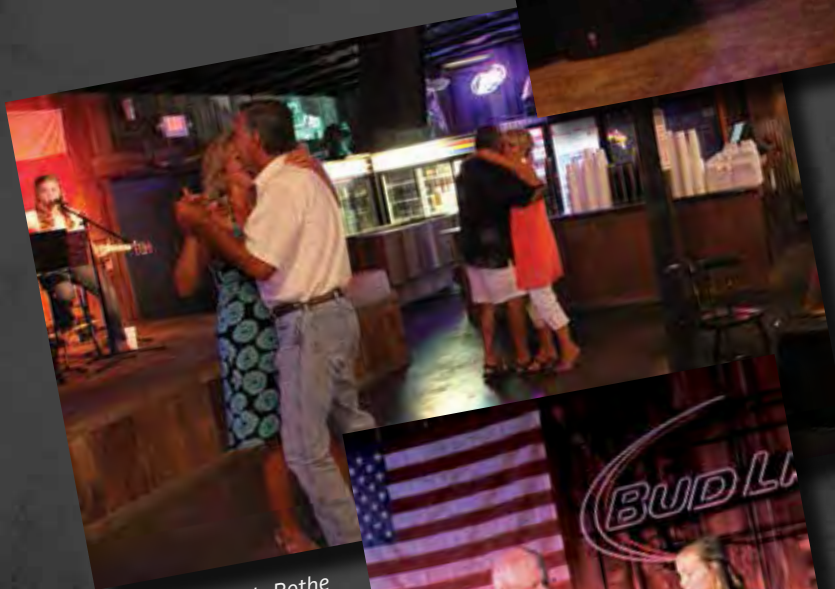
We Reserve The Right To Refuse Service To Anyone  
★ ★ ★ ★ ★  
★ No Matter Who You Are ★  
★ Or Think You Are ★  
★ Or Who Your Daddy Is! ★







Photo by Barbara Elmore



Photos by Connie Rothe





# Belmont Social Club



Belmont Social Club, 14395 U.S. Highway 90A, Belmont

*Photo by Connie Rothe*

## No dues necessary

To know what Belmont Social Club is, it's helpful to note what it isn't.

First, it is not a club, even though "club" is part of its name. Friends do meet here, but not for formal meetings. They come to hear the band known as Best Friends, which plays every Friday night.

Everyone who enters the door is a club member. They can eat the food the place is known for and dance while they are waiting to be served.

The reason it's called Belmont Social Club is that the people who bought and remodeled it discovered an old sign in the 1916 building with the name on it. It stuck.

The other thing to know is that although BSC is a restaurant, it's not only a restaurant. Bands play there, dancing is lively and some couples sit down only to rise again quickly when they hear that song.

BSC sits right off U.S. Highway 90A in the small community of Belmont, halfway between Seguin and Gonzales. Its reputation is built on the food served by owner Johnny Abrameit.

Although he first had a partner in purchasing the former Goss store in 2010, Abrameit and his family are now sole owners. To the main dining room they have added a stage for performers and a small dance floor, which customers fill when bands play on Friday and Saturday nights.

The two-person band Best Friends is an every-Friday act, a hit since performing for the grand opening on New Year's Eve 2010.

Best Friends includes Debbie Rider on keyboard, bass and accordion, and Sally Carlson, singer and rhythm guitarist. The women have played together since 1998 but have been best friends in third grade when their families moved to the Geronimo community.

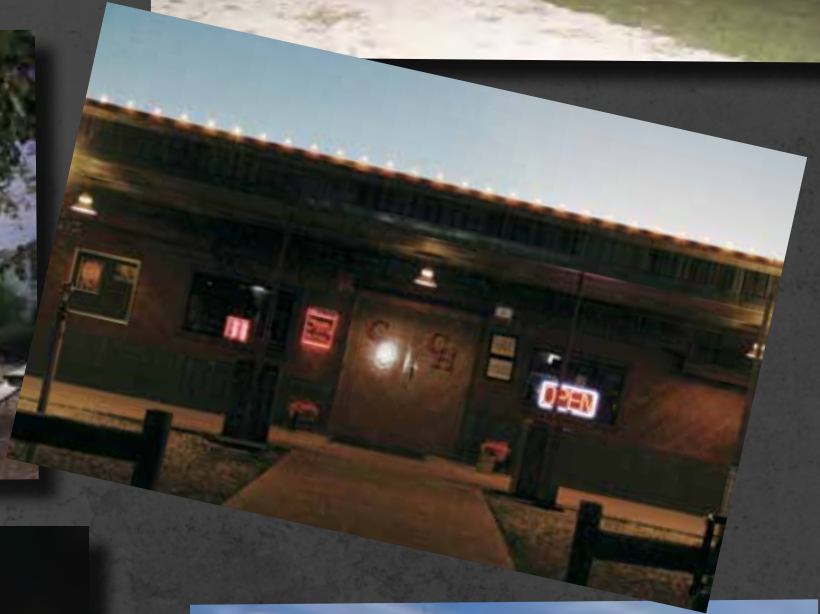
They felt like outsiders then, but no more. Their traditional country and gospel repertoire brings in fans from Victoria, Nixon, Edna, Luling, Gonzales and Seguin, as well as winter Texans. They like playing BSC because the customers are "down home country folks," said Debbie. Added Sally, "We have built a relationship with the Abrameits."

That includes Madelyn Abrameit, the 13-year-old daughter of Johnny and wife Julia. She loves Loretta Lynn and has been singing in public since she was 9.

Abrameit, who previously owned Seguin City Market, never intended to run another restaurant. But he likes going from table to table to talk to people and back to the kitchen to check on food. "Sometimes as many as 200 people are waiting to get in on weekend nights," he said. "I do not advertise."

His philosophy of running the business is simple: "I want people to get up and enjoy themselves and have a good time."







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**Guadalupe-Blanco River Authority**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO





December 18, 2013

The Honorable Oscar H. Fogle, Chair  
and Members of the Board of Directors

Dear Chair Fogle and Directors,

The Comprehensive Annual Financial Report (CAFR) of the Guadalupe-Blanco River Authority (GBRA) for the fiscal year ended August 31, 2013, 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. One of the principal foundations of GBRA's financial recording and reporting system is a framework of internal controls designed to better assure the appropriate use of all GBRA assets and the timely recording of each financial transaction. As a result of these controls, it is GBRA's belief that 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 also been included.

One of the important components of the CAFR is the Management Discussion and Analysis (MD&A) report included immediately following the Independent Auditor's Report. The MD&A provides an overview or executive summary of the information contained in the CAFR. As such it is an easily readable, easily understandable source of information related to GBRA's financial activities for fiscal year 2013. Furthermore, the MD&A information is presented in comparison to the two previous years thereby providing the CAFR reader a near term historical perspective of financial results. GBRA encourages all users of this CAFR to read the information contained in the MD&A.

## **PROFILE OF THE GUADALUPE-BLANCO RIVER AUTHORITY**

The Texas Legislature created GBRA in 1935 as a political subdivision of the State of Texas with the mandate to develop, conserve and protect the water resources of the Guadalupe River Basin and to make those waters available for beneficial use. While there have been many milestones during GBRA's almost eighty years of existence, perhaps none are more important than working with the U.S. Army Corps of Engineers in the creation of Canyon Reservoir during the 1950's and 1960's. GBRA now holds a permit to 90,000 acre-feet of water per year from Canyon Reservoir for use within the river basin. GBRA's permit to this water facilitates operations such as hydroelectric generation; water and wastewater treatment; treated water distribution; municipal, industrial and agricultural raw water supply; laboratory analyses; 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 “low head” hydroelectric plants in Guadalupe and Gonzales counties capable of producing 16 megawatts. All electricity produced by the division is delivered to the Guadalupe Valley Electric Cooperative for consumption principally within the river basin. 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 six 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) Wastewater Treatment Plant. GBRA began operating this plant in Fiscal Year 2009 utilizing personnel from the nearby City of Buda and Shadow Creek wastewater plants that are also operated by GBRA. 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. Additionally, this division is 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 as well as to individuals, municipalities, industries and private entities throughout the region. Other 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 relatively new treated water delivery and wastewater treatment systems in Comal County for the Comal Trace, Johnson Ranch, and Cordillera real estate developments.

GBRA’s *Port Lavaca Water Treatment Plant Division* 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). The division, which commenced operation in 1969, receives raw water from the Guadalupe River delivered through 20 miles of canals. GBRA 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 1,355 homes and businesses located throughout most of the unincorporated areas of Calhoun County.

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 past statements from the Texas Comptroller of Public Accounts, the Texas State economy represents one of the world's largest economies outpacing most countries around the globe. Data collected by the Federal Reserve Bank of Dallas (FED) and by the Comptroller's office reveals that job growth, sales tax collections, and building permits are all signaling the fact that Texas continues to outpace the national economy. In fact unlike many states, Texas has not only regained over 100% of the jobs lost during the recent recession, Texas has added over 548,000 jobs. This compares to a national job recovery of only 78% of the number of "pre-recession" jobs. There are a number of factors which have allowed Texas to recover from the recent recession and start on an expansionary tract sooner than other areas. Historically these factors included large natural resource deposits and plentiful land used for cattle ranching and farming. These factors certainly continue today, but the State also boasts a growing diversity of business opportunities with substantial growth in the transportation, computer, semiconductor and telecommunication industries. In fact, the Comptroller indicates that Texas added jobs in all of the eleven (11) major industries that are tracked within the state including professional and business services, trade, transportation and utilities, leisure and hospitality, education and health services, construction, mining and logging, government, financial activities, information and other services, and manufacturing. In particular, the growth of jobs related to oil and gas exploration in a number of different Texas regions and the compounding economic effect of these jobs has added greatly to Texas's Gross State Product.

These are further aided by the ocean going import-export trade via four large Texas seaports, a large trading partner just across the Rio Grande international border, and a banking sector better capitalized than most of the remainder of the nation. Furthermore, the FED believes that an important advantage that Texas holds over other regions of the country is the net migration of people into the State. In its Second Quarter of 2013 Southwest Economy report, the FED lists Texas as the number one state for seven consecutive years in terms of the number of people moving to the State. This migration has filled the need for employees in the exploding Eagle Ford Shale oil exploration area as well as caused a mini-housing construction boom. Finally, one additional factor that the President of the Dallas FED notes that is beneficial to the Texas economic story is the business attitude of the State which encourages firms to invest.

One unfortunate aspect of the Texas economic story has been an exceptional drought which the State just cannot seem to find relief from. During 2011, for all practical purposes the drought covered the western two-thirds of the State and rainfall records were in many cases the lowest in recorded history. While during calendar years 2012 and 2013, rainfall has been more plentiful and ground moisture has recovered to a large degree, rainfall has not been sufficient to materially change the low conversation storage in the State's water supply reservoirs. Several reservoirs, principally in West Texas, have less than 5% of capacity remaining behind the dam. This has caused agricultural losses which when coupled with losses in agricultural support industries are in the billions of dollars. While water rationing and conservation has allowed most residents, municipalities, and industries to cope with the drought, significant rain (in the right places) and perhaps a new round of State water projects will be required to allow the State to recover and mitigate the effects of future droughts.

*The Local Economy.* GBRA's service area is geographically part of south central Texas. It stretches from the Texas Hill Country through the IH-35, IH10, and State Tollway 130 Corridors and onto

the Texas Gulf Coast. This geographic diversity 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 being in the Coastal Bend Region.

The northern region of the GBRA district is sandwiched between the Austin and San Antonio MSAs. This location and the vibrant economies of these two cities have correspondingly elevated the economy of the northern Guadalupe River Basin over the last several decades. Both of these cities are ranked in the top twenty nationally when judged on job growth and this will obviously float the economic possibilities of the surrounding areas of the GBRA district along with them. Another noteworthy growth factor for the local economy has been the oil and gas exploration boom related to the Eagle Ford Shale discovery. This formation stretches across 23 Texas counties and two of those counties are located in the middle stretch of the GBRA district. The economic impacts of this discovery and the corresponding well drilling and servicing activity cannot be understated. Millions of dollars of new economic activity related to the Eagle Ford Play is flowing through the communities located within Gonzales and DeWitt Counties of the GBRA district. The economic ripple effects can be seen in new housing, new hotel/motel construction, expanding automobile dealerships, and growth in agricultural related business to name a few. Just north of Gonzales and DeWitt Counties lies Guadalupe County. This is another county within the GBRA district that is experiencing considerable job growth. In an August 13, 2013 article of Money Magazine, this job growth is attributed to the construction of several new manufacturing and distribution centers including Caterpillar, Amazon, and Continental Automotive which in the aggregate have invested \$459 million and brought in over 2,000 jobs.

GBRA's mission and 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 2013 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 has helped in recent years to establish a Recovery Implementation Plan for the aquifer. A major milestone was recently reached by GBRA, a local stakeholder group, and the Edwards Aquifer Authority when a formal Habitat Conservation Plan (HCP) was adopted and sent to the United States Fish and Wildlife (USFWS) for their review and adoption. The subsequent adoption of the HCP by the USFWS, should help to end decades of contentiousness over the use of the Edwards Aquifer and establish a more equitable use regime, particularly during times of drought. Another major water and environmental related study project that GBRA participated in during recent years was the Senate Bill 3 – Bays and Basin Area Stakeholder Group. The principal focus of this stakeholder effort was the determination of the range of water volumes in the Guadalupe River Basin that are necessary under various seasonal and other events to support environmental needs. This stakeholder group has completed its work and submitted a report to the Texas Commission on Environmental Quality. The TCEQ subsequently approved the stakeholder groups "flow" recommendations along with amendments suggested by GBRA. While GBRA continued to protect the existing Guadalupe River Basin water supplies during 2013, it was also planning the development of future supplies. Throughout Fiscal Year 2013, GBRA's staff and consultants were



actively exploring future water supply projects including both groundwater and surface water sources. GBRA's principle effort on this front included the continuation of a feasibility study related to the conjunctive use of Guadalupe River surface water and groundwater in the Gonzales County stretch of the river.

Still another major initiative that GBRA participated in during Fiscal Year 2013 was a whooping crane endangered species lawsuit filed against the Texas Commission on Environmental Quality (TCEQ) by a group of parties located along the Texas Gulf Coast. The suit alleged that the TCEQ mismanaged the water in the Guadalupe and San Antonio River basins during drought conditions to the detriment of the endangered whooping cranes. Since many of GBRA's water rights might be affected by this suit, GBRA sought and was granted intervention into the suit on the side of the TCEQ. The case went to trial in the Corpus Christi Federal Court in December 2012. The trial court judge rendered her opinion for the Plaintiff and against the TCEQ. Subsequently, TCEQ and GBRA filed an appeal with the Federal Fifth Circuit Court of Appeals. That Court has heard the case and all parties are awaiting their decision at this time. GBRA's belief is that the Plaintiff's case is without merit since the current number of whooping cranes is at its highest level higher since recovery efforts began fifty years ago.

A list of significant initiatives for Fiscal Year 2013 also must include GBRA's continuing support for three tax-exempt organizations which it helped to create and which work side-by-side with GBRA in the protection of the Guadalupe River Basin's natural resources. These organizations include the Guadalupe Blanco River Trust, San Antonio Bay Foundation, Guadalupe River Trust, and the Gorge Preservation Society. GBRA's financial and staff support of these organizations allows each of them to work with volunteers, interested landowners, and other conservation minded organizations to recognize and protect many of the unique natural attributes of the Basin.

From an operational perspective, in many respects Fiscal Year 2013 was reasonably routine. No major storms impacted the Texas Gulf Coast and no major floods occurred in the Guadalupe River Basin. The absence of any emergency conditions resulted in minimal overtime and call out hours and the completion of numerous maintenance and repair projects. However, Fiscal Year 2013 was not a normal year from a riverflow perspective. While the Guadalupe River Basin did receive more rainfall than in the past couple of years, it did not result in increased riverflow due to the very dry ground conditions that existed prior to the rainfall. Operationally, the lack of riverflow significantly decreased GBRA's hydroelectric energy generation to approximately 40% of the long term annual average. The drought also resulted in Canyon Reservoir declining from a "full pond" at 909 feet mean sea level (msl) down to approximately 899 msl at fiscal year-end. Recent rains have increased the reservoir level back up to approximately 902 feet mean sea level causing some optimism that weather patterns are changing.

*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 that new water plan is 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 is 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 on committing existing surface water supplies that are currently not fully 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 beneficially used. GBRA has also begun to look at other possible water supply alternatives including the use of groundwater. Principal

among these possibilities is the development of groundwater from the Carrizo Aquifer water in the Gonzales County area of GBRA's district and the eventual desalination of seawater. It is incumbent on both GBRA and the SB1 regional water planning group to continue to study 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 in efforts to further Texas's 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 42 through 46, GBRA continues to meet its responsibility for sound financial management. GBRA recommends readers 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.

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 nor any legal requirement to include comparative budget to actual expenditure statements in this report. Nevertheless, the GBRA staff diligently prepares the Annual Work Plan and Budget to assure projects are prioritized and the use of funds is effective and efficient.

GBRA's financial policies and the resulting rates and financial structure provide support to the management and decision making of the organization. Since GBRA is not a taxing district, it must rely solely upon the service rates that are adopted and the customer revenue that is generated to support GBRA's projects and operations. One strategy that GBRA has adopted through the years to mitigate the volatility of its revenue stream is to diversify operations. One group of operations are "rate-based" and these operations are structured in such a way that financial gains and losses may result. A second group of operations are "contract-based" and these operations are structured to yield an exact cost of service to customers with no corresponding financial gain or loss to GBRA. This strategy has allowed GBRA to expand its operations through the years, meet its legislative mandate of providing water and wastewater services, minimize financial risk, while still accumulating the financial reserves important to any viable organization. Another rate strategy that GBRA has employed is the requirement of a debt coverage factor on all bond issues that are of a regional, multi-customer nature. This coverage factor has allowed GBRA to expand its financial reserves and position the organization to assimilate the monetary impacts of natural disasters, unscheduled repair projects, and customer defaults while also providing funds for new project



start up. These strategies have been particularly useful this past year in dealing with the effects of the drought, ongoing whooping crane lawsuit, and studies to determine the most appropriate new water supply project.

## **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 Alonzo, Bacarisse, Irvine & Palmer P.C. (ABIP) was selected by the Board for the 2013 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, the county clerk of each county within the GBRA district as well as many other information repositories located throughout the State.

*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, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

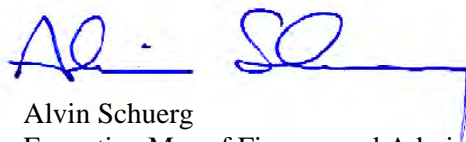
In order to be awarded a Certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. GBRA has received a Certificate for the last 39 consecutive fiscal years (1973-2012). 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 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, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Guadalupe-Blanco River Authority's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress on pages 42-46 and 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Guadalupe-Blanco River Authority's basic financial statements. The introductory section, other supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Guadalupe-Blanco River Authority's internal control over financial reporting and compliance.



Certified Public Accountants

San Antonio, Texas

December 18, 2013



# 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 Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; 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 Statement of Net Position presents information on all of GBRA's Assets and Deferred Outflows as well as GBRA's Liabilities and Deferred Inflows. The difference between these two groups of accounts is then reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of GBRA is improving or deteriorating. In Fiscal Years 2013, 2012 and 2011 respectively, Assets and Deferred Outflows exceeded Liabilities and Deferred Inflows by \$71,987,760; \$67,164,118; and \$65,091,678. Between August 31, 2011 and August 31, 2013, Net Position amounts have increased \$6,896,082 which indicates a continued improvement in GBRA's financial position. The single most significant reason for this increase in Net Position is positive operating results manifested in an increase of \$4,458,878 in Cash, Cash Equivalents, and Investments during the

period. Of this Cash and Investment increase, \$2,987,589 is reflected in the 2011 – 2013 increase in Unrestricted Current Assets while the remaining \$1,471,289 is reflected in the Other Long Term Assets increase of the same period. Another notable account change is the \$1,687,093 increase in Restricted Current Assets due to the receipt of proceeds of a new bond issue sold during Fiscal Year 2012 the funds of which have not been fully expended as of FY 2013 year-end. A third significant account change is a \$7,258,892 decrease in Long-Term Capital Assets. This reduction is principally the result of terminating the Victoria Regional Wastewater Reclamation Division at the end of its forty year contract period and the return of the operation to the City of Victoria. The following table presents a Condensed Statement of Net Position for August 31, 2013, 2012 and 2011:

<b>GUADALUPE-BLANCO RIVER AUTHORITY</b>			
<b>STATEMENT OF NET POSITION</b>			
<b>AUGUST 31, 2013, 2012, AND 2011</b>			
<b>ASSETS</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Current Assets			
Unrestricted Assets	\$ 13,715,301	\$ 15,917,835	\$ 10,943,736
Restricted Assets	8,364,650	10,689,823	6,677,557
Long-Term Assets			
Restricted Assets	2,990,160	3,432,878	3,519,141
Capital Assets	178,176,969	181,598,659	185,435,861
Other Assets	19,618,047	14,521,949	15,442,151
Total Assets	<u>222,865,127</u>	<u>226,161,144</u>	<u>222,018,446</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>562,703</u>	<u>131,494</u>	<u>927,962</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 223,427,830</u></u>	<u><u>\$226,292,638</u></u>	<u><u>\$222,946,408</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
Current Liabilities			
Payable from Current Assets	\$ 3,313,251	\$ 3,991,739	\$ 4,269,626
Payable from Restricted Assets	7,667,828	7,432,846	7,011,225
Long-Term Liabilities			
Bonds and Loans Payable	134,287,272	139,328,530	138,750,165
Advances for Operations	402,878	589,733	489,947
Total Liabilities	<u>145,671,229</u>	<u>151,342,848</u>	<u>150,520,963</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>5,768,841</u>	<u>7,785,672</u>	<u>7,333,767</u>
<b>NET POSITION</b>			
Net Investments in Capital Assets	\$ 36,423,496	\$ 35,853,611	\$ 40,790,810
Restricted for Construction	-	1,017,064	527,138
Restricted for Debt Service	1,154,297	1,163,979	3,688,262
Restricted for Insurance	3,633,411	3,814,269	1,171,147
Unrestricted	30,776,556	25,315,195	18,914,321
Total Net Position	<u>71,987,760</u>	<u>67,164,118</u>	<u>65,091,678</u>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<u><u>\$ 223,427,830</u></u>	<u><u>\$226,292,638</u></u>	<u><u>\$222,946,408</u></u>

The Total Net Position amount in the above statement is subdivided into an Unrestricted Net Position amount, three Restricted Net Positions amounts, and a final amount described as Net Investments in Capital Assets. This latter subdivision of Net Position declined over the statement period due to the aforementioned loss of the Victoria Wastewater Division. The three restricted Net Asset subcomponents include reserves for future expansions, debt service payments, and insurance reservations. These reserve accounts are explained in more detail in Footnotes A and G.



The following table presents a Condensed Statement of Revenues, Expenses and Changes in Net Position for years ending August 31, 2013, 2012 and 2011:

<b>GUADALUPE-BLANCO RIVER AUTHORITY</b>			
<b>COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>			
<b>FISCAL YEARS ENDED AUGUST 31, 2013, AUGUST 31, 2012, AND AUGUST 31, 2011</b>			
<b>REVENUE</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Program Revenues			
General Operating	\$ 2,488,089	\$ 2,436,582	\$ 2,399,699
Recreation and Land Use	1,839,323	1,850,043	1,530,967
Hydroelectric Generation	3,626,870	4,066,405	4,286,489
Water Treatment & Distribution	35,651,493	35,010,758	33,537,536
Waste Water Treatment	3,934,363	3,703,918	4,294,646
Interfund Eliminations	(2,473,872)	(2,431,049)	(2,399,623)
Total Revenues	<u>45,066,266</u>	<u>44,636,657</u>	<u>43,649,714</u>
<b>EXPENSES</b>			
Program Expenses			
General Operating	2,318,333	2,069,049	2,057,017
Recreation and Land Use	1,752,428	1,782,927	1,552,674
Hydroelectric Generation	3,745,239	3,787,974	3,832,811
Water Treatment & Distribution	25,234,594	23,617,188	23,670,202
Waste Water Treatment	3,818,534	3,783,035	4,491,665
Interfund Eliminations	(2,473,872)	(2,431,049)	(2,399,623)
Total Expenses	<u>34,395,256</u>	<u>32,609,124</u>	<u>33,204,746</u>
<b>NON OPERATING REVENUES (EXPENSES)</b>			
Grant Income	681,223	563,047	549,534
Investment Income	117,304	146,506	288,242
Gain (Loss) on Disposal of Capital Assets	4,560	(122,715)	(1,748,901)
Interest Expense	(6,711,171)	(6,684,592)	(6,812,918)
Total Non Operating Revenues (Expenses)	<u>(5,908,084)</u>	<u>(6,097,754)</u>	<u>(7,724,043)</u>
Net Income Before Recognition of Deferrals	4,762,926	5,929,779	2,720,925
Costs (Revenue) to be Recognized in Future Years	<u>2,464,710</u>	<u>(886,614)</u>	<u>(534,847)</u>
Income Before Special Items	7,227,636	5,043,165	2,186,078
<b>SPECIAL ITEMS</b>			
Costs for the Whooping Crane Endangered Species Law suit	(1,024,963)	(2,970,725)	(1,994,934)
Debt Issuance Costs for Bond Refundings	<u>(1,379,031)</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,823,642	2,072,440	191,144
Net Position September 1, 2012 and 2011 and 2010	67,164,118	65,091,678	64,900,534
Net Position August 31, 2013 and 2012 and 2011	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>	<u>\$ 65,091,678</u>

As stated above, changes to GBRA's Net Position is one measure of whether GBRA's financial position is improving or not. The Fiscal Years 2013, 2012, and 2011 increases in Net Position of \$4,823,642; \$2,072,440; and \$191,144 are indicative of strong financial performance and a stable financial position. The components of Net Assets and the means in which it is calculated are apparent in the above Condensed Statement of Revenues, Expenses and Changes in Net Position. From these components, one can readily ascertain that the increase in Net Position would nevertheless have been significantly higher in all three years if costs related to GBRA's involvement in a Whooping Crane endangered species lawsuit

had not been incurred. Since this case has serious implications on the management of water rights within the State of Texas, including GBRA's water rights, GBRA's involvement is essential. The case went to trial in December 2011 and as a result, GBRA incurred over \$1.9M in FY 2011 and \$2.9M in FY 2012 to prepare for the case and to participate in the trial. After the trial court judge rendered an unfavorable ruling in the case, GBRA and the State of Texas appealed the case to the Federal Fifth Circuit Court of Appeals which caused the additional \$1.0M in costs during FY 2013. GBRA expects these costs to continue to decline and their effect on Changes to Net Position to similarly decline as litigation costs for appeals are generally less than trial level costs.

Contributing to the increase in Net Position was an increase in Program Revenues between FY 2011 and FY 2013 of approximately \$1.4M compared to a slightly lower increase in Program Expenses of \$1.1M during the same period. While various factors caused this result, principal among them was a commitment to increase customer rates and fees where and when necessary, as well as an aggressive plan to control discretionary spending.

An additional factor in the larger increase in GBRA's Net Position for Fiscal Years 2013 and 2012 as compared to Fiscal Year 2011 is the relative absence of Loss on Disposal of Capital Assets in the latter two years. As previously mentioned, in FY 2011 GBRA recognized a \$1.7M Loss on Disposal of Capital Assets related to the termination of the wastewater treatment contract with the City of Victoria after a forty year history of operating the City's two wastewater plants.

Included within Program Expenses are normal, annual contributions into GBRA's Defined Benefit Pension Plan. These contributions have been in the amounts of \$1,020,832; \$1,013,649; and \$1,011,297 for Fiscal Years 2011, 2012, and 2013 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 \$2,303,132 between the January 1, 2008 and 2010 actuarial reports. In order to arrest this increasing UAAL, the GBRA Board of Directors approved supplemental contributions into the Plan of \$5,200,000 over the last five years. As a result of these supplemental contributions and improving equity market conditions, the Pension Plan UAAL has decreased approximately \$3.5M since the 2010 actuarial report. Additional supplemental contributions may also be approved in those future years as long as the UAAL persists and when GBRA's annual financial operating results are favorable.

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

As of August 31, 2013, 2012, and 2011 respectively, GBRA's total investment in Long-Term Capital Assets net of depreciation were \$178,176,969, \$181,598,659, and \$185,435,861. These capital assets which are shown in the long-term asset section of GBRA's Statement of Net Position are comprised of a number of different types 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 declined by 3.9% or \$7,258,892 during period FY 2011-2013. The principal reason for this asset decrease as previously mentioned was the return of assets to the City of Victoria when the City elected to terminate GBRA's operating contract after 40 years and resume ownership and operation of the associated plants.

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, 2011, 2012, and 2013 respectively were \$133,875,000; \$133,055,000; and \$123,620,000. Between Fiscal Years 2011 and 2013, revenue bonds outstanding decreased by \$10,255,000 which represents the annual principal repayment on the existing GBRA bond issues as well as the refunding or replacement of existing bond issues. During FY 2013, GBRA refunded or replaced two bond issues with new bond issues and in one case the new bond issue was approximately \$5.9M less than the refunded issue. The reason the replacement issue was less than the original issue was due to the use of bond premiums in the structuring and sale of the new or replacement issue.



GBRA's long-term loans outstanding as of fiscal year end 2011, 2012 and 2013 respectively amounted to \$9,732,456; \$11,676,246; and \$10,934,717. These varying amounts represent the annual principal repayments of the various loans offset by new bank loans approximating \$2.6M over this period related to the purchase of new equipment and the expansion of GBRA's Dunlap Wastewater Collection System.

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, 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 15 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 a major emphasis on repair and replacement will be required in the next few years to return this System to the level of equipment condition present in GBRA's other operations. This initiative has not heretofore been undertaken due to a lacking of funding in the System as a result of the reduction in Hydroelectric Power Sales Revenue because of persistent drought and low river flow conditions in the Guadalupe River Basin.

### **Other Potentially Significant Matters**

The GBRA Board of Directors established on October 1, 2012 a rate of \$125 per acre-foot per year for committed, firm raw water. Presently, GBRA contracts with about 100 customers throughout the GBRA district to commit approximately 90,000 acre-feet of firm, raw water. Currently the source of this water is water stored in Canyon Reservoir. The permitted yield of Canyon Reservoir is 90,000 acre-feet per year which means that GBRA has fully committed the Reservoir to customers. Therefore in the future, GBRA must develop new sources of water to supply customers but these new supplies are expected to be considerably more expensive than current supplies. This has the potential to create a difficult transition for GBRA and its customers as higher priced water is financially blended with today's lower priced water.

As previously mentioned, a small group of plaintiffs filed a federal lawsuit in Corpus Christi, Texas against the Texas Commission on Environmental Quality (TCEQ) during 2010. The suit alleges that the TCEQ has mismanaged the water rights in the Guadalupe and San Antonio River Basins and as a result, insufficient freshwater reaches the San Antonio Bay during droughts thereby adversely impacting whooping cranes, which are listed as an endangered species under the Federal Endangered Species Act (Act). The federal judge allowed GBRA to intervene in the case on the side of the TCEQ to protect its water rights in the Guadalupe River Basin. GBRA does not agree with the plaintiff's allegations nor does GBRA believe the plaintiff's basic cause and effect claims between freshwater flows and whooping crane health. While the trial court judge rendered an unfavorable ruling in the case, the State of Texas and GBRA have appealed the ruling to the federal appeals court. Based upon the arguments before that court, the State and GBRA are optimistic that the trial court ruling will be reversed.

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**STATEMENT OF NET POSITION**

**AUGUST 31, 2013 AND 2012**

<b>ASSETS AND DEFERRED OUTFLOWS</b>	<b>2013</b>	<b>2012</b>
<b>CURRENT ASSETS</b>		
Unrestricted Assets		
Cash and Cash Equivalents .....	\$ 5,745,176	\$ 5,247,350
Investments-Unrestricted .....	5,822,663	7,831,014
Interest Receivable.....	66,460	59,888
Accounts Receivable-Operating.....	1,538,147	2,348,334
Other Current Assets.....	542,855	431,249
Total Unrestricted Assets.....	<u>13,715,301</u>	<u>15,917,835</u>
Restricted Assets		
Cash and Cash Equivalents .....	5,311,330	7,768,710
Investments-Restricted .....	3,012,103	2,868,323
Interest Receivable.....	41,217	52,790
Total Restricted Assets.....	<u>8,364,650</u>	<u>10,689,823</u>
Total Current Assets.....	<u>22,079,951</u>	<u>26,607,658</u>
<b>LONG-TERM ASSETS</b>		
Restricted Assets		
Investments-Restricted .....	2,990,160	3,432,878
Total Restricted Assets.....	<u>2,990,160</u>	<u>3,432,878</u>
Capital Assets		
Land, Water and Storage Rights.....	35,538,587	35,386,830
Dams, Plants and Equipment.....	209,777,687	206,238,251
Construction In Progress.....	16,001	1,601,475
Less Accumulated Depreciation.....	(67,155,306)	(61,627,897)
Total Capital Assets.....	<u>178,176,969</u>	<u>181,598,659</u>
Other Assets		
Investments-Unrestricted .....	9,138,801	5,465,795
Long-Term Loans Receivable .....	346,130	393,739
Contract Development Costs (Net of Amortization).....	16,902	23,215
Debt Issuance Costs (Net of Amortization).....	919,810	2,526,896
Permits and Licenses (Net of Amortization).....	526,891	555,406
Project Development Costs.....	3,663,643	1,548,159
Net Pension Asset.....	5,005,870	4,008,739
Total Other Assets.....	<u>19,618,047</u>	<u>14,521,949</u>
Total Long-Term Assets.....	<u>200,785,176</u>	<u>199,553,486</u>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<u>562,703</u>	<u>131,494</u>
Total Assets and Deferred Outflows of Resources.....	<u>\$ 223,427,830</u>	<u>\$ 226,292,638</u>
<b>LIABILITIES , DEFERRED INFLOWS AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 471,198	\$ 526,529
Interest Payable.....	56,543	60,187
Accounts Payable-Operating.....	2,785,510	3,405,023
Total Current Unrestricted Liabilities.....	<u>3,313,251</u>	<u>3,991,739</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	6,725,000	5,675,000
Current Portion of Long-Term Loans Payable.....	270,000	215,000
Interest Payable.....	672,828	1,542,846
Total Current Restricted Liabilities.....	<u>7,667,828</u>	<u>7,432,846</u>
Total Current Liabilities.....	<u>10,981,079</u>	<u>11,424,585</u>
<b>LONG-TERM LIABILITIES</b>		
Revenue Bonds Payable.....	130,818,753	134,068,813
Long-Term Loans Payable.....	10,934,717	11,676,246
Less Current Portion.....	<u>(7,466,198)</u>	<u>(6,416,529)</u>
Total Bonds and Loans Payable.....	<u>134,287,272</u>	<u>139,328,530</u>
Advances for Operations.....	402,878	589,733
Total Long-Term Liabilities.....	<u>134,690,150</u>	<u>139,918,263</u>
Total Liabilities.....	<u>145,671,229</u>	<u>151,342,848</u>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<u>5,768,841</u>	<u>7,785,672</u>
<b>NET POSITION</b>		
Net Investments in Capital Assets .....	36,423,496	35,853,611
Restricted for Construction.....	-	1,017,064
Restricted for Insurance.....	1,154,297	1,163,979
Restricted for Debt Service.....	3,633,411	3,814,269
Unrestricted .....	30,776,556	25,315,195
Total Net Position.....	<u>71,987,760</u>	<u>67,164,118</u>
Total Liabilities, Deferred Inflows of Resources and Net Position.....	<u>\$ 223,427,830</u>	<u>\$ 226,292,638</u>

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



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>		
Power Sales.....	\$ 3,548,940	\$ 3,979,015
Water Sales and Lake Operations.....	34,252,743	33,081,820
Recreation and Land Use.....	774,504	747,666
Waste Water Treatment Services.....	3,649,643	3,556,848
Laboratory Services.....	800,922	823,466
Rental.....	352,641	363,753
Miscellaneous .....	1,686,873	2,084,089
Total Operating Revenue.....	<u>45,066,266</u>	<u>44,636,657</u>
<b>EXPENSES</b>		
Personnel Operating Costs.....	9,983,897	9,679,527
Operating Supplies and Services.....	12,732,602	13,010,644
Maintenance and Repairs .....	4,398,941	4,071,712
Depreciation and Amortization.....	7,279,816	5,847,241
Total Operating Expenses.....	<u>34,395,256</u>	<u>32,609,124</u>
Operating Income .....	10,671,010	12,027,533
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Grant Income.....	681,223	563,047
Investment Income.....	117,304	146,506
Gain (Loss) on the Disposal of Capital Assets.....	4,560	(122,715)
Interest Expense .....	(6,711,171)	(6,684,592)
Total Nonoperating Revenues (Expenses).....	<u>(5,908,084)</u>	<u>(6,097,754)</u>
Income Before Recognition of Deferrals.....	4,762,926	5,929,779
Costs (Revenue) to be Recognized in Future Years .....	2,464,710	(886,614)
Income Before Special Items.....	7,227,636	5,043,165
<b>SPECIAL ITEMS</b>		
Costs Associated with the Whooping Crane Endangered Species Lawsuit.....	(1,024,963)	(2,970,725)
Debt Issuance Costs for 2013 Bond Refundings.....	<u>(1,379,031)</u>	<u>-</u>
Change in Net Position.....	4,823,642	2,072,440
Net Position at September 1, 2012 and 2011.....	<u>67,164,118</u>	<u>65,091,678</u>
Net Position at August 31, 2013 and 2012.....	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>

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

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

**FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers.....	\$ 45,852,442	\$ 44,133,117
Cash Received from Interfund Administrative Charges.....	2,473,872	2,431,049
Cash Paid for Personnel Operating Costs.....	(10,115,101)	(9,823,847)
Cash Paid for Other Operating and Maintenance Costs.....	(18,033,836)	(17,243,886)
Cash Paid for Interfund Administrative Charges.....	(2,342,668)	(2,286,729)
Cash Paid for Supplementary Contribution to Defined Benefit Plan.....	(1,100,000)	-
Costs Associated with Whooping Crane Endangered Species Lawsuit and Bond Refundings.....	(2,403,994)	(2,970,725)
Net Cash Flows From Operating Activities.....	14,330,715	14,238,979
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Net Change in Pension Plan Asset.....	102,869	97,705
Cash Received from Grants.....	681,223	563,047
Net Cash Flows Used by Noncapital and Related Activities.....	784,092	660,752
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	41,359	15,822
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	85,241,573	10,458,698
Proceeds from Sale of Capital Assets.....	13,253	256,575
Purchase of Capital Assets.....	(2,215,471)	(659,326)
Cash Paid for Construction in Progress and Project Development.....	(2,131,485)	(2,407,940)
Interest Paid.....	(7,651,227)	(6,793,815)
Principal Payments on Revenue Bonds.....	(88,418,667)	(5,226,193)
Principal Payments on Loans.....	(741,534)	(4,246,205)
Net Cash Flows Used by Capital and Related Financing Activities.....	(15,862,199)	(8,602,384)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash Received from Investments.....	1,114,141	2,442,141
Investment Income Received.....	441,081	136,680
Cash Paid for Investments.....	(2,767,384)	(4,060,427)
Net Cash Flows Used by Investing Activities.....	(1,212,162)	(1,481,606)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(1,959,554)</b>	<b>4,815,741</b>
<b>CURRENT CASH AND CASH EQUIVALENTS:</b>		
At Beginning of Year.....	5,247,350	3,860,027
At End of Year.....	5,745,176	5,247,350
Net Increase.....	497,826	1,387,323
<b>RESTRICTED CASH AND CASH EQUIVALENTS:</b>		
At Beginning of Year.....	7,768,710	4,340,292
At End of Year.....	5,311,330	7,768,710
Net Decrease.....	(2,457,380)	3,428,418
<b>TOTAL CASH AND CASH EQUIVALENTS:</b>		
At Beginning of Year.....	13,016,060	8,200,319
At End of Year.....	11,056,506	13,016,060
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>\$ (1,959,554)</b>	<b>\$ 4,815,741</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income.....	\$ 10,671,010	\$ 12,027,533
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities:		
Depreciation and Amortization.....	7,279,816	5,847,241
Supplementary Contributions to the Defined Benefit Plan.....	(1,100,000)	-
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	(1,024,963)	(2,970,725)
Debt Issuance Costs for 2013 Bond Refundings.....	(1,379,031)	-
Net Change in Assets and Liabilities from Operating Activities:		
Operating Accounts Receivable.....	116,457	(449,887)
Other Current Assets.....	(235,460)	19,627
Operating Accounts Payable.....	2,886	(234,810)
Total Adjustments.....	3,659,705	2,211,446
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES.....</b>	<b>\$ 14,330,715</b>	<b>\$ 14,238,979</b>

**NON-CASH TRANSACTIONS SCHEDULE**

1. During fiscal year 2013 and 2012, an adjustment of (\$90,754) and \$10,383 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, 2013 AND 2012**

**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 financial statements. These policies, as presented, should be viewed as an integral part of the accompanying 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 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 ten 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 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 statement of net position. 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:

<u>Asset</u>	<u>Service Lives</u>	<u>Depreciation Method</u>
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, 2013 and 2012 amounted to \$450,684 and \$471,933, 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, 2013 and August 31, 2012, GBRA had no contingencies.
- 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.

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**AUGUST 31, 2013 AND 2012**

16. **Capitalization of Interest.** It is GBRA's policy to capitalize net interest costs on funds borrowed to finance the construction of fixed assets. GBRA recorded no interest expense and interest income of \$1,239 as construction in progress in 2013 for the Dunlap Wastewater Collection System Expansion project.
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.
18. GBRA adopted the provisions of GASB #63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The statement requires governments to account for deferred outflows of resources, deferred inflows of resources and net position as they relate to derivatives and service concession arrangements. Under the provisions of this statement, governments will already present a Statement of Net Position and changes the caption "Net Assets" to "Net Position". GBRA has no deferred outflows or inflows of resources as they relate to derivatives and service concession agreements.

**NOTE B - LONG TERM LIABILITIES**

GBRA currently has \$134,554,717 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, 2013 mature serially through 2039 as follows:

Year Ending August 31	LONG-TERM LOANS			Balance of Principal Outstanding	REVENUE BONDS			Balance of Principal Outstanding
	Total	Interest	Principal		Total	Interest	Principal	
				\$10,934,717				\$123,620,000
2014	1,051,034	309,836	741,198	10,193,519	11,211,512	4,486,512	6,725,000	116,895,000
2015	991,626	287,841	703,785	9,489,734	10,133,439	4,978,439	5,155,000	111,740,000
2016	3,754,831	233,148	3,521,683	5,968,051	10,161,520	4,841,520	5,320,000	106,420,000
2017	611,379	183,683	427,696	5,540,355	9,858,668	4,678,668	5,180,000	101,240,000
2018	607,872	170,665	437,207	5,103,148	9,219,616	4,559,616	4,660,000	96,580,000
2019	609,281	157,262	452,019	4,651,129	9,231,887	4,396,887	4,835,000	91,745,000
2020	610,524	143,398	467,126	4,184,003	9,229,035	4,204,035	5,025,000	86,720,000
2021	606,683	129,104	477,579	3,706,424	9,232,513	3,997,513	5,235,000	81,485,000
2022	577,114	114,668	462,446	3,243,978	9,232,603	3,777,603	5,455,000	76,030,000
2023	547,379	101,628	445,751	2,798,227	9,241,938	3,541,938	5,700,000	70,330,000
2024	548,120	88,531	459,589	2,338,638	9,256,181	3,286,181	5,970,000	64,360,000
2025	548,695	75,011	473,684	1,864,954	8,631,449	3,021,449	5,610,000	58,750,000
2026	549,101	61,056	488,045	1,376,909	8,623,529	2,768,529	5,855,000	52,895,000
2027	240,453	46,664	193,789	1,183,120	8,636,580	2,501,580	6,135,000	46,760,000
2028	235,610	39,625	195,985	987,135	8,329,065	2,219,065	6,110,000	40,650,000
2029	235,683	32,404	203,279	783,856	8,318,748	1,933,748	6,385,000	34,265,000
2030	240,506	24,830	215,676	568,180	7,909,137	1,634,137	6,275,000	27,990,000
2031	240,073	16,893	223,180	345,000	7,360,151	1,350,151	6,010,000	21,980,000
2032	178,684	8,684	170,000	175,000	7,103,333	1,068,333	6,035,000	15,945,000
2033	177,923	2,923	175,000	--	7,102,569	777,569	6,325,000	9,620,000
2034					2,262,496	472,496	1,790,000	7,830,000
2035					2,264,516	389,516	1,875,000	5,955,000
2036					2,257,206	302,206	1,955,000	4,000,000
2037					2,255,979	210,979	2,045,000	1,955,000
2038					1,065,242	115,242	950,000	1,005,000
2039					1,064,255	59,255	1,005,000	--
	<u>\$ 13,162,571</u>	<u>\$ 2,227,854</u>	<u>\$ 10,934,717</u>		<u>\$189,193,167</u>	<u>\$ 65,573,167</u>	<u>\$ 123,620,000</u>	



**GUADALUPE BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2013 and 2012.

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outs tanding 8/31/2011	Retired During FY 2012	Outs tanding 8/31/2012	Retired During FY 2013	Outs tanding 8/31/2013	Amounts Due Within One Year
<b>OBLIGATIONS PAYABLE DIRECTLY BY GBRA</b>										
<b>GUADALUPE VALLEY HYDROELECTRIC DIVISION</b>										
First Lockhart Nat'l Bank Loan, Equipment	11/17/2008	2013	3.9%	\$ 110,000	\$ 52,215	\$ 22,627	\$ 29,588	\$ 23,552	\$ 6,036	\$ 6,036
First Lockhart Nat'l Bank Loan, Equipment	02/17/2011	2014	3.5%	30,000	25,219	9,824	15,395	10,174	5,221	5,221
<b>RURAL UTILITIES DIVISION</b>										
Wells Fargo Loan, Dunlap Construction	09/15/2005	2015	6.1%	4,400,000	3,731,618	3,731,618	--	--	--	--
Regions Loan, Dunlap Expansion Refunding	03/15/2012	2015	2.3%	3,590,000	--	--	3,590,000	215,000	3,375,000	175,000
Regions Loan, Dunlap Collection System	03/15/2012	2032	3.3%	2,600,000	--	--	2,600,000	--	2,600,000	95,000
<b>WATER RESOURCE DIVISION</b>										
U. S. Government Loan	01/01/1977	2026	2.5%	8,979,862	3,824,487	213,278	3,611,209	218,610	3,392,599	224,075
GE Capital Public Finance Loan, Equipment	03/19/2004	2014	4.8%	467,276	140,069	53,365	86,704	56,005	30,699	30,699
PNC Equipment Finance Loan, Lab Equipment	12/21/2005	2010	4.38%	65,000	--	--	--	--	--	--
JPMorgan Chase Loan, Office Expansion	05/09/2006	2016	4.18%	1,600,000	746,667	160,000	586,667	160,000	426,667	160,000
Frost National Bank Loan, Equipment	06/26/2006	2011	4.95%	43,696	--	--	--	--	--	--
A. Ussery, Water Rights	09/26/2006	2031	4.50%	343,496	292,679	9,329	283,350	9,749	273,601	10,188
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	498,200	15,881	482,319	16,596	465,723	17,342
Metcalf Bank Loan, Lab Equipment	10/20/2008	2014	5.25%	102,945	51,186	21,170	30,016	22,308	7,708	7,708
General Improvement & Ref. Rev. Bonds, 2011	03/01/2011	2030	3.0-4.625%	10,745,000	10,150,000	420,000	9,730,000	435,000	9,295,000	450,000 (1)
General Improvement Revenue Bonds, 2012	04/04/2012	2031	0.14-1.86%	4,400,000	--	--	4,400,000	225,000	4,175,000	225,000
<b>Total Obligations Payable Directly by GBRA</b>				<b>\$ 38,061,981</b>	<b>\$ 19,512,340</b>	<b>\$ 4,657,092</b>	<b>\$ 25,445,248</b>	<b>\$ 1,391,994</b>	<b>\$ 24,053,254</b>	<b>\$ 1,406,269</b>
<b>CONTRACT REVENUE BONDS AND LOANS</b>										
<b>WATER RESOURCE DIVISION</b>										
Western Canyon Regional Water Supply Project Revenue Bonds										
2003	04/01/2003	2033	3.0-5.25%	\$ 79,450,000	\$ 69,870,000	\$ 1,825,000	\$ 68,045,000	\$ 68,045,000	\$ --	\$ --
IH35 Project Combination Contract Revenue Bonds										
2004A	12/07/2004	2037	3.0-4.13%	15,660,000	14,510,000	310,000	14,200,000	14,200,000	--	--
IH35 Project Combination Contract Revenue Bonds										
2004B	12/07/2004	2037	5.5-5.8%	5,305,000	4,995,000	90,000	4,905,000	4,905,000	--	--
RRWDS Combination Contract Revenue Bonds										
2007A	09/15/2007	2039	5.00%	9,180,000	8,890,000	150,000	8,740,000	160,000	8,580,000	170,000
RRWDS Combination Contract Revenue Bonds										
2007B	09/15/2007	2039	7.10%	5,775,000	5,645,000	70,000	5,575,000	75,000	5,500,000	80,000
RRWDS Contract Rev Ref Bonds, San Marcos										
2010	09/01/2010	2024	2.0-3.25%	\$ 6,895,000	6,480,000	420,000	6,060,000	430,000	5,630,000	440,000 (2)
IH35 Project Combination Contract Revenue Bonds										
2013	04/17/2013	2037	2.0-5.0%	19,470,000	--	--	--	505,000	18,965,000	540,000 (3)
Western Canyon Regional Water Supply Project Revenue Bonds										
2013A	07/10/2013	2033	1.0-5.0%	55,265,000	--	--	--	--	55,265,000	2,425,000 (4)
Western Canyon Regional Water Supply Project Revenue Bonds										
2013B	07/10/2013	2033	1.909-4.633%	6,830,000	--	--	--	--	6,830,000	310,000 (4)
<b>PORT LAVACA WATER TREATMENT PLANT DIVISION</b>										
Frost National Bank, Clearwell										
	03/04/2008	2022	4.00%	400,000	370,115	9,117	360,998	9,535	351,463	9,929
Water Supply Revenue Refunding Bonds										
2000	12/15/2000	2016	4.50-5.375%	3,265,000	250,000	250,000	--	--	--	--
Water Supply Revenue Refunding Bonds										
2011	08/16/2011	2016	2.00%	1,205,000	1,205,000	25,000	1,180,000	285,000	895,000	290,000 (5)
<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	5,415,000	180,000	5,235,000	190,000	5,045,000	200,000
<b>CANYON HYDROELECTRIC DIVISION</b>										
Hydroelectric Project Revenue Refunding Bonds										
2002	04/15/2002	2014	3.5-4.75%	9,705,000	2,970,000	945,000	2,025,000	995,000	1,030,000	1,030,000 (6)

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outs tanding 8/31/2011	Retired During FY 2012	Outs tanding 8/31/2012	Retired During FY 2013	Outs tanding 8/31/2013	Amounts Due Within One Year
<b>LOCKHART WASTEWATER RECLAMATION DIVISION</b>										
Regional Wastewater Treatment System Contract Revenue Refunding Bonds										
2010	09/08/2010	2017	1.5%-2.5%	4,025,000	3,495,000	535,000	2,960,000	550,000	2,410,000	565,000 (7)
<b>Total Contract Revenue Bonds and Loans</b>				<u>\$ 228,800,000</u>	<u>\$ 124,135,901</u>	<u>\$ 4,809,117</u>	<u>\$ 119,285,998</u>	<u>\$ 90,349,535</u>	<u>\$ 110,501,463</u>	<u>\$ 6,059,929</u>
<b>Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest</b>					<u>\$ 143,648,241</u>		<u>\$ 144,731,246</u>		<u>\$ 134,554,717</u>	<u>\$ 7,466,198</u>
							<b>8/31/2012</b>		<b>8/31/2013</b>	
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest							\$ 144,731,246		\$ 134,554,717	
Less Revenue Bond Discounts and Deferred Defeasance							(560,079)		(755,796)	
Plus Revenue Bond Premiums							<u>1573,892</u>		<u>7,954,549</u>	
<b>Net Revenue Bonds and Long-Term Loans Payable</b>							<u>145,745,059</u>		<u>141,753,470</u>	
Less Current Portion							<u>(6,416,529)</u>		<u>(7,466,198)</u>	
<b>TOTAL BONDS AND LOANS PAYABLE</b>							<u>\$ 139,328,530</u>		<u>\$ 134,287,272</u>	

**INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET**

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

	8/31/2012	8/31/2013
Guadalupe Valley Hydroelectric Division	\$2,489,307	\$3,028,307
Rural Utilities Division	1,783,057	2,177,557
Water Supply Division	1,061,029	1,011,029
Port Lavaca Division	--	10,000
Coletto Creek Division	25,000	--
Canyon Hydroelectric Division	<u>134,700</u>	<u>--</u>
<b>Total Long-term loans payable to the General Division</b>	<u>\$5,493,093</u>	<u>\$6,226,893</u>

- GBRA issued in Fiscal Year 2011 General Improvement and Refunding Revenue Bonds, Series 2011. These bonds were issued to retire the General Improvement Revenue Bonds, Series 2002 and to provide funds for the lump sum buy-out of the Water Right Subordination Agreement between GBRA and the City of Seguin. The refunding of the 2002 General Improvement Revenue Bonds produced an economic loss of \$27,473, but was necessary to remove bond covenants in the 2002 bonds to facilitate the new money portion of the bond. GBRA's buy-out of the Water Right Subordination agreement effectively produced a savings of approximately \$4,295,500. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- GBRA issued in Fiscal Year 2011 Regional Raw Water Delivery System Contract Revenue Refunding Bonds, Series 2010 (City of San Marcos portion). These bonds were issued to retire the 1998 bonds, except for the September 1, 2010 payment of \$340,000. As a result of the refunding, GBRA reduced its total debt service requirement by \$842,606 and produced a net present value savings (economic gain) of \$848,929. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- GBRA issued in Fiscal Year 2013 Contract Revenue Refunding Bonds (IH35 Treated Water Delivery Bonds), Series 2013. These bonds were issued to retire the Series 2004 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$4,307,567 and produced a net present value savings (economic gain) of \$2,877,554. Bonds outstanding that are considered defeased as a result of the 2013 refunding are \$5,078,486.
- GBRA issued in Fiscal Year 2013 Contract Revenue Refunding Bonds (Western Canyon Regional Water Supply Project), Series 2013A and Series 2013B. As a result of the refunding, GBRA reduced its total debt service requirements by \$9,669,586 and produced a net present value savings (economic gain) of \$6,741,092. Bonds outstanding that are considered defeased as a result of the 2013 refunding are \$0.
- GBRA issued in Fiscal Year 2011 Water Supply Revenue Refunding Bonds, Series 2011 (Port Lavaca Water Treatment Plant Project). These bonds were issued to retire the Series 2000 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$44,115 and produced a net present value savings (economic gain) of \$39,856. Bonds outstanding that are considered defeased as a result of the 2011 refunding are \$0.
- 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, 2013 and 2012 was \$6,715 and \$9,085 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.
- GBRA issued in Fiscal Year 2011 Contract Revenue Refunding Bonds, Series 2010 (City of Lockhart Wastewater Treatment System Project). These bonds were issued to retire the Series 1996 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$248,321 and produced a net present value savings (economic gain) of \$220,321. Bonds that are considered defeased as a result of the current year refunding are \$0.
- 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 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. The following bond indentures of GBRA contain bond coverage requirement provisions: 1) General Improvement and Refunding Revenue Bonds, Series 2011; 2) Contract Revenue Bonds (IH35), Series 2013; 3) Combined Contract Revenue Bonds (Western Canyon), Series 2013; 4) Combined Contract Revenue Bonds (RRWDS), Series 2007; 5) RRWDS Contract Revenue Refunding Bonds (City of San Marcos), Series 2010; and 6) Treated Delivery System Contract Revenue Bonds (City of Lockhart), Series 2004.

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

**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 to nor can it utilize assets within the Retirement Plan Trust.

All full-time GBRA employees who were hired before January 1, 2011 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) years certain and lifetime monthly benefit.

Wells Fargo Bank is the trustee of the plan. There is a pension plan financial report on file at the State of Texas Pension Review Board, plus 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 can vary from year to year. The employer contribution each year beginning in 2011 has been 12.00% of total annual beginning of year participant payroll plus a percent (12% -normal cost percent) of total annual beginning-of-year payroll for non-participating full time employees hired after 2010. 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 ASSET**

For the GBRA fiscal year commencing September 1, 2012 and ending August 31, 2013, the Annual Pension Cost for GBRA was \$1,114,166. The actual contributions during the fiscal year were \$2,111,297, the sum of the required contribution of \$1,011,297 in December 2012, plus the supplemental contributions of \$500,000 in September 2012 and \$600,000 in July 2013. Before August 31, 2009, there had been no net pension obligation or asset since GBRA had historically contributed the annual required contribution. Because of a number of supplemental contributions beginning in August 2009, there is now a net pension asset of \$5,005,870 as of August 31, 2013.

**SIX-YEAR TREND INFORMATION**

Fiscal Year Ending	Annual Required Contribution (ARC)	Interest On Net Pension Asset	Adjustment to ARC	Annual Pension Cost (APC)	Amount Contributed	Percentage of APC Contributed	Net Pension Asset
31-Aug-08	\$ 707,443	\$ -	\$ -	\$ 707,443	\$ 707,443	100%	\$0
31-Aug-09	\$ 764,425	\$ -	\$ -	\$ 764,425	\$ 1,264,425	165%	\$500,000
31-Aug-10	\$ 970,248	\$ -	\$ -	\$ 970,248	\$ 3,970,248	409%	\$3,500,000
31-Aug-11	\$ 1,020,832	\$ (40,000)	\$ 33,556	\$1,014,388	\$ 1,620,832	160%	\$4,106,444
31-Aug-12	\$ 1,013,649	\$ (280,000)	\$ 377,705	\$1,111,354	\$ 1,013,649	91%	\$4,008,739
31-Aug-13	\$ 1,011,297	\$ (318,249)	\$ 421,118	\$1,114,166	\$ 2,111,297	189%	\$5,005,870

The Annual Pension Cost for the fiscal year ending August 31, 2013 was based on the results of the actuarial valuation as of January 1, 2012 using the entry age actuarial cost method and was determined in compliance with the GASB Statement No. 27 parameters. The actuarial assumptions and methods used for the three most recent valuations are shown below:

Actuarial Valuation Date:	January 1, 2011	January 1, 2012	January 1, 2013
Actuarial Cost Method:	Entry age	Entry age	Entry age
Amortization Method:	Level dollar, open	Level dollar, open	Level dollar, open
Amortization Period:	18 years	19 years	15 years
Asset Valuation Method:	5-yr adjusted mkt value	5-yr adjusted mkt value	5-yr adjusted mkt value
Annual Actuarial Assumptions:			
Investment return*	8.00%	7.75%	7.75%
Projected salary increases*	4.0% plus merit**	4.0% plus merit**	4.0% plus merit**
Inflation	4.00%	4.00%	4.00%
Cost-of-living increases	0.00%	0.00%	0.00%

\* includes inflation at the stated rate

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

The Schedule of Funding Progress presented as Required Supplemental Information for the GBRA defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about the actuarial value of plan assets increasing or decreasing relative to the actuarial accrued liability for benefits over time.



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

**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 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, 2013, GBRA held \$2,412,210 in restricted and unrestricted cash. Included in this amount was \$1,650 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 A-1 or 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 Home Loan Bank	\$ 1,353,402	3.87
Federal National Mortgage Assn.	5,408,790	17.64
U. S. Treasury	9,003,401	18.78
Certificates of Deposit	5,361,047	9.86
Money Market Funds	3,183,278	1.00
Texas Class	163,592	1.00
TexPool	5,134,513	1.00
Total Investments	<u>\$ 29,608,023</u>	11.18

**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 Home Loan Bank	Aaa	AA+
Federal Home Loan Mortgage	Aaa	AA+
Federal National Mortgage Assn.	Aaa	AA+
Texas Class	Aaa	AAAm
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, 2013 AND 2012**

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

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

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	\$ 6,762,192	21.12%
Government Securities	9,003,401	28.12%
Certificates of Deposit	5,361,047	16.74%
Money Market Funds	3,183,278	9.94%
Public Funds Investment Pools	5,298,105	16.55%
Cash	2,412,210	7.53%
Total	<u>\$ 32,020,233</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, 2012	Additions	Removals	Balance August 31, 2013
Land, Water & Storage Rights	\$ 35,386,830	\$ 151,757	\$ --	\$ 35,538,587
Construction in Progress	1,601,475	1,373,119	(2,958,593)	16,001
Total Assets Not Being Depreciated	<u>36,988,305</u>	<u>1,524,876</u>	<u>(2,958,593)</u>	<u>35,554,588</u>
Structures & Improvements	187,979,900	2,993,788	--	190,973,688
Specialized Equipment	7,235,697	42,542	--	7,278,239
Office Buildings & Communications	2,310,551	--	--	2,310,551
Shops & Storerooms	50,173	--	--	50,173
Auto & Heavy Equipment	3,681,204	312,585	(115,010)	3,878,779
Office Furniture & Equipment	1,320,516	58,612	--	1,379,128
Miscellaneous Equipment	3,660,210	246,919	--	3,907,129
Total Dams, Plants and Equipment	<u>206,238,251</u>	<u>3,654,446</u>	<u>(115,010)</u>	<u>209,777,687</u>
Total Capital Assets	<u>\$ 243,226,556</u>	<u>\$ 5,179,322</u>	<u>\$ (3,073,603)</u>	<u>\$ 245,332,275</u>
<b>DEPRECIATION</b>				
Classification	Balance August 31, 2012	Additions	Removals	Balance August 31, 2013
Structures & Improvements	\$ (48,232,936)	\$ (4,867,699)	\$ --	\$ (53,100,635)
Specialized Equipment	(5,944,332)	(134,085)	--	(6,078,417)
Office Buildings & Communications	(1,607,146)	(56,616)	--	(1,663,762)
Shops & Storerooms	(46,881)	(703)	--	(47,584)
Auto & Heavy Equipment	(2,701,609)	(249,514)	106,319	(2,844,804)
Office Furniture & Equipment	(1,082,301)	(71,804)	--	(1,154,105)
Miscellaneous Equipment	(2,012,692)	(253,307)	--	(2,265,999)
Total Accumulated Depreciation	<u>\$ (61,627,897)</u>	<u>\$ (5,633,728)</u>	<u>\$ 106,319</u>	<u>\$ (67,155,306)</u>
NET CAPITAL ASSETS	<u>\$ 181,598,659</u>	<u>\$ (454,406)</u>	<u>\$ (2,967,284)</u>	<u>\$ 178,176,969</u>

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

**NOTE F - POLLUTION CONTROL**

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

For 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, 2013 total \$40,890,000 and are as follows:

Series	Date of		Interest Rate	Original Amount	Outstanding 8/31/2012	Outstanding 8/31/2013
	Issue	Maturity				
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.

**NOTE H - CONTINUING DISCLOSURE REQUIREMENTS**

Under the continuing disclosure agreements of the 1) General Improvement Bonds, Series 2011; 2) Combined Contract Revenue Refunding Bonds (Western Canyon), Series 2013A and 2013B; and 3) Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2011, GBRA is obligated to provide certain updated financial information and operating data annually. None of the other bonds require additional disclosure; however, GBRA has included general information and the debt service by participants for the Contract Revenue Refunding Bonds (IH35), Series 2013. The required information is identified below, in the preceding footnotes and in the amortization schedules.

**General information related to all bonds:**

**1. DEBT SERVICE REQUIREMENTS**

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

**2. 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 Bonds

GBRA has assisted industries within the GBRA service area by providing tax-exempt financing for pollution control facilities which is disclosed in "Note F - Pollution Control Bonds" in the "Notes to Combined Financial Statements" section of this report.

**3. 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, 2013 AND 2012**

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

**4. GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011**

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 were used for the expansion and construction of the GBRA headquarters, meeting room and office facilities, and an operations warehouse.

On November 17, 2010, GBRA authorized the issuance of GBRA tax-exempt revenue bonds to be used to refund the Series 2002 General Improvement Revenue Bonds and provide funds for the lump sum buy-out of the Water Right Subordination Agreement between GBRA and the City of Seguin. The resolution was subsequently amended on March 16, 2011 related to the issuance of Guadalupe-Blanco River Authority General Improvement and Refunding Revenue Bonds, Series 2011 primarily for the purpose of amending the date by which certain proceeds of such bonds must be used to pay the “final payment” to the City of Seguin, revising the continuing disclosure requirements to comply with amended Section regulations that became effective December 1, 2010, revising the annual rate covenant, and deleting references to the General Division in certain covenants.

Moody’s Investors Service, Inc. assigned an underlying rating on the Bonds of “Aa2”.

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.

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012**

On January 18, 2012, GBRA authorized the issuance of General Improvement Revenue Bonds, Series 2012 in the amount of \$4,400,000 with a delivery date of April 4, 2012. The bonds were sold to the Texas Water Development Board and as such, no rating was required on these bonds. The bond proceeds were used to complete a study and feasibility assessment related to a new firm water supply for GBRA referred to as the Mid-Basin Project. The Project is envisioned as a conjunctive use project, utilizing both surface and ground water supplies within the basin.

The revenues pledged to repay the debt service requirements of these bonds are on parity with the pledge revenues described above for the General Improvement and Refunding Revenue Bonds, Series 2011.

**GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012 - FUND BALANCES AND COVERAGE**

GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012		
2011 Bonds: Average Annual Principal and Interest Requirements, 2014 - 2030	\$	749,478
2012 Bonds: Average Annual Principal and Interest Requirements, 2014 - 2031	\$	260,255
Total Average Annual Principal and Interest Requirements	\$	1,009,733
Coverage of Average Requirements by Pledged Revenues		11.77 times
Coverage of Average Requirements by Net Revenues		4.73 times
2011 Bonds: Maximum Principal and Interest Requirements, 2027	\$	837,750
2012 Bonds: Maximum Principal and Interest Requirements, 2014-2015	\$	262,603
Total Maximum Principal and Interest Requirements	\$	1,100,353
Coverage of Maximum Requirements by Pledged Revenues		10.80 times
Coverage of Maximum Requirements by Net Revenues		4.34 times
2011 Bonds: Interest and Sinking Fund Balance	\$	67,955
2012 Bonds: Interest and Sinking Fund Balance	\$	18,802
Total Interest and Sinking Fund Balance as of August 31, 2013	\$	86,757
Pledged Revenues for the Fiscal Year Ended August 31, 2013	\$	11,887,664 <sup>(1)</sup>
Net Revenues for Fiscal Year Ended August 31, 2013	\$	4,777,225 <sup>(2)</sup>

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

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

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

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

	Fiscal Year Ended August 31				
	2013	2012	2011	2010	2009
<b>Revenue</b>					
Raw Water Sales <sup>(1)</sup>	\$ 11,887,664	\$ 10,683,436	\$ 9,749,248	\$ 9,222,437	\$ 9,022,433
Water Replacement Fees <sup>(2)</sup>	--	--	--	--	68,750
Recreation and Land Use	143,236	131,506	115,840	92,813	95,439
Rental Income	254,643	253,903	255,420	258,330	230,464
Miscellaneous	561,726	846,607	851,715	464,324	533,493
Total Operating Revenue	\$ 12,847,269	\$ 11,915,452	\$ 10,972,223	\$ 10,037,904	\$ 9,950,579
<b>Expense</b>					
Operating Expenses <sup>(3)(4)</sup>	\$ 6,927,170	\$ 8,783,873	\$ 8,017,997	\$ 6,578,495	\$ 5,321,894
Maintenance and Repairs <sup>(3)</sup>	529,404	407,335	513,501	439,259	777,603
Administrative and General	685,537	642,150	591,839	541,448	524,452
Total Operating Expense	\$ 8,142,111	\$ 9,833,358	\$ 9,123,337	\$ 7,559,202	\$ 6,623,949
<b>Net Revenue</b>	\$ 4,705,158	\$ 2,082,094	\$ 1,848,886	\$ 2,478,702	\$ 3,326,630
<b>Less Debt Service for Senior Lien Bonds <sup>(5)</sup></b>					
General Imp & Ref Rev Bonds, 2011	\$ 817,857	\$ 819,657	\$ 738,505	\$ 286,635	\$ 287,698
General Imp Rev Bonds, 2012	262,603	13,683	--	--	--
Total Debt for Senior Lien Bonds	\$ 1,080,460	\$ 833,340	\$ 738,505	\$ 286,635	\$ 287,698
<b>Subordinate Revenues Available</b>	\$ 3,624,698	\$ 1,248,754	\$ 1,110,381	\$ 2,192,067	\$ 3,038,932

(1) Pledged Revenues.

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

(3) Operating and maintenance & repair expenses have been restated from the amounts previously reported for FY2009-2012 to remove expenses associated with the raw water pipelines.

(4) Pursuant to GASB 65 debt issuance costs are expensed; however, they are removed from operating expenses in this table because they were paid using bond proceeds.

(5) Senior liens include the General Improvement Bonds, Series 2002, which were refunded with Series 2011 General Improvement and Revenue Refunding Bonds and the General Improvement Revenue Bonds, Series 2012 (Mid-Basin WIF Project).

**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, 2013		August 31, 2012		August 31, 2011		August 31, 2010		August 31, 2009	
	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total
Municipal	72,279	81.67%	70,271	81.04%	65,135	79.84%	62,159	79.08%	61,292	78.84%
Domestic	9	0.01%	13	0.01%	16	0.02%	17	0.02%	17	0.02%
Industrial	15,827	17.88%	15,830	18.26%	15,826	19.40%	15,827	20.13%	15,827	20.36%
Irrigation	389	0.44%	597	0.69%	602	0.74%	608	0.77%	606	0.78%
Contracted	88,504	100.00%	86,711	100.00%	81,579	100.00%	78,611	100.00%	77,742	100.00%

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

**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 94% 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, as well as, smaller customers that are part of a large regional project, for the fiscal year ended August 31, 2013 are shown below:

		Total		Contract Information		
Customer	Type	AF/YR	Revenue <sup>(2)</sup>	Contract Date	Expiration Date	Renewal Option
Municipal & Retail						
Canyon Regional Water Authority	Regional Water Authority		\$ 1,492,312	10/31/1998	12/31/2039	(1)
City of Marion	City	100				
City of Cibola	City	1,350				
Green Valley SUD	Special Utility District	1,800				
Springs Hill WSC	Water Supply Corporation	1,925				
East Central WSC	Water Supply Corporation	1,400				
SAWS	City	4,000				
New Braunfels Utilities	City	9,720	1,165,340	01/26/1989	01/25/2050	20 Yrs
City of Seguin	City	1,000	124,083	09/01/2012	08/31/2017	---
Canyon Lake WSC	Water Supply Corporation	2,000	198,442	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	198,442	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	198,442	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	1,850	167,865	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	167,865	06/01/2000	12/31/2050	(1)
Green Valley SUD	Special Utility District	1,000	124,083	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	10,000	1,240,833	10/01/1989	07/01/2047	(1)
City of Kyle	City	5,443	665,981	05/20/2005	12/31/2038	20 Yrs
City of Buda	City	1,680	208,460	04/09/2002	12/31/2042	(1)
CRWA --Hays Project	Regional Water Authority	2,038	252,882	06/04/2003	12/31/2039	(1)
GoForth SUD	Special Utility District	1,304	150,458	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	2,882	368,750	09/01/2005	12/31/2050	---
Monarch	Utility Company	560	69,487	01/01/2008	12/31/2037	---
GBRA Western Canyon						
Boerne	City	3,611	444,755	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	227,858	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
SAWS	City	4,000	1,213,792	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Cordillera Ranch	Housing Development	1,500	149,208	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Kendall & Tapatio	Housing Development	750	92,375	03/18/2002	12/31/2037	40 Yrs (2x20 Yrs)
Johnson Ranch	Housing Development	900	96,142	03/28/2003	12/31/2037	40 Yrs (2x20 Yrs)
Lerin Hills	Housing Development	750	92,375	09/18/2009	12/31/2036	40 Yrs (2x20 Yrs)
GBRA-Comal Trace	River Authority	50	11,104	---	---	---
SJ WTX-Bulverde	Water Supply Corporation	400	198,442	02/06/2009	12/31/2040	10 Yrs
SJ WTX-Park Village	Water Supply Corporation	322	39,660	03/24/2009	12/31/2040	10 Yrs
Total Major Municipal Customers		69,185	\$ 9,359,436			
Industrial						
Guadalupe Power Partners	Electric Generation	6,840	\$ 848,730	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Coletto Creek Power LP	Electric Generation	4,000	558,375	09/01/1975	09/01/2025	(1)
Hays Energy Limited Partners	Electric Generation	2,464	305,741	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	136,492	02/11/1980	02/21/2015	40 Yrs (15 Yrs +(5x5 Yrs))
Total Major Industrial Customers		14,404	\$ 1,849,338			
Total Major Customers		83,589	\$ 11,208,774			
Total Firm Water Sales		88,504	\$ 11,887,664			
Major Customers as a Percentage of Total		94.45%	94.29%			

(1) Contract does not provide for specific renewal options

(2) Includes Out-of-District Charges



GUADALUPE-BLANCO RIVER AUTHORITY  
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED  
AUGUST 31, 2013 AND 2012

NOTE H – CONTINUING DISCLOSURE REQUIRMENTS (CONTINUED)

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
110.00	10/1/2010
114.00	10/1/2011
125.00	10/1/2012

(1) Excludes out-of-district charges.

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**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

**5. CONTRACT REVENUE REFUNDING BONDS (WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2013A & 2013B**

On February 20, 2013, GBRA authorized the issuance of Combined Contract Revenue Refunding Bonds, Series 2013A and 2013B in the amount of \$55,265,000 and \$6,830,000, respectively. The proceeds were used to i) refund the Contract Revenue Bonds, Series 2003 (Western Canyon Regional Water Supply Project) to achieve debt service net present value savings of \$6,741,092, ii) fund a related account in the debt service reserve fund surety policies from Assured Guaranty Municipal Corporation and iii) pay issuance costs on the current bonds. The original proceeds from the Series 2003 bonds were used for the construction and equipping a regional treated surface water supply project to serve portions of Comal, Kendall and Bexar Counties, Texas.

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), rated the bonds "Aa1" and "AA+", respectively.

The bonds constitute special obligations of GBRA payable, both as to principal and interest, and secured solely by a first lien on and pledge of the Gross Revenues of GBRA, which primarily are derived from payments made to GBRA under the Water Supply Agreements entered into with the Participants in the Western Canyon Regional Water Supply Project.

**WESTERN CANYON REGIONAL WSP - ANNUAL WATER DELIVERY BY PARTICIPANTS**

**COMBINED CONTRACT REVENUE REFUNDING BONDS**

**(WESTERN CANYON REGIONAL WATER SUPPLY PROJECTS), SERIES 2013A & 2013B**

	<b>Current</b>	<b>% of</b>	<b>Ultimate</b>	<b>% of</b>
	<b>(Acre-Feet)</b>	<b>Total</b>	<b>(Acre-Feet)</b>	<b>Total</b>
<b>In District</b>				
City of Boerne	975	8.71%	3,611	21.49%
City of Fair Oaks	942	8.41%	1,850	11.01%
GBRA - Cordillera	300	2.68%	1,500	8.93%
GBRA - DH Investment Company	180	1.61%	900	5.36%
GBRA - Comal Trace	50	0.45%	100	0.60%
Canyon Lake WSC	722	6.45%	722	4.30%
Lerin Hills MUD	225	2.01%	750	4.46%
Tapatio/Kendall County Utility	200	1.79%	750	4.46%
Future Participants	0	0.00%	2,617	15.58%
<b>Total In District</b>	<b>3,594</b>		<b>12,800</b>	
<b>Out of District</b>				
SAWS (Initial & Returnable)	7,606	67.91%	4,000	23.81%
<b>Total Out of District</b>	<b>7,606</b>		<b>4,000</b>	
<b>Total</b>	<b>11,200</b>	<b>100.00%</b>	<b>16,800</b>	<b>100.00%</b>

**WESTERN CANYON REGIONAL WSP - SOURCES OF PLEDGED REVENUES**

**COMBINED CONTRACT REVENUE REFUNDING BONDS**

**(WESTERN CANYON REGIONAL WATER SUPPLY PROJECT), SERIES 2013A & 2013B**

	<b>Fiscal Year Ended August 31</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Western Canyon O&M Revenue	\$ 3,368,656	\$ 3,373,591	\$ 3,355,942
Western Canyon Debt Service Revenue	5,791,241	5,837,670	5,799,640
	<b>\$ 9,159,897</b>	<b>\$ 9,211,261</b>	<b>\$ 9,155,582</b>
Operating Expenses	\$ 2,461,320	\$ 2,729,471	\$ 2,509,538
Maintenance & Repair	328,632	280,870	289,188
Administrative & General	150,666	148,472	136,934
Total Operating & Maintenance Expenses	<b>\$ 2,940,618</b>	<b>\$ 3,158,813</b>	<b>\$ 2,935,660</b>
Net Revenue	<b>\$ 6,219,279</b>	<b>\$ 6,052,448</b>	<b>\$ 6,219,922</b>
Debt Service	\$ 4,835,965	\$ 5,320,675	\$ 5,322,125
Debt Service Coverage Factor	1.2860	1.1375	1.1687

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

**6. WATER SUPPLY REVENUE REFUNDING BONDS (PORT LAVACA WATER TREATMENT PLANT PROJECT), SERIES 2011**

On August 1, 2011, GBRA authorized the issuance of Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2011 in the amount of \$1,205,000. The proceeds were used to refund a portion of the outstanding Water Supply Revenue Refunding Bonds (Port Lavaca WTP), Series 2000 in order to provide a new present value savings of \$39,856.

Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") rated the bonds "A+".

The bonds are special obligations of GBRA payable, both as to principal and interest, and secured solely by the "Net Revenues" derived by GBRA from the operation of its Water Treatment Plant located in or near the City of Port Lavaca, Texas. The Net Revenues are derived from (i) payments received by GBRA from two separate water supply contracts with the City of Port Lavaca, Texas and the Port O'Connor Municipal Utility District pursuant to which GBRA provides treated water to the City of Port Lavaca and the Port O'Connor MUD on a wholesale basis, and (ii) revenues of GBRA's Calhoun County Rural Water Supply Division which are received from the sale of treated water by GBRA, on a retail basis, to members of Calhoun County Rural Water Supply Corporation.

**HISTORIC TREATMENT OF WATER BY THE AUTHORITY FOR THE CITY OF PORT LAVACA, THE CALHOUN COUNTY RURAL WATER SUPPLY CORPORATION AND THE PORT O'CONNOR MUNICIPALITY DISTRICT**

Fiscal Year Ended 8/31	City of Port Lavaca			Calhoun County Rural Water Supply Corp.			Port O'Connor Municipal Utility District <sup>(1)</sup>		
	Total Annual Water Treated (Gallons)	Customer Count	% of Total	Total Annual Water Treated (Gallons)	Customer Count	% of Total	Total Annual Water Treated (Gallons)	Customer Count (approx.)	% of Total
2007	428,465,000	4,456	72.31%	69,277,000	1,249	11.69%	94,768,000	1,350	15.99%
2008	477,229,000	4,548	70.89%	78,261,000	1,287	11.63%	117,682,000	1,400	17.48%
2009	515,138,000	4,514	69.66%	88,979,000	1,299	12.03%	135,384,000	1,400	18.31%
2010	447,856,000	4,552	70.63%	77,396,000	1,309	12.21%	108,800,000	1,450	17.16%
2011	521,972,000	4,463	69.33%	94,680,000	1,317	12.58%	136,266,000	1,400	18.10%
2012	507,083,000	4,463	70.27%	88,349,000	1,333	12.24%	126,146,000	1,600	17.48%
2013	472,101,000	4,463	70.87%	84,865,000	1,368	12.74%	109,228,000	1,600	16.40%

(1) Approximate figures.

**CALHOUN COUNTY WATER SUPPLY CORPORATION MONTHLY WATER RATES**

5/8" Meter	First	2,000 gal.	\$36.00 (minimum)
	Over	2,000 gal.	\$5.05/M Gallons

**PORT O'CONNOR MUNICIPAL UTILITY DISTRICT MONTHLY WATER RATES (through 10,000 gallons)**

Up to 3/4" Meter	First	2,000 gal.	\$28.50 (minimum)
	Next	4,000 gal.	\$4.80/M Gallons
	Next	4,000 gal.	\$5.25/M Gallons

**GBRA PORT LAVACA WATER TREATMENT PLANT – HISTORICAL OPERATING STATEMENT**

	For Fiscal Year Ended August 31,				
	2013	2012	2011	2010	2009
<b>Revenues:</b>					
Water Sales and Lake Operations	\$ 1,649,342	\$ 1,625,723	\$ 1,568,055	\$ 1,620,238	\$ 1,630,624
Miscellaneous	2,079	1,226	5	1	2
Total	1,651,421	1,626,949	1,568,060	1,620,239	1,630,626
<b>Expenses: <sup>(1)</sup></b>					
Personnel Operating Costs	\$ 464,377	\$ 449,999	\$ 416,538	\$ 429,220	\$ 464,162
Operating Supplies and Services	538,039	524,724	586,862	611,106	563,275
Maintenance and Repairs	142,972	156,094	116,260	130,727	130,015
Administrative and General	125,861	119,196	108,765	106,328	117,759
Total	1,271,249	1,250,013	1,228,425	1,277,381	1,275,211
Net Income Available for Debt Service	\$ 380,172	\$ 376,936	\$ 339,635	\$ 342,858	\$ 355,415
Outstanding Average Annual Debt Service	\$ 307,383	\$ 306,975	\$ 254,868	\$ 314,638	\$ 314,600
Coverage	1.24	1.23	1.33	1.09	1.13

(1) Excludes depreciation expense



**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

**7. CONTRACT REVENUE REFUNDING BONDS, SERIES 2013**

On November 28, 2012, GBRA authorized the issuance of Contract Revenue Refunding Bonds, Series 2013 in the amount of \$19,470,000. Proceeds from the sale of the Bonds were used to i) refund all of the Combination Contract Revenue, Subordinate Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Series 2004A and 2004B and ii) pay issuance costs on the current bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$4,307,567 and produced a net present value savings (economic gain) of \$2,877,554. The original proceeds from the Series 2004A and 2004B bonds were used 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 Standard & Poor's Financial Services LLC business ("S&P"), assigned an underlying rating on the Bonds of "A1" and "A+" respectively.

The bonds constitute special obligations of GBRA that are secured by a first lien on and pledge of the "Pledged Revenues," which generally consist of the "Gross Contract Revenues," received by GBRA from various public and private entities pursuant to certain "Water Supply Agreements" related to the delivery of treated water from a water treatment plant located in San Marcos, Texas to portions of Hays and Caldwell Counties, Texas through a treated water delivery system and the interest income from funds on deposit in the Interest and Sinking Fund, the Reserve Fund and the Rate Stabilization Fund. The Pledged Revenues are further pledged irrevocably to the establishment and maintenance of the Interest and Sinking Fund, the Reserve Fund and the Rate Stabilization Fund.

**CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35) - DEBT SERVICE PAYABLE BY PARTICIPANTS**

	Fiscal Year Ended August 31					
	2013		2012		2011	
	MGD	Debt Payments	MGD	Debt Payments	MGD	Debt Payments
Debt Service Component of Gross Contract Revenues						
From City of Buda, Texas	1.50	\$ 167,566	1.50	\$ 189,493	1.50	\$ 165,969
From City of Kyle, Texas	4.86	542,915	4.86	605,657	4.86	438,159
From GoForth Special Utility District *	1.26	126,459	1.24	123,082	1.24	156,011
From Sunfield Municipal Utilities District *	3.68	425,393	3.70	523,754	3.70	663,877
From Monarch	0.50	55,856	0.50	65,469	0.50	82,985
Total Debt Service Commitment & Revenues	11.80	\$ 1,318,189	11.80	\$ 1,507,455	11.80	\$ 1,507,001

\* Sunfield MUD's Purchase Commitment is being incrementally transferred to GoForth SUD.

Annual Debt Service Requirements	\$ 1,203,356	\$ 1,370,670	\$ 1,371,045
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Debt Service Coverage Factor	1.0954	1.0998	1.0992
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\* Sunfield MUD's Purchase Commitment is being incrementally transferred to GoForth SUD.

**IH35 TREATED WATER DELIVERY SYSTEM – HISTORICAL OPERATING STATEMENT**

	2013	2012	2011
IH35 O&M Transmission Revenue	\$ 303,164	\$ 326,809	\$ 236,806
IH35 Debt Revenue	1,318,189	1,507,455	1,507,001
IH35 Interest Earnings	16,695	20,977	65,329
Total Revenue	1,638,048	1,855,241	1,809,136
IH35 Operating Expenses	\$ 203,279	\$ 180,359	\$ 171,252
IH35 Maintenance & Repair Expenses	63,606	37,684	18,062
IH 35 Administrative & General Expenses	9,239	7,884	6,966
Total Expenses	\$ 276,124	\$ 225,927	\$ 196,280
Net Revenue	\$ 1,361,924	\$ 1,629,314	\$ 1,612,856
Debt Service	\$ 1,203,356	\$ 1,370,670	\$ 1,371,045
Debt Service Coverage	1.132	1.189	1.176

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

**NOTE I – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

GBRA is unique in that the majority of its outstanding bond issues are contract revenue bonds. In order to match revenues received from customers for the debt service of those bonds with expenditures for capital assets related to those bonds, GBRA records costs and revenues to be recognized in future period.

**NOTE J – SPECIAL ITEMS**

**Costs Associated with the Whooping Crane Endangered Species Lawsuit**

In 2010, a small group of plaintiffs filed a federal lawsuit against the Texas Commission on Environmental Quality (TCEQ) under the Federal Endangered Species Act alleging that the TCEQ had mismanaged the water rights in the Guadalupe and San Antonio River Basins during the droughts and as a result had adversely impacted the endangered whooping cranes. Since the outcome of the lawsuit could affect many of GBRA's water rights, GBRA was granted intervention into the suit on the side of TCEQ. Expenses incurred have been \$1,024,963, \$2,970,725, and \$1,994,934 for fiscal years 2013, 2012 and 2011 respectively. Following the trial court judge rendering an unfavorable opinion against the State of Texas, both the State and GBRA appealed the case to the Federal Fifth Circuit Court of Appeals. That Court has heard the case and their opinion is expected shortly. GBRA and the State remain optimistic the appeals court will uphold the State's existing water rights system.

**Debt Issuance Costs for 2013 Bond Refundings**

During fiscal year 2013, GBRA issued Refunding Bonds for the IH 35 Contract Revenue 2004 Series Bonds, and the Western Canyon Contract Revenue Series 2003 Bonds. The debt issuance costs expensed with these refundings totaled \$1,379,031.

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**GUADALUPE-BLANCO RIVER AUTHORITY**  
**NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED**  
**AUGUST 31, 2013 AND 2012**

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

GBRA is comprised of ten (10) 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, 2013 is as follows:

	Water Sales	Port Lavaca Water Plant	Luling Water Plant	Canyon Hydroelectric	Lockhart WWTP	Total
<b>REVENUES, EXPENSES AND CHANGES IN NET POSITION</b>						
Operating Revenue	\$ 22,716,861	\$ 1,651,421	\$ 1,287,292	\$ 1,312,770	\$ 1,646,864	\$ 28,615,208
Operating Expenses	(10,622,780)	(1,271,249)	(812,659)	(225,452)	(1,033,450)	(13,965,590)
Depreciation and Amortization Exp	(5,132,829)	(213,166)	(171,849)	(311,573)	(220,426)	(6,049,843)
Operating Income	6,961,252	167,006	302,784	775,745	392,988	8,599,775
Nonoperating Revenue (Expenses)	(5,512,428)	(33,653)	(246,542)	(159,257)	(55,586)	(6,007,466)
Costs to be Recovered (Deferred Rev)	(3,567,501)	(181,158)	(41,096)	(628,645)	(353,850)	(4,772,250)
Change in Net Position	\$ (2,118,677)	\$ (47,805)	\$ 15,146	\$ (12,157)	\$ (16,448)	\$ (2,179,941)
<b>NET POSITION ACTIVITIES</b>						
Current Assets	\$ 17,974,430	\$ 596,856	\$ 621,447	\$ 709,585	\$ 643,991	\$ 20,546,309
Capital Assets	139,233,121	2,700,003	5,046,449	5,587,651	3,024,071	155,591,295
Other Assets	4,527,504	57,103	339,847	579,671	43,820	5,547,945
Total Assets	161,735,055	3,353,962	6,007,743	6,876,907	3,711,882	181,685,549
Deferred Outflow of Resources	562,703					562,703
Total Assets and Deferred Outflows of Resources	\$ 162,297,758	\$ 3,353,962	\$ 6,007,743	\$ 6,876,907	\$ 3,711,882	\$ 182,248,252
Current Liabilities	\$ 7,594,996	\$ 593,533	\$ 450,115	\$ 1,078,270	\$ 851,106	\$ 10,568,020
Long Term Liabilities	121,227,983	984,784	4,871,386	(5,610)	1,875,412	128,953,955
Total Liabilities	128,822,979	1,578,317	5,321,501	1,072,660	2,726,518	139,521,975
Deferred Inflows of Resources	--	49,664	150,683	5,134,517	433,977	
Invested in Capital Assets Net of Related Debt	12,960,448	1,453,540	9,868	4,793,867	614,071	19,831,794
Restricted	2,661,498	230,758	137,443	269,823	333,890	3,633,412
Unrestricted	17,852,833	41,683	388,248	(4,393,960)	(396,574)	13,492,230
Total Net Position	33,474,779	1,725,981	535,559	669,730	551,387	\$ 36,957,436
Total Liabilities, Deferred Outflows and Net Position	\$ 162,297,758	\$ 3,353,962	\$ 6,007,743	\$ 6,876,907	\$ 3,711,882	\$ 182,248,252
Revenue Bonds Payable	\$ 121,683,388	\$ 895,000	\$ 5,036,581	\$ 1,710,178	\$ 2,410,000	\$ 131,735,147
Loans Payable	4,589,291	351,463	--	--	--	4,940,754
Interfund Balances:						
Accounts Receivable	1,029,526	164,368	110,000	11,382	152,170	1,467,446
Accounts Payable	1,482,910	236,254	69,550	107,160	140,273	2,036,147
<b>CASH FLOW ACTIVITIES</b>						
Cash Flows						
Operating Activities	\$ 12,322,052	\$ 393,123	\$ 451,175	\$ 1,322,782	\$ 602,933	\$ 15,092,065
Capital & Related Financing Activities	(10,433,805)	(378,352)	(444,913)	(1,090,193)	(700,047)	(13,047,310)
Noncapital Financing Activities	524,737	10,000	--	(134,700)	--	400,037
Investing Activities	(3,906,624)	197	(100,635)	29,025	9,238	(3,968,799)
	\$ (1,493,640)	\$ 24,968	\$ (94,373)	\$ 126,914	\$ (87,876)	\$ (1,524,007)
Current Cash and Cash Equivalents						
At Beginning of Year	\$ 2,235,018	\$ 20,312	\$ 304,174	\$ 821	\$ 189,481	\$ 2,749,806
At End of Year	2,536,577	45,294	209,801	154,428	93,785	3,039,885
Net Increase (Decrease)	\$ 301,559	\$ 24,982	\$ (94,373)	\$ 153,607	\$ (95,696)	\$ 290,079
Restricted Cash and Cash Equivalents						
At Beginning of Year	\$ 5,470,346	\$ 5,026	\$ --	\$ 348,640	\$ 326,070	\$ 6,150,082
At End of Year	3,675,147	5,012	--	321,947	333,890	4,335,996
Net Increase (Decrease)	(1,795,199)	(14)	--	(26,693)	7,820	(1,814,086)
	\$ (1,493,640)	\$ 24,968	\$ (94,373)	\$ 126,914	\$ (87,876)	\$ (1,524,007)



# Required Supplemental Information



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**GUADALUPE-BLANCO RIVER AUTHORITY**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**AUGUST 31, 2013**

**DEFINED BENEFIT PENSION PLAN-SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Jan 1, 2008	Jan 1, 2009	Jan 1, 2010	Jan 1, 2011	Jan 1, 2012	Jan 1, 2013
Actuarial Value of Assets	\$ 10,475,491	\$ 10,916,278	\$ 12,024,270	\$ 16,133,705	\$ 17,888,520	\$ 19,706,816
Actuarial Accrued Liability (AAL)	\$ 16,755,359	\$ 19,872,320	\$ 20,607,270	\$ 21,422,534	\$ 23,358,520	\$ 24,824,979
Unfunded AAL (UAAL)	\$ 6,279,868	\$ 8,956,042	\$ 8,583,000	\$ 5,288,829	\$ 5,470,000	\$ 5,118,163
Funded Ratio	63%	55%	58%	75%	77%	79%
Covered Payroll	\$ 8,201,393	\$ 8,573,185	\$ 8,506,931	\$ 8,447,077	\$ 8,203,042	\$ 7,661,304
UAAL as a Percentage of Covered Payroll	77%	104%	101%	63%	67%	67%

	Aug 31, 2008	Aug 31, 2009	Aug 31, 2010	Aug 31, 2011	Aug 31, 2012	Aug 31, 2013
Annual Required Contribution (ARC)	\$ 707,443	\$ 764,425	\$ 970,248	\$ 1,020,832	\$ 1,013,649	\$ 1,011,297
Employer Contributions	\$ 707,443	\$ 1,264,425	\$ 3,970,248	\$ 1,620,832	\$ 1,013,649	\$ 2,111,297
Percentage of ARC Contributed	100%	165%	409%	159%	100%	209%





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## Other Supplemental Information

**GUADALUPE-BLANCO RIVER AUTHORITY**  
**COMBINING STATEMENT OF NET POSITION**

**AUGUST 31, 2013**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>CURRENT ASSETS</b>					
Unrestricted Assets					
Cash and Cash Equivalents.....	\$ 1,704,338	\$ 1,496	\$ 53,329	\$ 3,256,693	\$ 45,294
Investments-Unrestricted.....	2,011,352	--	--	3,529,526	--
Interest Receivable.....	19,452	--	--	37,735	14
Accounts Receivable-Operating.....	142	151,546	332,509	622,841	141,450
Accounts Receivable-Interfund.....	3,517,268	219,050	111,133	2,008,277	164,368
Other Current Assets.....	15,751	98,215	20,476	312,181	43,655
Total Current Assets.....	7,268,303	470,307	517,447	9,767,253	394,781
Restricted Assets					
Cash and Cash Equivalents.....	651,215	7,466	561,555	3,764,135	5,012
Investments.....	330,218	--	655,555	1,308,757	196,329
Interest Receivable.....	8,279	--	7,544	23,821	734
Total Restricted Assets.....	989,712	7,466	1,224,654	5,096,713	202,075
Total Current Assets.....	8,258,015	477,773	1,742,101	14,863,966	596,856
<b>LONG-TERM ASSETS</b>					
Restricted Assets					
Investments.....	498,992	--	249,439	2,212,313	29,416
Total Restricted Assets.....	498,992	--	249,439	2,212,313	29,416
Capital Assets					
Land, Water and Storage Rights.....	1,035,561	2,248,822	235,957	30,901,067	41,424
Dams, Plants and Equipment.....	2,011,943	11,493,522	13,244,753	144,895,909	6,987,300
Construction In Progress.....	--	--	--	--	--
Less Accumulated Depreciation.....	(1,617,286)	(7,158,138)	(3,834,863)	(33,548,117)	(4,328,721)
Total Capital Assets.....	1,430,218	6,584,206	9,645,847	142,248,859	2,700,003
Other Assets					
Investments-Unrestricted.....	2,894,865	--	--	5,844,249	--
Long-Term Loans Receivable.....	187,500	--	158,630	--	--
Contract Development Costs (Net of Amortization).....	--	--	--	--	--
Debt Issuance Costs (Net of Amortization).....	--	--	53,667	618,911	27,687
Permits and Licenses (Net of Amortization).....	--	--	--	--	--
Project Development Costs.....	--	--	--	3,663,643	--
Net Pension Asset.....	5,005,870	--	--	--	--
Interfund Loans Receivable.....	6,226,893	--	--	--	--
Total Other Assets.....	14,315,128	--	212,297	10,126,803	27,687
Total Long-Term Assets.....	16,244,338	6,584,206	10,107,583	154,587,975	2,757,106
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total Assets and Deferred Outflows .....	\$ 24,502,353	\$ 7,061,979	\$ 11,849,684	\$ 170,014,644	\$ 3,353,962
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
Payable from Unrestricted Assets					
Current Portion of Long-Term Loans Payable.....	\$ --	\$ 11,257	\$ --	\$ 450,012	\$ 9,929
Interest Payable.....	--	--	--	56,543	--
Accounts Payable-Operating.....	951,810	232,040	212,664	710,376	54,367
Accounts Payable-Interfund.....	2,696,382	417,059	232,058	2,502,763	236,254
Total Current Unrestricted Liabilities.....	3,648,192	660,356	444,722	3,719,694	300,550
Payable from Restricted Assets					
Current Portion of Debt.....	--	--	270,000	4,640,000	290,000
Interest Payable.....	--	--	69,630	567,356	2,983
Total Current Restricted Liabilities.....	--	--	339,630	5,207,356	292,983
Total Current Liabilities.....	3,648,192	660,356	784,352	8,927,050	593,533
<b>LONG-TERM LIABILITIES</b>					
Revenue Bonds Payable.....	--	--	--	121,683,388	895,000
Long-Term Loans Payable.....	--	11,257	5,975,000	4,596,997	351,463
Interfund Loans Payable.....	--	3,028,307	2,177,557	1,011,029	10,000
Less Current Portion.....	--	3,039,564	8,152,557	127,291,414	1,256,463
Total Bonds and Loans Payable.....	--	(11,257)	(270,000)	(5,090,012)	(299,929)
Advances for Operations.....	--	--	13,975	64,830	28,250
Total Long-Term Liabilities.....	--	3,028,307	7,896,532	122,266,232	984,784
Total Liabilities.....	3,648,192	3,688,663	8,680,884	131,193,282	1,578,317
<b>DEFERRED INFLOWS OF RESOURCES.....</b>					
	--	--	--	--	49,664
<b>NET POSITION</b>					
Net Investments in Capital Assets.....	1,430,218	6,572,946	3,670,847	15,968,474	1,453,540
Restricted for Insurance.....	1,154,297	--	--	--	--
Restricted for Debt Service.....	--	--	--	2,661,497	230,758
Unrestricted.....	18,269,646	(3,199,630)	(502,047)	20,191,391	41,683
Total Net Position.....	20,854,161	3,373,316	3,168,800	38,821,362	1,725,981
Total Liabilities, Deferred Inflows and Net Position.....	\$ 24,502,353	\$ 7,061,979	\$ 11,849,684	\$ 170,014,644	\$ 3,353,962

See accompanying independent auditors' report.



Calhoun County Rural Water Supply Division	Coletto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2013 Eliminations	2013 Total
\$ 105,212	\$ 37,370	\$ 209,801	\$ 154,428	\$ 177,215	\$ --	\$ 5,745,176
106,573	--	150,256	--	24,956	--	5,822,663
3,535	3	5,610	16	95	--	66,460
97,007	4,921	--	132,655	55,076	--	1,538,147
91,000	139,327	110,000	38,000	202,170	(6,600,593)	--
6,794	9,684	8,274	12,222	15,603	--	542,855
410,121	191,305	483,941	337,321	475,115	(6,600,593)	13,715,301
--	--	--	321,947	--	--	5,311,330
--	--	137,443	49,911	333,890	--	3,012,103
--	--	63	406	370	--	41,217
--	--	137,506	372,264	334,260	--	8,364,650
410,121	191,305	621,447	709,585	809,375	(6,600,593)	22,079,951
--	--	--	--	--	--	2,990,160
--	--	--	--	--	--	2,990,160
51,396	--	875,292	12,187	136,881	--	35,538,587
2,602,069	2,048,650	7,179,156	12,553,881	6,760,504	--	209,777,687
16,001	--	--	--	--	--	16,001
(1,725,119)	(1,736,538)	(3,007,999)	(6,978,417)	(3,220,108)	--	(67,155,306)
944,347	312,112	5,046,449	5,587,651	3,677,277	--	178,176,969
199,687	--	200,000	--	--	--	9,138,801
--	--	--	--	--	--	346,130
--	--	--	11,686	5,216	--	16,902
--	--	139,847	41,094	38,604	--	919,810
--	--	--	526,891	--	--	526,891
--	--	--	--	--	--	3,663,643
--	--	--	--	--	--	5,005,870
--	--	--	--	--	(6,226,893)	--
199,687	--	339,847	579,671	43,820	(6,226,893)	19,618,047
1,144,034	312,112	5,386,296	6,167,322	3,721,097	(6,226,893)	200,785,176
--	--	--	--	--	--	562,703
\$ 1,554,155	\$ 503,417	\$ 6,007,743	\$ 6,876,907	\$ 4,530,472	(12,827,486)	\$ 223,427,830
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 471,198
--	--	--	--	--	--	56,543
33,109	113,149	159,937	23,292	294,766	--	2,785,510
112,042	155,872	69,550	12,747	165,866	(6,600,593)	--
145,151	269,021	229,487	36,039	460,632	(6,600,593)	3,313,251
--	--	200,000	1,030,000	565,000	--	6,995,000
--	--	20,628	12,231	--	--	672,828
--	--	220,628	1,042,231	565,000	--	7,667,828
145,151	269,021	450,115	1,078,270	1,025,632	(6,600,593)	10,981,079
--	--	5,036,581	793,784	2,410,000	--	130,818,753
--	--	--	--	--	--	10,934,717
--	--	--	--	--	(6,226,893)	--
--	--	5,036,581	793,784	2,410,000	(6,226,893)	141,753,470
--	--	(200,000)	(1,030,000)	(565,000)	--	(7,466,198)
--	--	4,836,581	(236,216)	1,845,000	(6,226,893)	134,287,272
--	--	34,805	230,606	30,412	--	402,878
--	--	4,871,386	(5,610)	1,875,412	(6,226,893)	134,690,150
145,151	269,021	5,321,501	1,072,660	2,901,044	(12,827,486)	145,671,229
--	--	150,683	5,134,517	433,977	--	5,768,841
944,347	312,112	9,868	4,793,867	1,267,277	--	36,423,496
--	--	--	--	--	--	1,154,297
--	--	137,443	269,823	333,890	--	3,633,411
464,657	(77,716)	388,248	(4,393,960)	(405,716)	--	30,776,556
1,409,004	234,396	535,559	669,730	1,195,451	--	71,987,760
\$ 1,554,155	\$ 503,417	\$ 6,007,743	\$ 6,876,907	\$ 4,530,472	(12,827,486)	\$ 223,427,830

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

**FISCAL YEAR ENDED AUGUST 31, 2013**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
<b>REVENUE</b>					
Power Sales.....	\$ --	\$ 2,236,170	\$ --	\$ --	\$ --
Water Sales and Lake Operations.....	--	--	--	28,807,326	1,649,342
Recreation and Land Use.....	--	--	--	143,236	--
Waste Water Treatment Services.....	--	--	1,673,280	643,493	--
Laboratory Services.....	--	--	--	800,922	--
Rental.....	--	14,112	--	261,027	--
Administrative and General.....	2,473,872	--	--	--	--
Miscellaneous.....	14,217	63,818	214,574	893,063	2,079
Total Operating Revenue.....	2,488,089	2,314,100	1,887,854	31,549,067	1,651,421
<b>EXPENSES</b>					
Personnel Operating Costs.....	964,775	1,076,957	559,903	5,137,712	464,377
Operating Supplies and Services.....	1,052,110	442,491	489,140	8,300,034	538,039
Maintenance and Repairs.....	207,976	1,019,334	308,805	1,723,273	142,972
Administrative and General.....	--	368,568	145,560	1,267,950	125,861
Depreciation and Amortization .....	93,472	300,864	353,334	5,469,577	213,166
Total Operating Expenses .....	2,318,333	3,208,214	1,856,742	21,898,546	1,484,415
Operating Income (Loss).....	169,756	(894,114)	31,112	9,650,521	167,006
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grant Income.....	--	--	--	681,223	--
Investment Income.....	28,215	5	14,153	60,831	612
Gain (Loss) on Disposal of Capital Assets.....	(923)	1,804	--	377	--
Interest Expense.....	--	(1,136)	(166,774)	(6,038,208)	(34,265)
Total Nonoperating Revenues (Expenses).....	27,292	673	(152,621)	(5,295,777)	(33,653)
Income (Loss) Before Recognition of Deferrals.....	197,048	(893,441)	(121,509)	4,354,744	133,353
Costs (Revenue) to be Recognized in Future Years .....	--	--	--	3,677,789	(181,158)
Income (Loss) Before Special Items.....	197,048	(893,441)	(121,509)	8,032,533	(47,805)
<b>SPECIAL ITEMS</b>					
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	--	--	--	(1,024,963)	--
Debt Issuance Costs for 2013 Bond Refundings.....	--	--	--	(1,379,031)	--
Change in Net Position.....	197,048	(893,441)	(121,509)	5,628,539	(47,805)
Net Position at September 1, 2012.....	20,657,113	4,266,757	3,290,309	33,192,823	1,773,786
Net Position at August 31, 2013 .....	\$ 20,854,161	\$ 3,373,316	\$ 3,168,800	\$ 38,821,362	\$ 1,725,981

Calhoun County Rural Water Supply Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ --	\$ --	\$ --	\$ 1,312,770	\$ --	\$ --	\$ 3,548,940
871,233	1,101,740	1,287,275	--	535,827	--	34,252,743
--	631,268	--	--	--	--	774,504
47,825	--	--	--	1,285,045	--	3,649,643
--	--	--	--	--	--	800,922
--	77,502	--	--	--	--	352,641
--	--	--	--	--	(2,473,872)	--
108,473	28,813	17	--	361,819	--	1,686,873
1,027,531	1,839,323	1,287,292	1,312,770	2,182,691	(2,473,872)	45,066,266
347,788	744,448	315,473	105,650	398,018	(131,204)	9,983,897
398,376	491,268	299,462	60,573	661,109	--	12,732,602
84,251	349,348	117,687	29,771	415,524	--	4,398,941
90,283	129,256	80,037	29,458	105,695	(2,342,668)	--
64,623	38,108	171,849	311,573	263,250	--	7,279,816
985,321	1,752,428	984,508	537,025	1,843,596	(2,473,872)	34,395,256
42,210	86,895	302,784	775,745	339,095	--	10,671,010
--	--	--	--	--	--	681,223
3,708	51	5,114	2,975	1,640	--	117,304
1,059	2,243	--	--	--	--	4,560
--	--	(251,656)	(162,232)	(56,900)	--	(6,711,171)
4,767	2,294	(246,542)	(159,257)	(55,260)	--	(5,908,084)
46,977	89,189	56,242	616,488	283,835	--	4,762,926
--	(8,330)	(41,096)	(628,645)	(353,850)	--	2,464,710
46,977	80,859	15,146	(12,157)	(70,015)	--	7,227,636
--	--	--	--	--	--	(1,024,963)
--	--	--	--	--	--	(1,379,031)
46,977	80,859	15,146	(12,157)	(70,015)	--	4,823,642
1,362,027	153,537	520,413	681,887	1,265,466	--	67,164,118
\$ 1,409,004	\$ 234,396	\$ 535,559	\$ 669,730	\$ 1,195,451	\$ --	\$ 71,987,760



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

**FISCAL YEAR ENDED AUGUST 31, 2013**

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers.....	\$ --	\$ 2,347,127	\$ 1,860,859	\$ 31,846,924
Cash Received from Interfund Administrative Charges.....	2,473,872	--	--	--
Cash Paid for Personnel Operating Costs.....	(964,775)	(1,076,957)	(559,903)	(5,137,712)
Cash Paid for Other Operating and Maintenance Costs.....	(1,245,146)	(1,433,510)	(908,428)	(10,462,757)
Cash Paid for Interfund Administrative Charges.....	--	(368,568)	(145,560)	(1,267,950)
Supplementary Contribution to Defined Benefit Plan.....	(1,100,000)	--	--	--
Costs Associated with Whooping Crane Endangered Species Lawsuit and Bond Refundings.....	--	--	--	(2,403,994)
Net Cash Flows From (Used by) Operating Activities.....	(836,049)	(531,908)	246,968	12,574,511
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Interfund Operating Loans Received.....	--	539,000	394,500	--
Interfund Operating Loans Made .....	(1,023,500)	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	--	--	(50,000)
Principal Payments Received on Interfund Operating Loans.....	289,700	--	--	--
Net Change in Pension Plan Asset.....	102,869	--	--	--
Cash Received from Grants .....	--	--	--	681,223
Net Cash Flows From (Used by) Noncapital Financing Activities.....	(630,931)	539,000	394,500	631,223
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	--	--	16,359	25,000
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	6,333	85,224,498
Proceeds from Sale of Capital Assets.....	1,013	1,804	--	3,193
Purchase of Capital Assets.....	(130,693)	(64,722)	(1,536,665)	(302,926)
Cash Paid for Construction in Progress.....	--	--	--	--
Cash Paid for Project Development.....	--	--	214,891	(2,330,375)
Interest Paid.....	--	(1,136)	(168,330)	(6,897,148)
Principal Payments on Revenue Bonds.....	--	--	--	(86,544,539)
Principal Payments on Loans.....	--	(33,729)	(215,000)	(483,270)
Net Cash Flows Used by Capital and Related Financing Activities.....	(129,680)	(97,783)	(1,682,412)	(11,305,567)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash Received from Investments .....	252,930	--	--	758,956
Investment Income Received.....	36,467	5	338,429	50,347
Cash Paid for Investments .....	1,491,988	--	--	(4,044,341)
Net Cash Flows From (Used by) Investing Activities.....	1,781,385	5	338,429	(3,235,038)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>\$ 184,725</b>	<b>\$ (90,686)</b>	<b>\$ (702,515)</b>	<b>\$ (1,334,871)</b>
<b>CURRENT CASH AND CASH EQUIVALENTS:</b>				
At Beginning of Year.....	1,555,772	87,148	257	2,885,353
At End of Year.....	1,704,338	1,496	53,329	3,256,693
Net Increase (Decrease).....	148,566	(85,652)	53,072	371,340
<b>RESTRICTED CASH AND CASH EQUIVALENTS:</b>				
At Beginning of Year.....	615,056	12,500	1,317,142	5,470,346
At End of Year.....	651,215	7,466	561,555	3,764,135
Net Increase (Decrease).....	36,159	(5,034)	(755,587)	(1,706,211)
<b>TOTAL CASH AND CASH EQUIVALENTS:</b>				
At Beginning of Year.....	2,170,828	99,648	1,317,399	8,355,699
At End of Year.....	2,355,553	8,962	614,884	7,020,828
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>\$ 184,725</b>	<b>\$ (90,686)</b>	<b>\$ (702,515)</b>	<b>\$ (1,334,871)</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss).....	\$ 169,756	\$ (894,114)	\$ 31,112	\$ 9,650,521
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities:				
Depreciation and Amortization.....	93,472	300,864	353,334	5,469,577
Supplementary Contribution to Defined Benefit Plan.....	(1,100,000)	--	--	--
Costs Associated with Whooping Crane Endangered Species Lawsuit .....	--	--	--	(1,024,963)
Debt Issuance Costs for 2013 Bond Refundings .....	--	--	--	(1,379,031)
Net Change in Assets and Liabilities From Operating Activities:				
Operating Accounts Receivable.....	(377,157)	33,027	(26,873)	12,799
Other Current Assets.....	(1,371)	(20,786)	(3,379)	(78,451)
Operating Accounts Payable.....	379,251	49,101	(107,226)	(75,941)
Total Adjustments.....	(1,005,805)	362,206	215,856	2,923,990
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES.....</b>	<b>\$ (836,049)</b>	<b>\$ (531,908)</b>	<b>\$ 246,968</b>	<b>\$ 12,574,511</b>
<b>NON-CASH TRANSACTIONS SCHEDULE</b>				

1. During fiscal year 2013 and 2012, an adjustment of (\$90,754) and \$10,383 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	Coleto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ 1,686,820	\$ 1,011,182	\$ 1,840,084	\$ 1,310,173	\$ 1,781,868	\$ 2,167,405	\$ --	\$ 45,852,442
--	--	--	--	--	--	--	2,473,872
(464,377)	(347,788)	(744,448)	(315,473)	(105,650)	(398,018)	--	(10,115,101)
(703,459)	(482,760)	(896,013)	(463,488)	(323,978)	(1,114,297)	--	(18,033,836)
(125,861)	(90,283)	(129,256)	(80,037)	(29,458)	(105,695)	--	(2,342,668)
--	--	--	--	--	--	--	(1,100,000)
--	--	--	--	--	--	--	(2,403,994)
393,123	90,351	70,367	451,175	1,322,782	549,395	--	14,330,715
90,000	--	--	--	--	--	(1,023,500)	--
--	--	--	--	--	--	1,023,500	--
(80,000)	--	(25,000)	--	(134,700)	--	289,700	--
--	--	--	--	--	--	(289,700)	--
--	--	--	--	--	--	--	102,869
--	--	--	--	--	--	--	681,223
10,000	--	(25,000)	--	(134,700)	--	--	784,092
--	--	--	--	--	--	--	41,359
--	--	--	--	--	10,742	--	85,241,573
--	5,000	2,243	--	--	--	--	13,253
(48,602)	(55,143)	(73,240)	(3,480)	--	--	--	(2,215,471)
--	(16,001)	--	--	--	--	--	(16,001)
--	--	--	--	--	--	--	(2,115,484)
(35,215)	--	--	(252,305)	(240,193)	(56,900)	--	(7,651,227)
(285,000)	--	--	(189,128)	(850,000)	(550,000)	--	(88,418,667)
(9,535)	--	--	--	--	--	--	(741,534)
(378,352)	(66,144)	(70,997)	(444,913)	(1,090,193)	(596,158)	--	(15,862,199)
1,838	49,814	--	--	50,603	--	--	1,114,141
693	5,391	46	4,679	3,330	1,694	--	441,081
(2,334)	(49,699)	--	(105,314)	(24,908)	(32,776)	--	(2,767,384)
197	5,506	46	(100,635)	29,025	(31,082)	--	(1,212,162)
\$ 24,968	\$ 29,713	\$ (25,584)	\$ (94,373)	\$ 126,914	\$ (77,845)	\$ --	\$ (1,959,554)
20,312	75,499	62,954	304,174	821	255,060	--	5,247,350
45,294	105,212	37,370	209,801	154,428	177,215	--	5,745,176
24,982	29,713	(25,584)	(94,373)	153,607	(77,845)	--	497,826
5,026	--	--	--	348,640	--	--	7,768,710
5,012	--	--	--	321,947	--	--	5,311,330
(14)	--	--	--	(26,693)	--	--	(2,457,380)
25,338	75,499	62,954	304,174	349,461	255,060	--	13,016,060
50,306	105,212	37,370	209,801	476,375	177,215	--	11,056,506
\$ 24,968	\$ 29,713	\$ (25,584)	\$ (94,373)	\$ 126,914	\$ (77,845)	\$ --	\$ (1,959,554)
\$ 167,006	\$ 42,210	\$ 86,895	\$ 302,784	\$ 775,745	\$ 339,095	\$ --	\$ 10,671,010
213,166	64,623	38,108	171,849	311,573	263,250	--	7,279,816
--	--	--	--	--	--	--	(1,100,000)
--	--	--	--	--	--	--	(1,024,963)
--	--	--	--	--	--	--	(1,379,031)
35,556	(38,349)	761	22,881	469,098	(15,286)	--	116,457
(3,882)	(511)	(20,969)	(36,759)	(840)	(68,512)	--	(235,460)
(18,723)	22,378	(34,428)	(9,580)	(232,794)	30,848	--	2,886
226,117	48,141	(16,528)	148,391	547,037	210,300	--	3,659,705
\$ 393,123	\$ 90,351	\$ 70,367	\$ 451,175	\$ 1,322,782	\$ 549,395	\$ --	\$ 14,330,715

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

**FIRST LOCKHART NATIONAL BANK, EQUIPMENT LOAN (2008)**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2014	\$ 6,036	\$ 41	\$ 6,077
	<u>\$ 6,036</u>	<u>\$ 41</u>	<u>\$ 6,077</u>

**FIRST LOCKHART NATIONAL BANK, EQUIPMENT LOAN (2011)**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2014	\$ 5,221	\$ 54	\$ 5,275
	<u>\$ 5,221</u>	<u>\$ 54</u>	<u>\$ 5,275</u>

**REGIONS BANK, DUNLAP WASTEWATER TREATMENT EXPANSION & COLLECTION SYSTEM LOAN**

YR END AUG 31	<u>TAXABLE LOAN</u>			<u>TAX-EXEMPT LOAN</u>			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 175,000	\$ 76,928	\$ 251,928	\$ 95,000	\$ 85,254	\$ 180,254	\$ 432,182
2015	180,000	72,774	252,774	95,000	82,081	177,081	429,855
2016	3,020,000	35,334	3,055,334	100,000	78,824	178,824	3,234,158
2017				105,000	75,401	180,401	180,401
2018				105,000	71,894	176,894	176,894
2019				110,000	68,303	178,303	178,303
2020				115,000	64,546	179,546	179,546
2021				115,000	60,708	175,708	175,708
2022				120,000	56,780	176,780	176,780
2023				125,000	52,689	177,689	177,689
2024				130,000	48,430	178,430	178,430
2025				135,000	44,005	179,005	179,005
2026				140,000	39,412	179,412	179,412
2027				145,000	34,653	179,653	179,653
2028				145,000	29,810	174,810	174,810
2029				150,000	24,883	174,883	174,883
2030				160,000	19,706	179,706	179,706
2031				165,000	14,279	179,279	179,279
2032				170,000	8,684	178,684	178,684
2033				175,000	2,923	177,923	177,923
	<u>\$ 3,375,000</u>	<u>\$ 185,036</u>	<u>\$ 3,560,036</u>	<u>\$ 2,600,000</u>	<u>\$ 963,265</u>	<u>\$ 3,563,265</u>	<u>\$ 7,123,301</u>

**U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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	301,357	7,533	308,890
	<u>\$ 3,392,599</u>	<u>\$ 622,971</u>	<u>\$ 4,015,570</u>



**GUADALUPE-BLANCO RIVER AUTHORITY  
AMORTIZATION SCHEDULES**

**GE CAPITAL PUBLIC FINANCE, EQUIPMENT LOAN**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2014	\$ 30,699	\$ 550	\$ 31,249
	<u>\$ 30,699</u>	<u>\$ 550</u>	<u>\$ 31,249</u>

**JP MORGAN CHASE BANK, GENERAL IMPROVEMENT OFFICE EXPANSION LOAN**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2014	\$ 160,000	\$ 14,769	\$ 174,769
2015	160,000	8,081	168,081
2016	106,667	1,672	108,339
	<u>\$ 426,667</u>	<u>\$ 24,522</u>	<u>\$ 451,189</u>

**WATER RESOURCE WATER RIGHT PURCHASE AMORTIZATION SCHEDULE**

<b>YR END AUG 31</b>	<b>LULING FOUNDATION</b>			<b>ABNER USSERY</b>			<b>TOTAL</b>
	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>	<b>REQUIREMENTS</b>
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	36,648	1,647	38,295	21,533	967	22,500	60,795
	<u>\$ 465,723</u>	<u>\$ 223,672</u>	<u>\$ 689,395</u>	<u>\$ 273,601</u>	<u>\$ 131,399</u>	<u>\$ 405,000</u>	<u>\$ 1,094,395</u>

**METCALF BANK LOAN, EQUIPMENT**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2014	\$ 7,708	\$ 84	\$ 7,792
	<u>\$ 7,708</u>	<u>\$ 84</u>	<u>\$ 7,792</u>

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

**GENERAL IMPROVEMENT & REFUNDING REVENUE BONDS, SERIES 2011**  
**OFFICE EXPANSION & WATER RIGHT CONTRACT BUYOUT**

YR END AUG 31	WATER RIGHT CONTRACT BUYOUT			REFUNDING PORTION-OFFICE			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 280,000	\$ 241,663	\$ 521,663	\$ 170,000	\$ 123,794	\$ 293,794	\$ 815,457
2015	290,000	230,463	520,463	180,000	116,994	296,994	817,457
2016	300,000	221,763	521,763	190,000	111,594	301,594	823,357
2017	310,000	212,763	522,763	195,000	105,894	300,894	823,657
2018	320,000	203,463	523,463	200,000	100,044	300,044	823,507
2019	330,000	190,663	520,663	215,000	92,044	307,044	827,707
2020	345,000	177,463	522,463	220,000	83,444	303,444	825,907
2021	360,000	163,663	523,663	230,000	74,644	304,644	828,307
2022	375,000	149,263	524,263	240,000	65,444	305,444	829,707
2023	385,000	135,669	520,669	255,000	56,744	311,744	832,413
2024	400,000	121,231	521,231	265,000	47,181	312,181	833,412
2025	415,000	105,231	520,231	275,000	36,581	311,581	831,812
2026	435,000	88,113	523,113	285,000	25,238	310,238	833,351
2027	455,000	69,625	524,625	300,000	13,125	313,125	837,750
2028	475,000	49,719	524,719			--	524,719
2029	495,000	27,750	522,750			--	522,750
2030	105,000	4,856	109,856			--	109,856
	<u>\$ 6,075,000</u>	<u>\$ 2,393,361</u>	<u>\$ 8,468,361</u>	<u>\$ 3,220,000</u>	<u>\$ 1,052,765</u>	<u>\$ 4,272,765</u>	<u>\$ 12,741,126</u>

**GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012**  
**MID-BASIN PROJECT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2014	\$ 225,000	\$ 37,603	\$ 262,603
2015	225,000	37,603	262,603
2016	220,000	37,603	257,603
2017	220,000	37,603	257,603
2018	220,000	37,603	257,603
2019	225,000	37,295	262,295
2020	225,000	36,620	261,620
2021	225,000	35,473	260,473
2022	225,000	33,898	258,898
2023	230,000	31,985	261,985
2024	230,000	29,593	259,593
2025	235,000	26,971	261,971
2026	235,000	24,128	259,128
2027	240,000	21,002	261,002
2028	245,000	17,522	262,522
2029	245,000	13,210	258,210
2030	250,000	9,143	259,143
2031	255,000	4,743	259,743
	<u>\$ 4,175,000</u>	<u>\$ 509,598</u>	<u>\$ 4,684,598</u>

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

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013			
IH35 TREATED WATER DELIVERY SYSTEM PROJECT			
YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2014	\$ 540,000	\$ 663,356	\$ 1,203,356
2015	545,000	652,556	1,197,556
2016	560,000	641,656	1,201,656
2017	565,000	627,656	1,192,656
2018	585,000	613,531	1,198,531
2019	600,000	601,831	1,201,831
2020	625,000	571,833	1,196,833
2021	640,000	557,769	1,197,769
2022	660,000	532,169	1,192,169
2023	690,000	505,769	1,195,769
2024	730,000	471,269	1,201,269
2025	765,000	434,769	1,199,769
2026	785,000	411,819	1,196,819
2027	810,000	387,288	1,197,288
2028	840,000	360,963	1,200,963
2029	865,000	332,613	1,197,613
2030	900,000	301,256	1,201,256
2031	930,000	268,631	1,198,631
2032	965,000	234,919	1,199,919
2033	1,000,000	199,938	1,199,938
2034	1,035,000	163,688	1,198,688
2035	1,070,000	124,875	1,194,875
2036	1,110,000	84,750	1,194,750
2037	1,150,000	43,121	1,193,121
	<u>\$ 18,965,000</u>	<u>\$ 9,788,025</u>	<u>\$ 28,753,025</u>

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

**COMBINATION CONTRACT REVENUE REFUNDING BONDS SERIES 2013A & 2013B**  
**WESTERN CANYON REGIONAL WATER SUPPLY CONTRACT**

YR END AUG 31	SERIES 2013A			SERIES 2013B			TOTAL
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
2014	\$ 2,425,000	\$ 1,902,814	\$ 4,327,814	\$ 310,000	\$ 198,151	\$ 508,151	\$ 4,835,965
2015	1,860,000	2,466,706	4,326,706	255,000	253,480	508,480	4,835,186
2016	1,915,000	2,410,906	4,325,906	265,000	248,612	513,612	4,839,518
2017	1,995,000	2,334,306	4,329,306	265,000	243,553	508,553	4,837,859
2018	2,030,000	2,296,900	4,326,900	270,000	238,494	508,494	4,835,394
2019	2,115,000	2,215,700	4,330,700	275,000	233,340	508,340	4,839,040
2020	2,200,000	2,131,100	4,331,100	285,000	224,301	509,301	4,840,401
2021	2,305,000	2,021,100	4,326,100	295,000	214,933	509,933	4,836,033
2022	2,415,000	1,913,350	4,328,350	305,000	205,236	510,236	4,838,586
2023	2,535,000	1,792,600	4,327,600	315,000	195,211	510,211	4,837,811
2024	2,660,000	1,665,850	4,325,850	325,000	184,857	509,857	4,835,707
2025	2,795,000	1,532,850	4,327,850	335,000	169,799	504,799	4,832,649
2026	2,935,000	1,393,100	4,328,100	350,000	154,279	504,279	4,832,379
2027	3,080,000	1,246,350	4,326,350	370,000	138,063	508,063	4,834,413
2028	3,235,000	1,092,350	4,327,350	390,000	120,921	510,921	4,838,271
2029	3,400,000	930,600	4,330,600	405,000	102,853	507,853	4,838,453
2030	3,565,000	762,000	4,327,000	425,000	84,089	509,089	4,836,089
2031	3,745,000	585,200	4,330,200	440,000	64,399	504,399	4,834,599
2032	3,930,000	399,500	4,329,500	465,000	44,014	509,014	4,838,514
2033	4,125,000	204,600	4,329,600	485,000	22,470	507,470	4,837,070
	<u>\$ 55,265,000</u>	<u>\$ 31,297,882</u>	<u>\$ 86,562,882</u>	<u>\$ 6,830,000</u>	<u>\$ 3,341,055</u>	<u>\$ 10,171,055</u>	<u>\$ 96,733,937</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	
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>\$ 8,580,000</u>	<u>\$ 6,937,250</u>	<u>\$ 15,517,250</u>	<u>\$ 5,500,000</u>	<u>\$ 6,667,018</u>	<u>\$ 12,167,018</u>	<u>\$ 27,684,268</u>

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

**REGIONAL RAW WATER DELIVERY SYSTEM**  
**CONTRACT REVENUE REFUNDING BONDS, SERIES 2010**  
**(CITY OF SAN MARCOS, TEXAS PORTION)**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2015	\$ 440,000 *	\$ 148,568	\$ 588,568
2016	445,000	139,718	584,718
2017	460,000	130,668	590,668
2018	470,000	120,781	590,781
2019	490,000	108,756	598,756
2020	500,000	94,518	594,518
2021	520,000	79,218	599,218
2022	540,000	63,318	603,318
2023	565,000	46,743	611,743
2024	585,000	29,128	614,128
2025	615,000	9,994	624,994
	<u>\$ 5,630,000</u>	<u>\$ 971,410</u>	<u>\$ 6,601,410</u>

\* The principal and related interest due on September 1, 2012 (FY2013) were paid in fiscal year ending August 31, 2012.

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

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
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>\$ 351,463</u>	<u>\$ 76,264</u>	<u>\$ 427,727</u>

**WATER SUPPLY REVENUE REFUNDING BONDS**  
**PORT LAVACA WATER TREATMENT PLANT PROJECT, SERIES 2011**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2014	\$ 290,000	\$ 15,000	\$ 305,000
2015	300,000	9,100	309,100
2016	305,000	3,050	308,050
	<u>\$ 895,000</u>	<u>\$ 27,150</u>	<u>\$ 922,150</u>

**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>
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>\$ 5,045,000</u>	<u>\$ 2,428,636</u>	<u>\$ 7,473,636</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>
2014	\$ 1,030,000	\$ 48,925	\$ 1,078,925
	<u>\$ 1,030,000</u>	<u>\$ 48,925</u>	<u>\$ 1,078,925</u>

**CONTRACT REVENUE REFUNDING BONDS, SERIES 2010**  
**CITY OF LOCKHART PROJECT**

<b>YR END AUG 31</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2014	\$ 565,000	\$ 45,750	\$ 610,750
2015	590,000	34,200	624,200
2016	615,000	22,150	637,150
2017	640,000	8,000	648,000
	<u>\$ 2,410,000</u>	<u>\$ 110,100</u>	<u>\$ 2,520,100</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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**Guadalupe Blanco River Authority**  
**Net Assets By Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Primary government					
Invested in capital assets, net of related debt	\$ 36,423,496	\$ 35,853,611	\$ 40,790,810	\$ 43,235,437	\$ 40,582,695
Restricted	4,787,708	5,995,312	5,386,547	6,521,324	10,715,810
Unrestricted	<u>30,776,556</u>	<u>25,315,195</u>	<u>18,914,321</u>	<u>15,143,773</u>	<u>10,656,309</u>
Total primary government net assets	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>	<u>\$ 65,091,678</u>	<u>\$ 64,900,534</u>	<u>\$ 61,954,814</u>

	Fiscal Year				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Primary government					
Invested in capital assets, net of related debt	\$ 38,715,589	\$ 36,361,304	\$ 38,506,620	\$ 41,278,632	\$ 29,946,905
Restricted	7,978,016	6,221,215	3,649,302	3,712,823	3,767,282
Unrestricted	<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>
Total primary government net assets	<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>

**Guadalupe Blanco River Authority**  
**Changes in Net Assets**  
**Last Ten 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 and Deferrals</u>	<u>Capital Contributions</u>	<u>Deferrals</u>	<u>Change in Net Assets</u>
2004	24,746,450	21,722,827	3,023,623	(2,233,630)	789,993	11,496	(293,665)	507,824
2005	27,391,962	22,951,387	4,440,575	(3,724,328)	716,247	309,411	(495,309)	530,349
2006	32,739,335	24,507,001	8,232,334	(4,838,756)	3,393,578	11,496	(1,604,770)	1,800,304
2007	38,542,513	28,865,971	9,676,542	(3,343,954)	6,332,588	9,879	(2,174,357)	4,168,110
2008	44,645,439	33,684,665	10,960,774	(6,290,390)	4,670,384	704,171	(741,252)	4,633,303
2009	45,001,215	34,503,980	10,497,235	(6,695,555)	3,801,680	1,300,256	(705,993)	4,395,943
2010	44,517,699	34,970,761	9,546,938	(6,499,912)	3,047,026	414,096	(1,015,402)	2,445,720
2011	43,649,714	35,199,680	8,450,034	(7,724,043)	725,991	-	(534,847)	191,144
2012	44,636,657	35,579,849	9,056,808	(6,097,754)	2,959,054	-	(886,614)	2,072,440
2013	45,066,266	36,799,250	8,267,016	(5,908,084)	2,358,932	-	2,464,710	4,823,642



## Guadalupe Blanco River Authority

### Operating Revenues by Source Last Ten 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
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
2010	-	4,040,510	31,054,841	927,049	6,107,928	759,958	1,627,413	44,517,699
2011	-	4,192,271	31,615,931	1,022,746	4,273,817	736,451	1,808,498	43,649,714
2012	-	3,979,015	33,081,820	1,111,419	3,556,848	823,466	2,084,089	44,636,657
2013	-	3,548,940	34,252,743	1,127,145	3,649,643	800,922	1,686,873	45,066,266

### Operating Expenses Last Ten Fiscal Years

Year	Personnel Operating Costs	Operating Supplies and Services	Maintenance and Repairs	Depreciation and Amortization	Special Items (a) (b) (c)	Total
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	528,374	22,951,387
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
2010	9,942,404	13,288,880	4,416,585	6,127,100	1,195,792	34,970,761
2011	9,454,599	13,340,648	4,272,751	6,136,748	1,994,934	35,199,680
2012	9,679,527	13,010,644	4,071,712	5,847,241	2,970,725	35,579,849
2013	9,983,897	12,732,602	4,398,941	7,279,816	2,403,994	36,799,250

(a.) Special Items in FY 2005 include costs associated with the write off of Certain Diversion and Water Supply Development Costs

(b.) Special Items in FY 2010, FY 2011, and FY 2012 include costs associated with the Whooping Crane Endangered Species Lawsuit.

(c.) Special Items in FY 2012 and FY 2013 include the Whooping Crane Endangered Species Lawsuit and Refunding Debt Issuance Costs.

### Nonoperating Revenue and Expenses Last Ten Fiscal Years

Year	Interest Expense	Investment Income	Grants	Gain (Loss) on Disposal of Capital Assets	Total
2004	(2,413,026)	180,130	-	(734)	(2,233,630)
2005	(4,015,142)	310,337	-	(19,523)	(3,724,328)
2006	(5,401,953)	555,481	-	7,716	(4,838,756)
2007	(4,199,747)	855,793	-	-	(3,343,954)
2008	(7,046,879)	828,429	-	(71,940)	(6,290,390)
2009	(7,410,716)	475,308	242,557	(2,704)	(6,695,555)
2010	(7,184,205)	237,079	430,424	16,790	(6,499,912)
2011	(6,812,918)	288,242	549,534	(1,748,901)	(7,724,043)
2012	(6,684,592)	146,506	563,047	(122,715)	(6,097,754)
2013	(6,711,171)	117,304	681,223	4,560	(5,908,084)

## List of Principal Customers

Guadalupe Valley Electric Cooperative  
New Braunfels Utilities  
Coleto Creek Park Customers  
Lake Wood Recreational Park Customers  
Nolte Island Park Customers  
Regional Laboratory Customers

City of Buda  
City of Lockhart  
City of Schertz  
City of Seguin  
Cordillera Ranch  
North Hays County MUD #1  
Sunfield Municipal Utility District

### POWER SALES & OTHER SERVICES

### WATER SALES CUSTOMERS

Canyon Lake Water Supply Corp.  
Canyon Regional Water Authority  
City of Boerne  
City of Buda  
City of Fair Oaks Ranch  
City of Kyle  
City of Port Lavaca  
City of San Marcos  
City of Seguin  
Coleto Creek Power, LP  
Cordillera Ranch  
Crystal Clear Water Supply Corporation  
Guadalupe Power Partners  
Hays Energy Limited Partnership  
Ineos Nitriles Green Lake Plant  
New Braunfels Utilities  
San Antonio Water Systems  
Springs Hill Water Supply Corporation  
Sunfield Municipal Utility District



### WASTEWATER TREATMENT CUSTOMERS

### WATER TREATMENT CUSTOMERS

Calhoun County Rural Water Corporation  
City of Boerne  
City of Buda  
City of Fair Oaks Ranch  
City of Kyle  
City of Lockhart  
City of Luling  
City of Port Lavaca  
City of San Marcos  
Cordillera Ranch  
Go Forth Special Utility District  
Port O'Connor Municipal Utility District  
San Antonio Water Systems  
Sunfield Municipal Utility District

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 Water Sales Customers is as follows:

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
110.00	10/1/2010
114.00	10/1/2011
125.00	10/1/2012

(1) Excludes out-of-district charges.

## Types of Operating Systems

Several GBRA operating divisions are segregated into systems to facilitate cost accounting, internal control, and rate setting. 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 pays all operating and maintenance, debt service, and capital costs of the system. In these systems, revenue is completely dependent upon the number of units sold and no customer year-end adjustment is available. 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>
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
Coleto Creek Reservoir	Coleto Creek Power, LP	Victoria/Goliad
Luling Water Treatment Plant	Cities of Luling & Lockhart	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
Shadow Creek Wastewater Treatment Plant	Residential Customers	Hays
Canyon Park Wastewater Reclamation System	Residential Customers	Comal
Dunlap Wastewater Reclamation System	Residential Customers	Guadalupe
Springs Hill Wastewater Reclamation System	City of Seguin	Guadalupe
Water Sales System	Communities, industries, farmers	Entire River Basin
Regional Laboratory System	Residential, Industrial, City Customers	Entire River Basin
Calhoun Canal System	Port Lavaca Plant, farmers, industries	Calhoun
San Marcos Water Treatment Plant	City of San Marcos	Hays
Western Canyon Division	Boerne, Bulverde, Fair Oaks, Cordillera	Comal/Kendall
Cordillera Water Treatment Plant	Residential and Commercial Customers	Kendall
Cordillera Wastewater Treatment Plant	Residential and Commercial Customers	Kendall
Comal Trace Water Distribution System	Residential Customers	Comal
Johnson Ranch Water Distribution System	Residential Customers, Public School	Comal
Johnson Ranch Wastewater Treatment Plant	Residential Customers, Public School	Comal
Calhoun County Rural Water System	Residential and Commercial Customers	Calhoun
Coleto Creek Recreation	Recreational Customers	Victoria/Goliad

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

	<b>Obligations Payable Directly By GBRA</b>		<b>Obligations Payable From Revenue Contracts (a)</b>		<b>Pollution Control (b)</b>
<b>Year</b>	<b><u>Bonds</u></b>	<b><u>Loans</u></b>	<b><u>Bonds</u></b>	<b><u>Loans</u></b>	<b><u>Bonds</u></b>
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	-
2010	3,500,000	9,981,619	128,805,000	378,910	-
2011	10,150,000	9,362,340	123,725,000	370,115	-
2012	14,130,000	11,315,248	118,925,000	360,998	-
2013	13,470,000	10,583,254	110,150,000	351,463	-

**(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>	
2004	104,390,000
2005	104,390,000
2006	90,890,000
2007	90,890,000
2008	90,890,000
2009	90,890,000
2010	40,890,000
2011	40,890,000
2012	40,890,000
2013	40,890,000

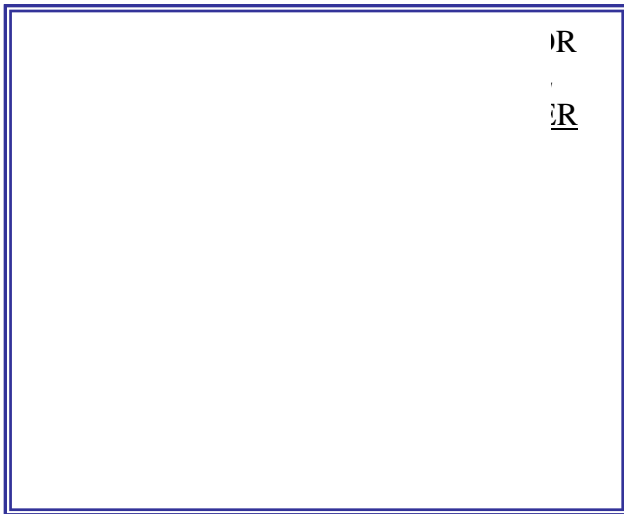
GBRA has assisted industries within the GBRA service area by acting as issuing conduit so that the user of the bond proceeds benefited from reduced debt service requirements. Fees to administer this debt are recognized as pollution and industrial financing income. In each case, the user of the bond proceeds 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

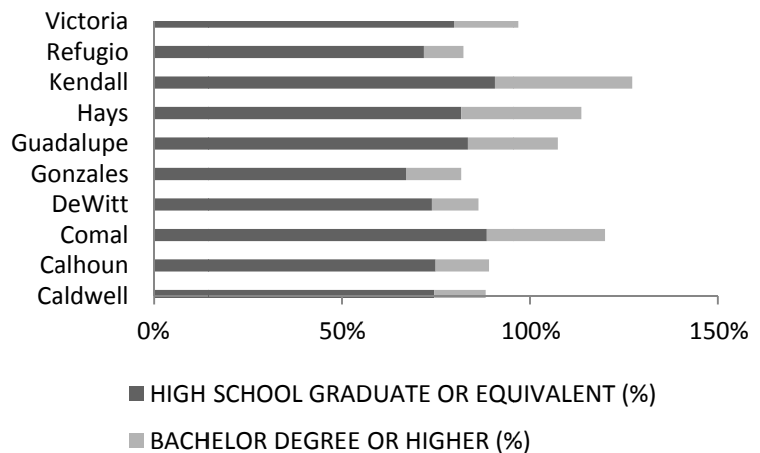
GBRA's service area is geographically part of south central Texas. It stretches from the Hill Country through the I-35 Corridor and into the Gulf Coast. GBRA's service area includes ten-counties and more than seventy cities and communities. This geographic diversity in turn provides economic diversity 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.

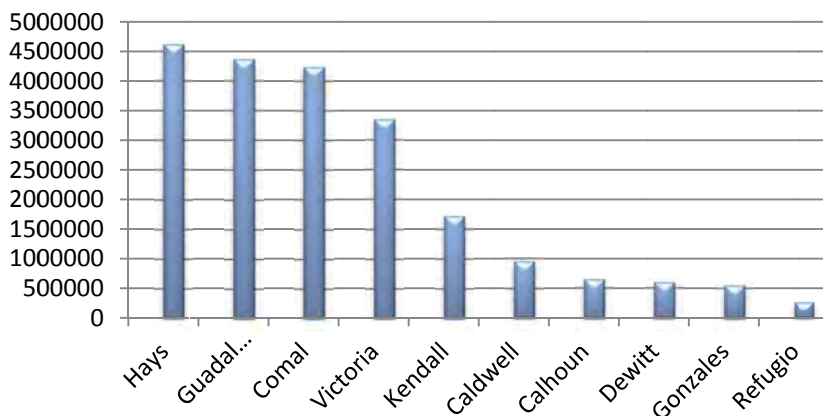
This diversity allows the local economy to be among the State's growth leaders and outpace the national economy as well as weather the effects of any global economic problems better than other areas may. The local economy is also being spurred by tremendous population growth along the I-35 Corridor. 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.



### EDUCATIONAL ATTAINMENT

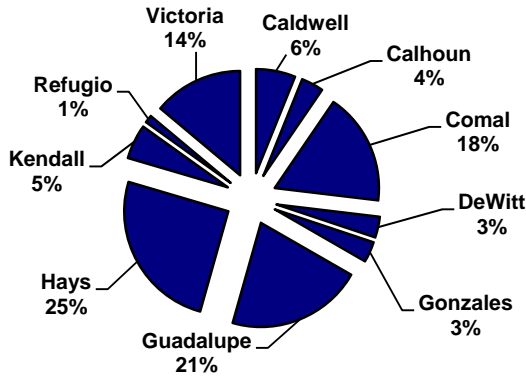


### TOTAL PERSONAL INCOME



<u>COUNTY</u>	<u>TOTAL PERSONAL INCOME</u>
Hays	4,622,968
Guadalupe	4,370,052
Comal	4,240,601
Victoria	3,349,267
Kendall	1,719,516
Caldwell	957,644
Calhoun	647,612
Dewitt	598,572
Gonzales	550,888
Refugio	266,867

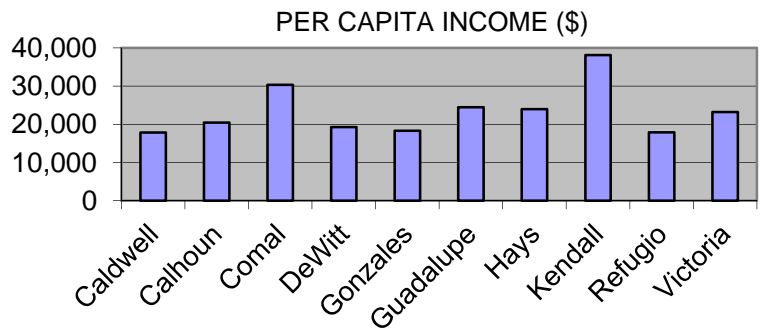
### DISTRICT POPULATION BY COUNTY



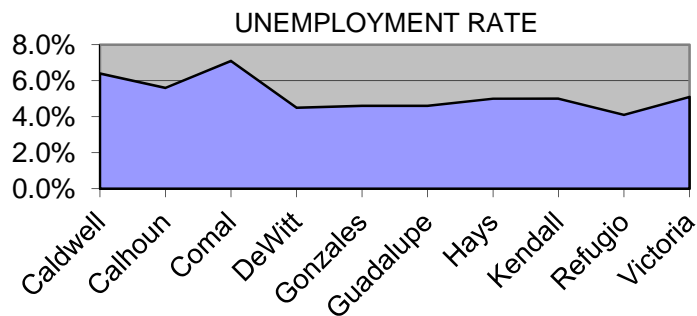
COUNTY	POPULATION
Hays	157,107
Guadalupe	131,533
Comal	108,472
Victoria	86,793
Caldwell	38,066
Kendall	33,410
Calhoun	21,381
DeWitt	20,097
Gonzales	19,807
Refugio	7,383

SOURCE: U.S. Census Bureau, Census 2010

COUNTY	PER CAPITA INCOME
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 2010



SOURCE: US Dept. of Labor, Bureau of Labor Statistics as of April 2013

COUNTY	UNEMPLOYMENT RATE
Comal	7.1%
Caldwell	6.4%
Guadalupe	5.9%
Calhoun	5.6%
Victoria	5.1%
Hays	5.0%
Kendall	5.0%
Gonzales	4.6%
DeWitt	4.5%
Refugio	4.1%
Texas	6.5%
U.S.	7.9%

**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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General	34.5	35.5	35.5	36	38	40	40	41	39	40
Guadalupe Valley Electric	25	25	25	25	25	25	25	25	26	26
Rural Utilities	6	5	6	6	7	7	7	7	7	7
Water Resources	41.5	45.5	45	45	46	51	48	49	49	49.5
Western Canyon	0	7	7	8	9	9	9	9	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	21	21	21	21	21	21	19	9	-	-
Coleto Creek Park and Reservoir	16	16	16	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	10	11	11	11	11	11	11	11	11	11
<b>Total</b>	<b>173</b>	<b>185</b>	<b>185.5</b>	<b>187</b>	<b>192</b>	<b>199</b>	<b>194</b>	<b>186</b>	<b>176</b>	<b>177.5</b>

**Notes:** A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

GBRA's contract with the City of Victoria to operate the Victoria Regional Wastewater Reclamation Plants terminated in December, 2010. Employees of GBRA transitioned to the City of Victoria or other GBRA divisions.





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

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**Operating Statistics:**

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Water Treatment Customers:</b>				
Total Water Distributed (Gal.)				
Calhoun County Rural Water Supply Division	72,392,000	76,710,000	75,334,000	62,684,000
Total Water Treated (Gal.)				
CRWA-Hays/Caldwell Water Treatment Plant System	225,000,000	89,818,289	--	--
Lockhart Water Treatment System	527,260,000	557,882,000	581,087,000	479,150,000
Luling Water Treatment Plant Division	256,335,000	470,651,000	802,677,000	651,263,000
Port Lavaca Water Treatment Plant Division	686,938,000	692,600,000	666,085,000	592,510,000
San Marcos Water Treatment Plant System	1,586,000,000	1,645,448,005	1,711,018,000	2,129,290,000
Western Canyon Water Treatment Plant System	--	--	1,041,235,000	2,713,775,000
<b>Waste Water Treatment Customers:</b>				
Total Wastewater Treated (Gal.)				
Buda Wastewater Treatment Plant	110,470,000	120,300,000	119,580,000	198,200,000
Crestview Subdivision Wastewater Treatment Plant	2,433,849	2,523,245	2,404,060	3,256,203
Lockhart Wastewater Reclamation System	542,930,000	609,430,000	491,100,000	489,000,000
Rural Utilities Division	150,410,000	153,054,000	149,520,000	190,740,000
Victoria Regional Wastewater Reclamation Division	2,788,000,000	2,811,000,000	2,741,000,000	2,390,000,000
Village of Wimberley Wastewater Treatment Plant	1,760,000	2,974,000	4,381,000	5,385,000
North Hayes County MUD #1	--	--	3,641,000	23,790,000
Sunfield Subdivision Wastewater Treatment	--	--	--	--
<b>Water Sales Customers:</b>				
Rice Irrigation (Acres)				
Calhoun Canal System	2,488	2,430	2,634	2,086
Water Delivered (Gal.)				
Guadalupe Power Partners	898,443,000	966,788,000	1,129,607,000	974,680,000
Regional Raw Water Delivery System	1,713,000,000	2,151,367,000	1,811,222,000	2,129,290,000
<b>Power Sales &amp; Other Services:</b>				
Total Generation (kWh)				
Guadalupe Valley Hydroelectric Division	77,975,500	86,911,400	44,412,900	64,980,700
Canyon Hydroelectric Division	14,930,325	24,371,501	7,906,746	9,102,504
Annual Permits				
Lake Wood Recreation Area	35	13	23	11
Coletto Creek Regional Park	262	260	258	274
Camping Permits				
Lake Wood Recreation Area	2,030	2,264	3,235	2,112
Coletto Creek Regional Park	12,736	11,800	12,554	13,376
Camping Cabins				
Coletto Creek Regional Park	573	692	664	542
Day Use Permits				
Lake Wood Recreation Area	2,641	2,686	2,860	2,164
Coletto Creek Regional Park	14,771	16,051	16,378	14,177

<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
75,006,000	87,252,000	71,381,000	91,070,000	92,377,000	81,818,000
--	--	--	--	--	--
525,871,000	554,970,000	542,137,000	613,240,000	579,122,000	548,963,000
734,704,000	677,043,000	634,399,000	675,179,000	664,541,000	684,728,000
673,172,000	739,501,000	630,210,000	752,918,000	721,578,000	666,194,000
2,404,842,000	2,773,635,000	2,685,046,000	3,209,012,000	3,324,085,000	3,449,001,000
3,648,193,000	3,669,842,000	3,722,663,000	3,446,937,000	3,640,904,000	3,663,286,000
243,800,000	273,300,000	339,800,000	331,430,000	376,050,000	363,970,000
2,191,534	2,184,018	3,059,616	2,291,900	2,709,621	2,085,000
447,100,000	380,250,000	465,830,000	429,580,000	453,960,000	395,550,000
168,630,000	168,400,000	239,600,000	195,800,000	186,300,000	186,300,000
2,585,000,000	2,209,000,000	2,579,000,000	819,000,000	--	--
3,660,000	4,720,000	3,246,000	4,930,000	1,750,000	--
35,570,000	35,980,000	41,010,000	38,160,000	43,000,000	46,700,000
--	--	2,560,000	9,970,000	19,020,000	23,210,000
2,809	2,153	2,177	2,249	1,917	2,306
1,157,790,000	1,146,655,000	998,991,000	900,513,000	498,819,000	680,145,000
3,274,240,000	2,908,782,000	3,280,168,000	3,336,852,000	4,093,251,000	4,281,180,000
66,914,600	25,726,200	71,633,300	42,126,000	31,405,400	23,444,900
19,026,827	2,415,841	17,716,632	7,566,158	--	--
17	9	18	19	27	30
285	252	254	259	309	320
2,635	2,995	3,204	4,266	4,914	5,403
14,594	12,941	12,393	13,133	14,368	14,983
662	725	717	766	985	1,072
2,567	2,739	2,776	2,588	2,851	3,080
16,851	15,139	14,465	16,331	17,503	18,377

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

		Guadalupe			Port Lavaca	Calhoun	Victoria		Luling			
		Valley	Rural	Water	Water	County	Regional		Water	Canyon		
	General	Hydro	Utilities	Resource	Treatment	Rural Water	Wastewater	Coleta	Treatment	Hydro	Lockhart	
Year	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Division	Total
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
2010	83,824	121,168	591,354	511,881	4,106	48,080	57,852	-	-	-	207,062	\$ 1,625,327
2011	84,589	51,473	2,005,870	9,027,303	-	43,964	-	21,786	22,954	-	22,902	\$ 11,280,840
2012	129,633	83,932	54,626	263,670	39,467	22,346	-	69,548	28,985	-	53,107	\$ 745,315
2013	130,693	64,722	3,009,652	302,925	48,602	55,143	-	73,240	3,480	-	117,746	\$ 3,806,203

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Land, Water, & Storage Rights	\$ -	\$ 1,088,461	\$ -	\$ 6,718,880	\$ 99,723	\$ 433,650	\$ -	\$ 7,000,000	\$ 90,058	\$ 151,757
Structures & Improve	142,425	4,612,873	647,401	99,724,123	2,759,542	15,702,963	1,005,294	3,749,160	242,832	2,993,788
Specialized Equip	14,738	68,966	60,202	110,451	69,706	142,709	63,522	41,246	4,777	42,542
Auto & Heavy Equip	617,808	213,367	195,622	238,477	193,219	248,342	205,812	229,186	190,060	312,585
Office Furniture & Equip	84,821	108,694	94,745	102,270	54,612	121,309	23,902	89,353	29,423	58,612
Miscellaneous Equip	49,712	443,314	95,561	1,099,896	131,337	169,314	326,797	171,895	188,165	246,919
Total	\$ 909,504	\$ 6,535,676	\$ 1,093,531	\$ 107,994,097	\$ 3,308,138	\$ 16,818,286	\$ 1,625,327	\$ 11,280,840	\$ 745,315	\$ 3,806,203



*Independent Auditor's Report  
In Accordance With Government  
Auditing Standards*

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INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of the Guadalupe-Blanco River Authority as of and for the years ended August 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Guadalupe-Blanco River Authority's basic financial statements, and have issued our report thereon dated December 18, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Guadalupe-Blanco River Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Guadalupe-Blanco River Authority's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Guadalupe-Blanco River Authority's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*ABIP, P.C.*

Certified Public Accountants

San Antonio, Texas  
December 18, 2013

# 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.gbra.org>

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

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

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

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

Lockhart Water Treatment Division  
547 Old McMahan Road  
Lockhart, TX 78644  
TEL: (512) 398-3528  
email: [emontana@gbra.org](mailto:emontana@gbra.org)

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

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

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



Guadalupe-Blanco River Authority  
933. E. Court St.  
Seguin, Texas 78155

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