

**APPLICATION FOR FINANCIAL ASSISTANCE
FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS**

This application is comprehensive, covering all loan and grant assistance applications for water and wastewater infrastructure financing through the various Texas Water Development Board (TWDB) programs. The format of the application is intended to expedite the review process for both the applicant and TWDB staff. This application can be used by political subdivisions, including water supply corporations.

Please submit one double-sided original and one indexed, electronic copy, via electronic storage media such as CD or flash drive using MS Word, Excel and/or Adobe Acrobat.

Please submit your application to:

Texas Water Development Board
Water Supply and Infrastructure-Regional Water Planning and Development
P O Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231
(78701 for courier deliveries)

A complete application consists of all of the applicable information and forms requested in this document. When preparing this application please review the Application and all Guidance and Forms, listed at the end.

For more information, please contact your Regional Project Implementation Team at:

http://www.twdb.texas.gov/financial/programs/swift/regional_project_teams.asp

Thank you.

TWDB Use Only

Name of Applicant: _____

Date application received: _____

Date administratively complete: _____

Please label each attachment with the number of the pertinent application section (i.e. “Part D5”)

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Please note: Other individual attachments (due to file size):

Water Conservation Plan
Annual Audit
Draft Bond Ordinance
TWDB-0800
PPM

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part A: General Information

1. The legal authority under which the applicant was created and operates.
 - a) TYPE A GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.001)
 - b) TYPE B GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.002)
 - c) TYPE C GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.003)
 - d) HOME-RULE MUNICIPALITY (Texas Local Gov't Code Sec. 5.004)
 - e) SPECIAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.005)
 - f) NONPROFIT ORGANIZATION (Business Organization Code Chapter 22)
 - g) NONPROFIT WATER SUPPLY OR SEWER SERVICE CORP. (Texas Water Code Chapter 67)
 - h) ALL DISTRICTS (Texas Water Code Chapter 49)
 - i) OTHER (attach)

2. Applicant Name and Contact Information:

Name:	Guadalupe-Blanco River Authority POC: James Lee Murphy
County:	Guadalupe
Physical Address:	933 E. Court Street Seguin, TX 78155
Mailing Address:	same
Phone:	830-379-5822
Fax:	830-401-0991
Website:	www.gbra.org

3. Brief description of the project:

The Guadalupe-Blanco River Authority, in partnership with the Texas General Land Office and the US Bureau of Reclamation, is presently conducting a feasibility study for an Integrated Water-Power Project (IWPP) along the Texas Gulf Coast. This project is proposed as a regional solution that would create a new source of water supply for the Coastal Bend (Region N) and South Central (Region L) and potentially Central Texas (Region K) regional water planning areas. The study area for the project extends from the City of Freeport to Corpus Christi along the Gulf Coast. Representative sites in San Patricio; Calhoun; Matagorda; and Brazos counties are being evaluated in regard to their ability to provide a regional water supply that can be integrated with other sources, and potentially power generation facilities. The on-going feasibility study will provide high-level comparative information at the representative sites that can be used to initiate multi-phase permitting, environmental assessment, and preliminary engineering design phases for the IWPP. GBRA envisions an interested entity or entities would use the preliminary information in the feasibility study as a basis to partner with GBRA in the further development and implementation of full-scale seawater desalination and related facilities. The requested funding would be used for project development phases following completion of the current feasibility study.

4. Applicant's Officers and Members:

Name	Office Held
Thomas Matthew II	Chair

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Rusty Brockman	Vice Chair
Dennis Patillo	Secretary/Treasurer
William Carbonara	Director
Oscar Fogle	Director
Grace Kunde	Director
Darrell McLain	Director
Don Meador	Director
Kenneth A. Motl, DVM	Director

5. Applicant's **primary contact person** for day-to-day project implementation.

Name:	Carrie Kasnicka
Title:	Grants Administrator
Address:	933 E. Court St. Seguin, TX 78155
Phone:	830-379-5822
Fax:	830-401-0991
Email:	grantsadmin@gbra.org

6. Applicant's Consultants (Attach copies of all draft and/or executed contracts for consultant services to be used by the Applicant in applying for financial assistance or constructing the proposed project.):

a) Applicant Engineer N/A

Firm Name:	MWH Global
Contact:	Stefan Schuster
Address:	111 Congress, Suite 481, Austin, TX 78701
Phone:	512-635-9463
Fax:	N/A
Email:	Stefan.schuster@mwhglobal.com

b) Bond Counsel N/A

Firm Name:	McCall, Parkhurst & Horton, LLP
Contact:	Tom Spurgeon
Address:	700 N. St. Mary's St., Suite 1525, San Antonio, TX 78205
Phone:	210-225-2800
Fax:	
Email:	tspurgeon@mphlegal.com

c) Financial Advisor N/A

Firm Name:	Specialized Public Finance Inc.
Contact:	Steven Adams
Address:	4925 Greenville Ave., Suite 465 Dallas, Texas 75225
Phone:	214 373-3918
Fax:	214 373-3913

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Email:	steven@spubfin.com
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d) Certified Public Accountant (or other appropriate rep) N/A

Firm Name:	ABIP, PC
Contact:	Patricia K. Wagner
Address:	4801 NW Loop 410, Suite 725, San Antonio, TX 78229
Phone:	830-237-5891
Fax:	210.341.2588
Email:	pwagner@abipcpa.com

e) Legal Counsel (if other than Bond Counsel) N/A

Firm Name:	Guadalupe Blanco River Authority
Contact:	Tom Bohl
Address:	933 E. Court St., Seguin, TX 78155
Phone:	830-379-5822
Fax:	830-379-1766
Email:	tbohl@gbra.org

f) Any other consultant representing the Applicant before the Board N/A

Firm Name:	
Contact:	
Address:	
Phone:	
Fax:	
Email:	

7. List the counties within the Applicant's service area:
Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun, and Refugio counties

8. Identify the Applicant's total service area population:
674,641 (2010 Census)

9. Applicant is requesting funding from which programs? Check all that apply.

	PROGRAM	AMOUNT REQUESTED
a) <input type="checkbox"/>	Drinking Water State Revolving Fund (DWSRF)	\$ _____
b) <input type="checkbox"/>	Clean Water State Revolving Fund (CWSRF)	\$ _____
c) <input type="checkbox"/>	Texas Water Development Fund (DFund)	\$ _____
d) <input type="checkbox"/>	State Participation	\$ _____
e) <input type="checkbox"/>	Rural Water Assistance Fund (RWAFF)	\$ _____
f) <input checked="" type="checkbox"/>	State Water Implementation Fund for Texas (SWIFT)	\$ 8,000,000.00
g) <input type="checkbox"/>	Economically Distressed Areas Program (EDAP)	\$ _____
h) <input type="checkbox"/>	If other please explain: _____	\$ _____

10. Other Funding Sources: Provide a list of any other funding source(s) being utilized to complete

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

the project, including Applicant's local contribution, if any, or commitments applied for and/or received from any other funding agency for this project or any aspect of this project. **Provide commitment letters if available. Additional funding sources must be included within the Project Budget (TWDB-1201).**

Funding Source	Type of Funds (Loan/Grant)	Amount (\$)	Date Applied for Funding	Anticipated or Funding Secured Date
Bureau of Reclamation	Grant	\$150,000	June 2014	On-going
GBRA	Local	\$300,000	June 2013	On-going
Total Funding from All Sources		\$450,000		

Comments: There is on-going support from Bureau of Reclamation from a Title XVI award. GLO has been a financial participant in the Feasibility Study and is considering participation in the upcoming study.

11. Applicant is requesting funding for which phase(s)? Check all that apply.

- Planning
- Acquisition
- Design
- Construction

12. Is Applicant requesting funding to refinance existing debt?

- Yes If yes, attach a copy of the document securing the debt to be refinanced.
- Attached document**
- No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part B: Legal Information

13. Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues.

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

14. What type of pledge will be used to repay the proposed debt?

- Systems Revenue
- Taxes
- Combination of systems revenues and taxes
- Other (Contract Revenue, etc.)

15. Provide the full legal name of the security for the proposed debt issue(s).

Guadalupe-Blanco River Authority, General Improvement Revenue Bonds, Series 2015

16. Describe the pledge being offered and any existing rate covenants.
See attached excerpts from the bond resolution

17. Attach the resolution from the governing body requesting financial assistance.

TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/>)

- Attached Resolution**

18. Attach the Application Affidavit

TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/>)

- Attached Applicant Affidavit**

19. Attach the Certificate of Secretary

TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/>)

- Attached Certificate of Secretary**

20. Is the applicant a Water Supply Corporation (WSC)?

- Yes If yes, attach each of the following:
 - Articles of Incorporation**
 - Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary**
 - By-laws and any amendments**
 - Certificate of Status from the Texas Secretary of State (i.e. Certificate of Existence)**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing).

No

21. Is the applicant proposing to issue revenue bonds?

Yes If yes, attach copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.

Attached resolution/ordinance(s)

No

22. Does the applicant possess a Certificate of Convenience and Necessity (CCN)?

Yes If yes, attach a copy of the CCN and service area map showing the areas the applicant is allowed to provide water or wastewater services.

Attached CCN and service area map

No If no, indicate the status of the CCN. _____

N/A

23. Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?

Yes If yes, attach a brief description of every enforcement action within the past three years and action(s) to address requirements.

Attached

No

24. Are any facilities to be constructed or the area to be served within the service area of a municipality or other public utility?

Yes If yes, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?

If yes, attach a copy of the affidavit.

Attached affidavit

If no, provide an explanation as to why not. _____

No

25. If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than **FIVE** years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.)

Yes Enter date of Applicant's WCP adoption: 04-16-2014

No If no, attach a copy of a draft Water Conservation Plan and Drought Contingency Plan prepared in accordance with the TWDB WCP Checklist (<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1968.pdf>)

Attached Draft WCP and Drought Contingency Plan

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Attached Utility Profile TWDB-1965**
<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1965.pdf>
 N/A (Request is \$500,000 or less per Water Code §§ 15.106(c), 17.125(c), 17.277(c), and 17.857(c))

Note: If the applicant will utilize the project financed by the TWDB to furnish services to another entity that in turn will furnish services to the ultimate consumer, the requirements for the WCP may be met through contractual agreements between the applicant and the other entity providing for establishment of a water conservation plan. The provision requiring a WCP shall be included in the contract at the earliest of: the original execution, renewal or substantial amendment of that contract, or by other appropriate measures.

26. Does the applicant provide retail water services?
 Yes If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last **THREE** years?
 Yes
 No If no, please download survey forms and attach a copy of the completed water use surveys to the application.
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 Attached Water Use Survey
 No
27. Is the applicant a retail public utility that provides potable water?
 Yes If yes, has the applicant already submitted the most recently required water loss audit to the TWDB?
 Yes
 No If no, and if applying for a water supply project, please complete the online TWDB Water Audit worksheet found at <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp> and attach a copy to the application.
 Attached TWDB Water Audit worksheet
 No
28. Does the Applicant provide wastewater services?
 Yes
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part C: Financial Information

Regional or wholesale providers, complete questions 29-31.

Retail providers, complete questions 32-34.

29. List top **TEN** customers of the system by annual usage in gallons and percentage of total usage, including whether any are in bankruptcy.

Customer Name	Annual Usage (gal)	Percent of Usage	Bankruptcy (Y/N)
Canyon Regional Water Authority	3,445,874,325	11.66%	No
City of San Marcos	3,258,510,000	11.02%	No
New Braunfels Utilities	3,167,271,720	10.71%	No
San Antonio Water System	2,920,000,000	10.05%	No
Guadalupe Power Partners	2,228,820,840	7.54%	No
Canyon Lake Water Supply Corp	1,955,106,000	6.61%	No
Coletto Creek Power LP	1,955,106,000	6.61%	No
City of Kyle	1,773,606,993	6.00%	No
City of Boerne	1,176,647,961	3.98%	No
Sunfield MUD	919,551,522	3.11%	No

Comments: _____

30. List the top TEN customers of the system by gross revenues and percent of total revenues, including whether any are in bankruptcy

Customer Name	Annual Revenue(\$)	Percent of Revenue	Bankruptcy (Y/N)
Canyon Regional Water Authority	\$1,504,453	12.35%	No
City of San Marcos	\$1,250,000	10.26%	No
San Antonio Water System	\$1,224,337	10.05%	No
New Braunfels Utilities	\$1,215,000	9.97%	No
Guadalupe Power Partners	\$855,000	7.02%	No
Canyon Lake Water Supply Corp	\$750,000	6.16%	No
Coletto Creek Power LP	\$687,500	5.64%	No
City of Kyle	\$680,375	5.58%	No
City of Boerne	\$451,375	3.70%	No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Sunfield MUD	\$355,401	2.92%	No
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31. Provide a summary of the wholesale contracts with customers

Contract Type*	Minimum annual amount (AFY)	Usage fee per 1,000 gallons	Annual Operations and Maintenance	Annual Capital Costs	Annual Debt Service	Other**
Canyon Regional Water Authority	10,575	38.36¢	N/A	N/A	N/A	\$1,504,453
City of San Marcos	10,000	38.36¢	N/A	N/A	N/A	\$1,250,000
San Antonio Water System	4,000	38.36¢	N/A	N/A	N/A	\$1,224,337
New Braunfels Utilities	9,720	38.36¢	N/A	N/A	N/A	\$1,215,000
Guadalupe Power Partners	6,840	38.36¢	N/A	N/A	N/A	\$855,000
Canyon Lake Water Supply Corp	6,000	38.36¢	N/A	N/A	N/A	\$750,000
Coletto Creek Power LP	6,000	38.36¢	N/A	N/A	N/A	\$687,500
City of Kyle	5,443	38.36¢	N/A	N/A	N/A	\$680,375
City of Boerne	3,611	38.36¢	N/A	N/A	N/A	\$451,375
Sunfield MUD	2,822	38.36¢	N/A	N/A	N/A	\$355,401

*Pay or Take Contracts

** Gross Revenue

32. List top **TEN** customers of the water and/or wastewater system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

a. **WATER** N/A

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)

b. **WASTEWATER** N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Customer Name	Annual Usage (gal)	Percent of Total Wastewater Revenue	Bankruptcy (Y/N)

33. Current Average Residential Usage and Rate Information

N/A

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer(\$)	Projected Monthly Increase Necessary (\$)
Water					
Wastewater					

34. Provide the number of customers for each of the past five years.

N/A

Year	Number of Customers
20	
20	

All applicants complete questions 35-51 of the financial section, as applicable.

35. Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc.).
None

36. Has the applicant ever defaulted on any debt?
 Yes If yes, disclose all circumstances surrounding prior default(s). _____
 No

37. Does the applicant have taxing authority?
 Yes
 No

38. Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied, corresponding tax rate (detailing debt service and general purposes), and tax collection rate.

N/A

Fiscal Year Ending	Net Taxable Assessed Value (\$)	Tax Rate	General Fund	Interest & Sinking Fund	Tax Levy \$	Percentage Current Collections	Percentage Total Collections
20							

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

20							
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Comments: _____

39. Attach the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

N/A

- a) 20 attached
- b) 20 attached
- c) 20 attached
- d) 20 attached
- e) 20 attached

40. Attach the direct and overlapping tax rate table:

Attached tax rate table

N/A

41. Provide the current top **TEN** taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in the Comments blank, below. If any of these have changed in the past three years, please provide information on the changes to the top ten.

N/A

Taxpayer Name	Assessed Value	Percent of Total	Bankruptcy (Y/N)

Comments: N/A

42. Provide the maximum tax rate permitted by law per \$100 of property value.

N/A

43. Does the applicant collect sales tax?

Yes Provide the sales tax collection history for the past five years.

Fiscal Year Ending	Total Collections
20	
20	

No

44. Indicate the tax status of the proposed loan?

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Tax-Exempt
- Taxable

45. Proforma (**Select one of the four listed below**) Please be sure the proforma reflects the schedule requested, including multi-phased funding options.

a. System revenues are anticipated to be used to repay the proposed debt. Attach a proforma indicating the following information for each year the debt is outstanding:

- projected gross revenues
- operating and maintenance expenditures
- outstanding and proposed debt service requirements
- net revenues available for debt service and coverage of current and proposed debt paid from revenues

b. Taxes are anticipated to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- outstanding and proposed debt service requirements
- the tax rate necessary to repay current and proposed debt paid from taxes
- list the assumed collection rate and tax base used to prepare the schedule

c. Combination of system revenues and taxes to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- projected gross revenues, operating and maintenance expenditures, net revenues available for debt service
- outstanding and proposed debt service requirements
- the tax rate necessary to pay the current and proposed debt
- list the assumed collection rate and tax base used to prepare the schedule

d. Another type of pledge will be used to repay the proposed debt. Attach a pro forma with information for each year the debt is outstanding, which includes projected revenues, annual expenditures, outstanding debt requirements, and revenues available for debt service.

- Attached

46. Attach a **FIVE** year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest six months.

- Attached Operating Statement.**

47. Attach **ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.

- Attached Annual Audit**
- Attached Management Letter**
- If applicable, attached interim financial information**

48. Does the applicant have any outstanding debt? (Check all that apply)

- Yes, General obligation debt
- Yes, Revenue debt
- Yes, Authorized but unissued debt

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

No

49. Attach a listing of total outstanding debt and identify the debt holder. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.

a. General Obligation Debt:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

b. Revenue:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

c. Authorized by Unissued Debt:

Yes

Attached schedule. The schedule should also identify the debt holder.

No

50. List the ten largest employers of the Applicant's service area:

Name	Number of Employees
Texas State University	3,201
Formosa Plastics Group	2,595
The Inteplast Group	2,300
Comal Independent School District	2,300
Victoria Independent School District	2,163
Schlitterbahn	1,689
San Marcos Premium Outlet	1,600
Tanger Outlets	1,540
Catepillar	1,500
San Marcos CISD	1,200

Comments (example, any anticipated changes to the tax base, employers etc.) _____

51. Provide any current bond ratings with date received.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.						
Revenue			Aa2	March 10, 2011		

52. Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?

Yes. If yes, the applicant must attach, at a minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.

Attached

No.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D: Project Information

53. Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.):

The IWPP is being developed to address current and future water needs in a 32-county study area in Central and Gulf Coast Texas. This project will provide additional "new" water supplies to these areas. The study area includes all or part of planning regions K, L, N, P, H, and J with total projected water needs in the study area totaling more than 850,000 acre-feet by 2060. This projected water need does not include over 150,000 acre feet of irrigated agricultural water needs that are not met by strategies in the current regional plans. It also does not fully include the mining and industrial water demands associated with development of the Eagle Ford Shale or post-Panamax port expansion along the Texas Gulf Coast. An integrated water power project in this area will provide a drought-proof water insurance policy enabling source diversification in Central and Coastal Bend, Texas.

- **The population served by the project when fully operational:** Study area includes over 4.5 million residents (32 counties) and three of the fastest growing urban centers in the US (San Antonio, Austin, San Marcos) (2010 Census)
 - **The project serves a diverse urban and rural population:** Treated water from the IWPP can be made available to a variety of customers including coastal industry and ports, rural and agriculture through existing canals, rural water supplies through regional interconnections, and urban centers through distribution connections between regional providers.
 - **Project provides regionalization:** A seawater desalination facility along the coast can be integrated into existing and developing distribution network along the coastal corridor. The IWPP could provide a source of water to meet base demands and also balance surface water and groundwater deficiencies during times of shortage.
 - **The percentage of water supply needs met by the project within the first decade:** The IWPP is envisioned to grow with the increasing needs of the region. A modular design and building approach will result in the ability to size and deliver water according to need. A minimum size of 25 MGD or 28,000 acre feet is envisioned for 2020 decade delivery.
 - **Local contributions to the project:** GBRA has funded a feasibility study with local and state funds from the GLO and Title XVI Reclamation funding to provide a foundation for the next phase. Total local contribution is in excess of \$300,000.
 - **The priority ranking assigned to the project by the applicable Regional Water Planning Group:** The South Central Regional Water Planning Group (Region L) ranked the IWPP 141st out of 330 projects with a prioritization score of 704.67.
54. Description of Project, including a bulleted list of project elements/components, and alternatives considered (including existing facilities):

The Guadalupe-Blanco River Authority is presently conducting a feasibility study for an Integrated Water-Power Project (IWPP) that will include a seawater desalination plant co-located with a power plant along the Texas Gulf Coast. This project is proposed as a regional solution that would create a new source of water supply for the Coastal Bend (Region N) and South Central (Region L) and potentially Central Texas (Region K) regional water planning areas. The initial feasibility study will be completed in late 2015.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

SWIFT funds will be used to continue project development following completion of the 2015 IWPP feasibility study by allowing for the following activities to commence with secured funds:

- Additional partnership agreements with industrial and municipal participants will be developed and finalized to assist in the long-term financial and integrated water supply success of the IWPP.
- Final site selection and project sizing criteria will be developed. These criteria will be used to develop preliminary engineering plans, including power options.
- A power provision approach will be evaluated and recommended for final inclusion in project design.
- Prior to initiating a permitting process, the funded project will provide environmental criteria considerations to include water quality inventory and sampling to comply with local, regional, state, and federal regulations.
- Environmental surveys will include aquatic, botanic, cultural assessments to meet regulatory requirements. Intake and outfall studies will be conducted to include CFD and physical modeling, and potentially field sampling, to meet regulatory and project criteria.
- A permit application for extraction of marine seawater right will be prepared - this is expected to result in both Texas state agency and Federal action.
- Conveyance alignment studies and preliminary conveyance design.
- An economic and financial analysis of the preliminary IWPP design and final site selection.
- Status reports will be provided to TWDB on a monthly basis; draft and final reports will be submitted for major project milestones.

A complete preliminary engineering feasibility data must include:

- a. A description and purpose of the project, including existing facilities.
 - Note: CWSRF and DWSRF must address issues scored in Intended Use Plan submittal

Attached

No existing facilities exist and funded study will provide preliminary engineering feasibility data.

- b. **If project is for Construction only, then attach** the appropriate Engineering Feasibility Report:

a) Water (TWDB-0555 at

<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0555.pdf>)

Attached

b) Wastewater (TWDB-0556 at

<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0556.pdf>)

Attached

- c. DWSRF applicants must complete a Projected Draw Schedule (TWDB-1202 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1202.xls>)

55. Water Made Available (For projects requesting a construction component):

N/A

a. New supply _____ (acre-feet/year) _____ (\$ capital cost

- The **increase** in the total annual volume of water supply that will be made available to the recipient(s) by the proposed project.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Water Plan project examples: new groundwater wells, reservoir development, pipelines to sources.
- b. *New Conservation savings* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
 - Annual volume of anticipated water savings resulting from implementation of the proposed conservation project including water loss) and other conservation activities,
 - Water Plan project examples: municipal conservation, advanced Water Conservation, on-farm conservation, brush control, irrigation conservation.
- c. *New Reuse supply* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
 - Increase in the annual volume of (direct or indirect) reuse water supply that will be made available to the recipient(s) by the proposed project.
 - Water Plan project examples: direct reuse, non-potable reuse, recycled water programs.
- d. *Maintenance of Current Supply* _____ (*acre-feet/year*) _____ (*\$*) *capital cost*
 - Volume of recipients' current supplies that will be maintained by implementing the proposed project
 - Water Plan project examples: None. Not a water plan project. (Examples of these type projects: treatment rehabilitation, system storage facilities, system upgrades).

56. **Project Location:**
The final project location will be determined through studies conducted using SWIFT funding from TWDB. The 2015 IWPP Feasibility Study has identified representative sites in four geographic regions. SWIFT funds will be used to further evaluate these four sites and determine optimal site location, environmental considerations, permitting requirements, and preliminary engineering designs for a final site selection. The SWIFT-funded study will investigate a final site within the selected coastal area using a modular and scaled approach as outlined in the graphics in the attachments to determine optimal layout, modular phasing and development of project. The flowchart in the attachment shows how this modular build-out of the system can be accomplished over time and according to need.

Attach a map of the service area and drawings as necessary to locate and describe the project. The map should show the project footprint and major project components.

Attached

57. Attach the Census tract numbers in which the applicant's service area is within. The Census tracts within your area may be found at:
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>.

Please follow these steps:

- Select Advanced Search.
- Select the Geographies button located below Topics (left side of page).
- On the top of the window select the Name tab.
- In the text box, type "All Census Tracts within____" (Fill in the blank with the name of a County Subdivision or a Place.) Select "Go".

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- If your town is a County Subdivision, select the geography labeled "All Census Tracts (or parts) within City, County, State" from the Geography Results. If your town is a place select the geography labeled "All Census Tracts (or parts) full-or-partially within City, State" from the Geography Results.
- Close the Geographies Search window.
- Use the Topics on the left side of the page to further refine your search or to select a table(s) from your search results.

Attached Census tracts

58. Project Schedule:

- a) Requested loan closing date.
November 2015
- b) Estimated date to submit environmental planning documents.
March 2017
- c) Estimated date to submit engineering planning documents.
March 2018
- d) Estimated date for completion of design.
Preliminary Designs: September 2018
- e) Estimated Construction start date for first contract.
January 2020
- f) Estimated Construction end date for last contract.
2026

59. **Attach** a copy of current and future populations and projected water use or wastewater flows. Include entities to be served.

Attached

60. Attach the most current itemized project cost estimate (include all costs and funding sources). Utilize the budget format provided (TWDB-1201 at <http://www.twdb.texas.gov/financial/instructions/>). If applying for pre-construction costs only (i.e., P, A, D) then itemize only the relevant portions in the attached budget template

Attached

61. Attach the appropriate Project Information Form:

Wastewater: Attached a completed Wastewater Project Information Form WRD-253a <http://www.twdb.texas.gov/financial/instructions/index.asp>

Water: Attached a completed Water Project Information Form WRD-253d <http://www.twdb.texas.gov/financial/instructions/index.asp>

62. If the project is for Construction only, wastewater projects that involve the construction of a new plant or the expansion of an existing plant and/or associated facilities, attach evidence that an application for a new Texas Pollution Discharge Elimination System Permit or amendment to an existing permit related to the proposed project has been filed with the Texas Commission on Environmental Quality (TCEQ). Final permit authorization must be obtained from the TCEQ before funds can be released for construction activities.

Attached

No. Provide explanation: This is not a construction project under this round of funding.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

63. If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?

- Yes If yes, please attach the completed, appropriate form.
1. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
 Attached
 2. WRD 208B (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Groundwater)
 Attached
- No
 N/A

Prior to the enactment of HB2031, which was passed during 84th Texas Legislative session and is expected to be signed by the Governor, no formal process was in place to facilitate the acquisition and process for a seawater water right through TCEQ. SWIFT funding will be used to apply for a water right pursuant to rules that will be established by TCEQ.

b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

Type of Permit Water Right	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.
Seawater	TCEQ	Ownership	2017	Unknown

c) List any major permits not identified elsewhere that are necessary for completion of project. Also, list any more necessary minor permits that may involve particular difficulty due to the nature of the proposed project.

Permit	Issuing Entity	Permit Acquired (Y/N)
404 Permit	Army Corps of Engineers (COE)	N
Intake/Outfall	TCEQ & GLO	N

64. Has the applicant obtained all necessary land and easements for the project?
 Yes. If yes, attach the site certificate (ED-101 at

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

<http://www.twdb.texas.gov/financial/instructions/index.asp>

Attached

- No. If no, **fill out the table below** and describe the land or easements that will need to be acquired, provide the anticipated date by which the applicant expects to have the land or easements, and indicate if funding from TWDB is to be used for the acquisition.

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
Intake/Outfall site	GLO	Ownership	2020	No
Seawater Desalination Treatment Plant	TBD-Site specific	Own	2020	No
Conveyance Corridor	TBD/Multiple	Lease/Own	2020	No

65. Has a Categorical Exclusion (CE), Determination of No Effect (DNE), Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?
 Yes
 Attach a copy of the finding.
 No
66. Is the project potentially eligible for a Categorical Exclusion (CE)/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?
 Yes
 No
67. Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?
 Yes
 If yes, attach additional information
 No

Funded study will make final site selection for IWPP. This final site will require extensive regulatory agency and public coordination to determine potentially adverse environmental or social impacts.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:

68. Identify the type of SWIFT funding (If more than one funding option is being requested indicate the amount of funding for each):

- | | | |
|-------------------------------------|---------------------|----------------|
| <input checked="" type="checkbox"/> | Deferred | \$8,000,000.00 |
| <input type="checkbox"/> | Low Interest Loan | \$ |
| <input type="checkbox"/> | Board Participation | \$ |

69. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested.

Attached

N/A

70. **Notice to SWIFT Applicants:** Texas Water Code Sec. 15.435(h) requires all recipients of financial assistance from the SWIFT to acknowledge any applicable legal obligations in federal law, related to contracting with disadvantaged business enterprises, and state law, related to contracting with historically underutilized businesses. Checking the boxes below serves as this acknowledgement.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with applicable legal obligations in state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.

71. Provide drafts of the following documents:

a. Proposed Bond Ordinance

Attached

b. Private Placement Memorandum

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part F: Economically Distressed Programs (EDAP) Applicants Only: .N/A

In accordance with TWDB Rules (31 TAC Chapter 363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Texas Water Code § 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

72. Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)

73. Is financing being requested for a **wastewater** project?
 Yes If yes, does the applicant have the required resolution/ordinance establishing a mandatory hookup policy?
 Yes. If yes, attach a copy of the resolution/ordinance.
 Attached
 No. If no, explain _____
 No
74. Required documentation for the project area for Preliminary EDAP Eligibility (31 TAC Chapter 363)
 Attached documentation of inadequacy of water and/or wastewater services.
 Attached documentation regarding the financial resources of the residential users in the EDAP area. Census data or documentation regarding median household income should be provided.
 Attached documentation demonstrating existence of a residence in the project area prior to **June 1, 2005**. This could include tax records of residence, dated aerial maps, or, other documentation demonstrating existence of a residence.
75. Has the Department of State Health Services issued a determination stating a public health nuisance exists in the project area?
 Yes If yes, attach a copy of the determination.
 Attached
 No If no determination exists, attach documentation demonstrating a public health nuisance exists in the project area. (*Photographs may be submitted, but they **must** be labeled with location and date when taken. If the soil types are mentioned in the project area as an issue, include soil profile maps*) *This documentation will be used by TWDB staff to request a determination from the Department of State Health Services*
 Attached
76. Is this project providing new service?
 Yes If yes, attach plats of the affected subdivisions.
 Attached
 No
77. Attach an EDAP Facility Engineering Plan/Scope of Services report that complies with the requirements of WRD-023A. <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part G: CWSRF/DWSRF Applicants Only

Only applicants applying for funding from the CWSRF and DWSRF Programs must complete this section.

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to obtain a DUNS number that will represent a universal identifier for all federal funding assistance. DUNS numbers can be obtained from Dun and Bradstreet at <http://fedgov.dnb.com/webform/>

78. Applicant's Data Universal Number System (DUNS) Number:
DUNS _____

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to register with System for Award Management (SAM) and maintain current registration at all times during which the Board loan agreement is active or under consideration by the Board. Register at: <https://sam.gov>.

79. The applicant has registered and will maintain current SAM registration at all times during which a federal subaward is active or under consideration by the Board.
 Yes
 No

80. Federal Awards information:

1. Did applicant receive over 80% of their revenue from Federal Awards last year?

Yes
 No

2. Did applicant receive over \$25 million in Federal Awards last year?

Yes
 No

3. Public does not have access to executive compensation information via SEC or IRS reports?

Yes
 No

81. If applicant checked **YES** to **ALL** three boxes in 3 above, applicant is required to disclose the name and compensation of the five most highly compensated officers.

Officer's Name	Officer's Compensation (\$)

82. Complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) - Certification Regarding Lobbying

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

83. If applying for CWSRF Equivalency or DWSRF, **attach** the Certification Regarding Debarment, Suspension and Other Responsibility. SRF-404
(<http://www.twdb.texas.gov/financial/instructions/doc/SRF-404.pdf>)

Attached Yes
 No
 N/A

84. If applying for CWSRF Equivalency or DWSRF, **attach** the Assurances – Construction Programs. EPA-424D (<http://www.twdb.texas.gov/financial/doc/EPA-424D.pdf>)

Attached Yes
 No
 N/A

85. The applicant must comply with the Davis-Bacon Act regarding prevailing wage rates. The applicant acknowledges that they are aware of, and will abide by, the Davis-Bacon Act requirements.

Yes
 No

Further information on the Davis-Bacon requirement is available through the TWDB Guidance document, DB-0156 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

All project costs funded by the TWDB through CWSRF Equivalency or DWSRF must comply with the federal Disadvantaged Business Enterprise (DBE) program rules and requirements. The federal DBE program requires a good faith effort to contract with DBE's for all procurements including: professional and non-professional consulting services, equipment, supplies and construction to be funded by federal equivalency dollars. Guidance and forms are found at:

TWDB-0210 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0210.pdf>)

86. **At a minimum, you must complete and attach** the Applicant Affirmative Steps Certification and Goals. This form is required to obtain a financial assistance commitment.

TWDB-0215 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0215.pdf>)

Attached Yes
 No

87. If you have already solicited contractors, complete and attach the Affirmative Steps Solicitation Report. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-216 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0216.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

88. If you have awarded contracts to contractors, complete and attach the Loan/Grant Participation Summary. This form must be submitted for review prior to loan closing and release of funds. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-0373 (<http://www.twdb.texas.gov/financial/doc/TWDB-0373.pdf>)

Attached Yes
 No
 N/A

89. All Contractors that have been awarded will need to complete and attach the Prime Contractor Affirmative Steps Certification and Goals This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-217 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0217.pdf>)

Attached Yes
 No
 N/A

90. **All CWSRF applicants** must be a Designated Management Agency (DMA) for wastewater collection and treatment. Please complete and attach DMA resolutions. WRD-210 (<http://www.twdb.texas.gov/financial/doc/WRD-210.pdf>) is an example of this type of resolution.

Attached
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part H: Documentation of "Green" Projects and Project Components N/A
CWSRF and DWSRF Applicants Only

All SRF applicants must complete this section if green benefits are all or part of the project (more than an incidental benefit). Project is defined as the entire project or a stand-alone component of the project. This section is required so that the TWDB may determine whether the project qualifies as "green" pursuant to Environmental Protection Agency (EPA) Guidance.

A project (or project component) is "green" if the primary purpose qualifies under EPA Guidance as one of the following:

- a. Green Infrastructure,
- b. Water Efficiency-related,
- c. Energy Efficiency-related, or
- d. Environmentally Innovative.

You must use the Green Project Reserve guidance to complete this section. Current guidance may be found at: **Green Project Reserve: Guidance for determining project eligibility**
TWDB-0161 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0161.pdf>)

91. Does your project or a component of your project qualify as Green, per EPA guidance?
 Yes
 No

If Yes, Please complete the remainder of Section G.

92. Type of Green Project
 Water Efficiency Energy Efficiency Green Infrastructure Environmentally Innovative

93. The correct worksheets must be completed.
Green Project Reserve: CWSRF Green Project Worksheets
TWDB-0162 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0162.pdf>)
Attached Yes
 No
 N/A

- Green Project Reserve: DWSRF Green Project Worksheets**
TWDB-0163 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.pdf>)
Attached Yes
 No
 N/A

TWDB will make the final determination whether your project (or project component) meets federal criteria as "green". You may be required to submit a **business case, utilizing the Green guidance**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part I: Summary of attachments to application

Following is a list of the documents that may be necessary in order to process this application. While not all of the listed information below may be required for all projects, an applicant should review the application carefully because incomplete applications will not be processed until all of this information has been provided. In addition, please make sure your entity system name appears on every attachment. **Label each attachment with the number of the pertinent application section (i.e. "Part B5").**

Check list for your convenience

Part A

- No. 6
- No. 12

General Information

- Draft or executed consulting contracts (engineering, financial advisor, bond counsel)
- Existing security document for refinancing

Part B

- No. 17
- No. 18
- No. 19
- No. 20

Legal

- Resolution (TWDB-0201A)
- Application Affidavit (TWDB-0201)
- Certificate of Secretary (TWDB-201B)
- Water Supply Corporations
 - Articles of Incorporation
 - Certificate of incorporation from the Texas Secretary of State
 - By-laws and any amendments
 - Certificate of status from the Texas Secretary of State
 - Certificate of account status from Texas Comptroller
- No. 21 Resolution/ordinance authorizing the issuance of parity debt
- No. 22 Certificate of Convenience & Necessity
- No. 23 Enforcement Actions
- No. 24 Affidavit of No Objection
- No. 25 Two copies of the Water Conservation Plan (TWDB-1968 and TWDB-1965)
- No. 26 Water use surveys
<http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
- No. 27 Water Loss Audit
<http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp>

Part C

- No. 39
- No. 40
- No. 45
- No. 46
- No. 47
- No. 49
- No. 52

Financial

- Assessed Values by Classifications
- Direct and Overlapping Tax Table
- Proforma for each year of debt outstanding
- Five year comparative system operating statement.
- Annual audit and management letter
- Outstanding debt schedule
- Service provider contracts

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part D

Project Information

- No. 54a Preliminary Engineering Feasibility Data (PEFD)
- No. 54b Engineering Feasibility Report
 - Water (TWDB-0555)
 - Wastewater (TWDB-0556)
- No. 54c Project Draw Schedule (TWDB-1202)
- No. 56 Project Map
- No. 57 Census Tract(s)
- No. 59 Current and future populations and projected water use or wastewater flows
- No. 60 Project Cost Estimate Budget (TWDB-1201)
- No. 61 Wastewater Project Information Form (WRD-253a)
Water Project Information Form (WRD-253d)
- No. 62 Texas Pollution Discharge Elimination System Permit
- No. 63 If applicant has property rights and permits
 - a. WRD-208A (Surface Water)
 - b. WRD-208B (Groundwater)
- No. 63c Additional Permits
- No. 64 Site certificate, evidencing land ownership for the project. (ED-101)
- No. 65 Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), Record of Decision or any other supporting document
- No. 67 Social or environmental issues

Part E

State Water Implementation Fund for Texas

- No. 69 Multi-year/phased commitment schedule
- No. 71a Draft Bond Ordinance
- No. 71b Private Placement Memorandum

Part F

Economically Distressed Areas Program

- No. 73 Resolution/ordinance establishing a mandatory hookup policy
- No. 74 EDAP applicants
 - Inadequacy documentation
 - Financial resources documentation
 - Existence of residences prior to 06/01/2005
- No. 75 Public health nuisance
- No. 76 Plats
- No. 77 EDAP Planning Phase – Facility Engineering Plan/Scope of Services (WRD-023A)

Part G

CWSRF/DWSRF Applicants Only

- No. 82 Lobbying Activities (WRD-213)
- No. 83 Certification Regarding Debarment, Suspension and Other Responsibility Requirements. (SRF-404)
- No. 84 Assurances – Construction Programs (EPA-424D)
Disadvantaged Business Requirements Guidance (TWDB-0210)
- No. 86 Affirmative Steps Certification and Goals (TWDB-0215)
- No. 87 Affirmative Steps Solicitation Report (TWDB-216)
- No. 88 Loan/ Grant Participation Summary (TWDB-0373)
- No. 89 Prime Contractor Affirmative Steps Certification and Goals (TWDB-217)
- No. 90 Designated Management Agency (WRD-210)

Part H

Green Projects

- No. 93 Guidance (TWDB-0161)
CWSRF Green Project Worksheets (TWDB-0162)
DWSRF Green Project Worksheets (TWDB-0163)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part J: Guidance and Forms

Part A

General Information

CWSRF – 31 TAC 375

DWSRF – 31 TAC 371

EDAP and SWIFT - 31 TAC 363

For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.

Part D

Project Information

[State Programs - 31 TAC 363](#)

[Drinking Water State Revolving Fund - 31 TAC 371](#)

[Clean Water State Revolving Fund / Equivalency - 31 TAC 375](#)

[Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375](#)

Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)

Clean Water EID Instructions (SRF-099)

Guidelines for Environmental Assessment, State Participation, DFund, RWF and WIF,
(ED-001B)

Guidelines for Environmental Assessment, EDAP (ED-001C)

Drinking Water EID Instructions (DW-001)

Part H

Green Projects and Project Components

Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part J: Guidance and Forms

Part A

General Information

CWSRF – 31 TAC 375

DWSRF – 31 TAC 371

EDAP and SWIFT - 31 TAC 363

For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.

Part D

Project Information

[State Programs - 31 TAC 363](#)

[Drinking Water State Revolving Fund - 31 TAC 371](#)

[Clean Water State Revolving Fund / Equivalency - 31 TAC 375](#)

[Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375](#)

Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)

Clean Water EID Instructions (SRF-099)

Guidelines for Environmental Assessment, State Participation, DFund, RWAFF and WIF,
(ED-001B)

Guidelines for Environmental Assessment, EDAP (ED-001C)

Drinking Water EID Instructions (DW-001)

Part H

Green Projects and Project Components

Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

Appendix: Part A6a

Engineer Contract



MWH CONTRACT No. _____

MASTER SERVICES AGREEMENT

This agreement ("Agreement"), with an effective date of June 24, 2013, is by and between Guadalupe-Blanco River Authority ("CLIENT") and MWH Americas, Inc. ("CONSULTANT").

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1 SCOPE OF SERVICES

1.1 The services to be performed by CONSULTANT under this Agreement ("Services") shall be set forth in individual task orders using the general format set forth in Attachment B ("Task Order"), attached hereto and incorporated herein by reference.

2 TASK ORDER PROCESS

2.1 Upon the request of CLIENT, CONSULTANT shall prepare a Task Order containing an identification of the project ("Project"), description of the Services, compensation to be paid to CONSULTANT for the performance of the Services ("Compensation") based on the rate schedule shown in Attachment A, and a proposed schedule for the performance ("Project Schedule") for the Services.

2.2 Upon mutual agreement of the parties, the Task Order shall be finalized and executed by the parties. The effective date of the task order will be as set forth in the individual Task Order.

2.3 Changes to the Task Order shall be made in writing and signed by both parties.

3 INVOICING AND PAYMENT

3.1 CONSULTANT shall submit its standard monthly invoice describing the Services performed and expenses incurred during the preceding month. CLIENT shall make payment of all undisputed portions of such invoice and provide written justification for the withholding of any disputed portions to CONSULTANT within thirty (30) calendar days from the date of CONSULTANT's monthly invoice.

3.2 Payment of all Compensation due CONSULTANT pursuant to this Agreement shall be a condition precedent to CLIENT's use or reliance upon any of CONSULTANT's professional services or work products furnished under this Agreement.

3.3 In the event payment for the Services has not been made within 60 calendar days from the date of the approved invoice, CONSULTANT may, after giving 7 calendar days written notice and without penalty or liability of any nature, and without waiving any claim against CLIENT, suspend all or any part of the Services. In order to defray carrying charges resulting from delayed payments, simple interest at the rate of 0.5% per month (6% per annum), not to exceed the maximum rate allowed by law, shall be added to the unpaid balance of each approved invoice. The interest period shall commence 30 calendar days after the date of the invoice. Payments shall first be credited to interest and then to principal.

6 CONSULTANT'S RESPONSIBILITIES

6.1 CONSULTANT shall designate a project manager for the performance of the Services.

6.2 CONSULTANT shall perform the Services as an independent contractor and not as CLIENT's agent or employee. CONSULTANT shall be solely responsible for the compensation, benefits, contributions and taxes, if any, of its employees and agents.

6.3 The standard of care applicable to CONSULTANT's Services will be the degree of skill and diligence normally employed by professional consultants performing the same or similar services at the time and location said Services are performed.

6.4 CONSULTANT may, during the course of its Services, prepare opinions of the probable cost of construction. CLIENT acknowledges, however, that CONSULTANT has no control over costs of labor, materials, competitive bidding environments and procedures, unknown field conditions, financial and/or market conditions or other factors affecting the cost of the construction and the operation of the facilities, all of which are beyond CONSULTANT's control and are unavoidably in a state of change. CLIENT therefore acknowledges that CONSULTANT cannot and does not make any warranty, promise, or representation, either express or implied, that proposals, bids, opinions of probable construction costs, or cost of operation or maintenance will not vary substantially from its probable cost estimates.

6.5 When CONSULTANT provides on-site monitoring personnel during construction as part of its Services, the on-site monitoring personnel will notify CLIENT of any observed defects in the Work; will otherwise make reasonable efforts to guard CLIENT against defects and deficiencies in the work of the contractor(s) and will help to determine if the provisions of the contract documents are being fulfilled. Providing on-site monitoring personnel will not, however, cause CONSULTANT to be responsible for those duties and responsibilities which belong to the construction contractor, and which include, but are not limited to, full responsibility for the means, methods, techniques, sequences and progress of construction, and the health and safety precautions incidental thereto, and for performing the construction in accordance with the contract documents.

6.6 In addition to or in lieu of on-site personnel, CONSULTANT's off-site staff may periodically visit the Project site as part of its Services. Such periodic visits and any observations made by CONSULTANT during such periodic visits shall not make CONSULTANT responsible for, nor relieve the construction contractor of the sole responsibility for all construction means, methods, techniques, sequences, and progress of construction, and the health and safety precautions incidental thereto, and for performing the construction in accordance with the contract documents.

7 CHANGE ORDERS

7.1 CLIENT or CONSULTANT may, from time to time, request modifications or changes in the Services. To the extent that the Services to be performed by CONSULTANT have been affected by such change, CONSULTANT's Compensation and Project Schedule shall be equitably adjusted. All changes shall be set forth in a written Change Order in the form of Attachment C, incorporated herein by reference, and executed by both parties.

8 FORCE MAJEURE

8.1 Neither party shall be responsible for a delay in its performance under this Agreement, other than a delay in payment for Services already performed, if such delay is caused by extraordinary weather conditions or other natural catastrophes war, terrorism, riots, strikes, lockouts or other industrial disturbances, acts of any governmental agencies or other events beyond the reasonable control of the claiming party.

4 PERIOD OF PERFORMANCE

4.1 This Agreement shall have an effective date as set forth above and shall remain in effect until October 31, 2015 unless terminated earlier pursuant to this Agreement.

4.2 The period of performance for the Services under each Task Order shall be as set forth in the applicable Task Order.

4.3 In the event of the expiration or partial termination of this Agreement, CONSULTANT shall, unless otherwise directed by CLIENT, complete its performance of any outstanding Task Orders then pending in accordance with the terms and conditions of such Task Order(s) as may be further amended and this Agreement. In such case, the specifications, terms and conditions of the Task Order(s) and this Agreement shall be deemed to have survived the expiration of this Agreement with respect to such Task Order(s) until such time as the Task Order(s) are completed.

5 CLIENT'S RESPONSIBILITIES

5.1 CLIENT shall designate a person to act as CLIENT's representative with respect to this Agreement. Such person will have complete authority to transmit instructions, receive information and interpret and define CLIENT's policies and decisions.

5.2 CLIENT shall furnish to CONSULTANT all applicable information and technical data in CLIENT's possession or control reasonably required for the proper performance of the Services. CLIENT shall also disclose to CONSULTANT hazards at the Project site ("Site") which pose a significant threat to human health or the environment. CONSULTANT shall be entitled to reasonably rely upon the information and data provided by CLIENT or obtained from generally accepted sources within the industry without independent verification except to the extent such verification is expressly included in the scope of Services.

5.3 CLIENT shall examine all studies, reports, sketches, drawings, specifications, and other documents presented by CONSULTANT, seek legal advice, the advice of an insurance counselor, or other consultant(s), as CLIENT deems appropriate for such examination. If any document requires CLIENT to approve, comment, or to provide any decision or direction, such approval, comment, decision or direction shall be provided within a reasonable time within the context of the schedule for the Services ("Project Schedule").

5.4 CLIENT shall arrange for access to and make all provisions for CONSULTANT to enter upon public and private property as required for CONSULTANT to properly perform the Services.

5.5 CLIENT shall obtain, where applicable, the following:

5.5.1 All published advertisements for bids;

5.5.2 All permits and licenses that may be required of CLIENT by local, state, or federal authorities;

5.5.3 All necessary land, easements, and rights-of-way; and

5.5.4 All items and services not specifically covered by the terms and conditions of this Agreement.

5.5.5 CLIENT shall pay for any costs associated with the above items.

CONSULTANT shall be entitled to an equitable adjustment to the Compensation and the Project Schedule as a result of any such delay.

9 CONFIDENTIALITY

9.1 CONSULTANT shall treat as confidential and proprietary all information and data delivered to it by CLIENT ("Confidential Information"). Confidential Information shall not be disclosed to any third party, other than CONSULTANT's subcontractors or subconsultants, during or subsequent to the term of this Agreement. Nothing contained herein shall preclude CONSULTANT from disclosing information or data: (i) in the public domain without breach of this Agreement; (ii) developed independently by CONSULTANT; or (iii) where disclosure or submission to any governmental authority is required by applicable statutes, ordinances, codes, regulations, consent decrees, orders, judgements, rules, and all other requirements of any and all governmental or judicial entities that have jurisdiction over the Services ("Law"), but only after written notice has been received by CLIENT.

10 RIGHTS IN DATA

10.1 All right, title and interest in and to the work products provided by CONSULTANT to CLIENT shall be the property of CLIENT ("Work Product"). Methodologies, process know-how and other instruments of service used to prepare the Work Product shall remain the property of CONSULTANT. Any modification or reuse of the Work Product without written verification or adaptation by CONSULTANT for the specific purpose intended will be at CLIENT's sole risk and without liability or legal exposure to CONSULTANT or to CONSULTANT'S subcontractors and subconsultants.

11 INSURANCE

11.1 CONSULTANT will furnish to CLIENT copies of insurance certificates evidencing that it maintains the following coverage's while performing Services, subject to the terms and conditions of the policies:

<u>TYPE</u>	<u>AMOUNT</u>
Workers Compensation	Statutory
Employers' Liability	\$1,000,000 policy limit
Commercial General Liability	\$1,000,000
Automobile Liability	\$1,000,000
Professional Liability	\$1,000,000

11.2 CONSULTANT will furnish CLIENT with certificates of insurance verifying the above referenced coverages and stating that the insurance carrier will provide CLIENT with thirty days prior written notice of insurance cancellation or reduction below the above listed requirements. CONSULTANT shall list CLIENT as an additional insured on the Commercial General Liability and the Automobile Liability insurance.

12 INDEMNITY

12.1 CONSULTANT agrees to indemnify and save harmless the CLIENT, its officers, directors and employees from the liability of the owner on account of any injury, loss or damage received or sustained by any person or persons for bodily injury or property damage, ("Claims"), to the extent proximately caused by the negligence acts or omissions of CONSULTANT in the performance of the Services. This obligation to

indemnify CLIENT shall not impose any obligation on CONSULTANT that exceeds the Limitation of Liability provisions set forth below.

12.2 IN NO EVENT SHALL CONSULTANT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS OR INTERRUPTION OF BUSINESS) ARISING OUT OF OR RELATED TO THE SERVICES PROVIDED UNDER THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13 LIMITATION OF LIABILITY

13.1 IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS OF THE PROJECT TO BOTH CLIENT AND CONSULTANT, THE PARTIES AGREE, TO THE FULLEST EXTENT PERMITTED BY LAW, TO LIMIT THE AGGREGATE LIABILITY OF CONSULTANT, ITS PARENT, AFFILIATES AND SUBCONTRACTORS, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS, TO THE LIMITS OF CURRENT COVERAGE AS STATED IN SECTION 11 INSURANCE, SUBSECTION 11.1. THIS LIMITATION OF LIABILITY SHALL APPLY TO ALL SUITS, CLAIMS, ACTIONS, LOSSES, COSTS (INCLUDING COURT COSTS AND REASONABLE ATTORNEY FEES) AND DAMAGES OF ANY NATURE ARISING FROM OR RELATED TO THIS AGREEMENT AND WITHOUT REGARD TO THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS IMPOSED.

13.2 CONSULTANT MAY AGREE, AT CLIENT'S REQUEST, TO INCREASE THIS LIMITATION OF LIABILITY TO A GREATER SUM IN EXCHANGE FOR A NEGOTIATED INCREASE IN CONSULTANT'S FEE. ANY INCREASE IN THIS LIMITATION OF LIABILITY MUST BE IN WRITING AS A FORMAL AMENDMENT TO THIS AGREEMENT AND MUST BE SIGNED AND DATED BY AUTHORIZED REPRESENTATIVES OF EACH PARTY. ANY ADDITIONAL CHARGE FOR HIGHER LIABILITY IS CONSIDERATION FOR THE GREATER RISK ASSUMED BY CONSULTANT AND IS NOT A CHARGE FOR ADDITIONAL INSURANCE.

13.3 BY ENTERING INTO THIS AGREEMENT, THE PARTIES ACKNOWLEDGE THAT THIS LIMITATION OF LIABILITY CLAUSE HAS BEEN REVIEWED, UNDERSTOOD, IS A MATERIAL PART OF THIS AGREEMENT, AND EACH PARTY HAS HAD THE OPPORTUNITY TO SEEK LEGAL ADVICE REGARDING THIS PROVISION.

14 SUSPENSION

14.1 CLIENT may, at any time and without cause, suspend the Services of CONSULTANT, or any portion thereof for a period of not more than 90 days by notice in writing to CONSULTANT. CONSULTANT shall resume the Services on receipt from CLIENT of a written notice of resumption of the Services. If such suspension causes an increase in CONSULTANT's cost or a delay in the performance of the Services, then an equitable adjustment shall be made to the Compensation and Project Schedule, as appropriate. In the event that the period of suspension exceeds 90 days, the contract time and compensation are subject to renegotiation.

15 TERMINATION

15.1 CLIENT may terminate all or part of this Agreement for CLIENT's convenience by providing 10 days written notice to CONSULTANT. In such event, CONSULTANT will be entitled to Compensation for the Services performed up to the effective date of termination plus compensation for reasonable termination expenses. CONSULTANT will not be entitled to compensation for profit on Services not performed.

16 DISPUTES RESOLUTION – ARBITRATION

16.1 Any dispute arising between the parties concerning this Agreement or the rights and duties of either party in relation thereto shall first be submitted to a panel consisting of at least one representative of each party who shall have the authority to enter into an agreement to resolve the dispute. The disputes panel shall be conducted in good faith, either physically or electronically, within two weeks of a request by either party. No written, verbal or electronic representation made by either party during the course of any panel proceeding or other settlement negotiations shall be deemed to be a party admission.

16.2 If the panel fails to convene within two weeks, or if the panel is unable to reach resolution of the dispute, then either party may submit the dispute for non-binding arbitration to be held in accordance with the Construction Industry Rules of the American Arbitration Association ("Association") in effect at the time that the demand for arbitration is filed with the Association. Either party may file in the manner provided by the Rules of the Association, a Demand for Arbitration at any time. Unresolved disputes at this point must be filed with the appropriate court having jurisdiction in the County of Guadalupe in the State of Texas.

17 NOTICE

17.1 Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with a receipted commercial courier service or the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

CLIENT

Guadalupe-Blanco River Authority

933 East Court Street

Seguin, Texas 78155

Attn: Gary Asbury

CONSULTANT

MWH Americas, Inc.

7557 Rambler Road, Suite 440

Dallas, Texas, 75231

Attn: Mark Nelson, PE, PMP

or to such other address as the party to whom notice is to be given has furnished to the other party(ies) in the manner provided above.

18 SURVIVAL OF CONTRACT TERMINATION

18.1 The Articles relating to Indemnification, Limitation of Liability, Preexisting Conditions, Data Rights, Confidentiality, Governing Law and Venue shall survive completion of the Services, payment in full of the Compensation and termination of this Agreement.

19 MISCELLANEOUS

19.1 Governing Law. The validity, construction and performance of this Agreement and all disputes between the parties arising out of this Agreement or as to any matters related to but not covered by this

Agreement shall be governed by the laws, without regard to the laws as to choice or conflict of laws, of the State of Texas, County of Guadalupe.

19.2 Assignment. Neither this Agreement nor any rights under this Agreement may be assigned by any party, other than to a party's affiliate, parent or subsidiary, without the prior written consent of the other party(ies).

19.3 Binding Effect. The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

19.4 Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to confer on any person or entity other than the parties any right or remedy under or by reason of this Agreement.

19.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

19.6 Amendment and Waiver. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties. Any party may in writing waive any provisions of this Agreement to the extent such provision is for the benefit of the waiving party. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by that party of any other party's compliance with provisions of this Agreement. No waiver by any party of a breach of any provision of this Agreement shall be construed as a waiver of any subsequent or different breach, and no forbearance by a party to seek a remedy for noncompliance or breach by another party shall be construed as a waiver of any right or remedy with respect to such noncompliance or breach.

19.7 Venue, Jurisdiction and Process. The parties agree that any non-binding arbitration proceeding arising out of this Agreement or for the interpretation, performance or breach of this Agreement, shall be instituted in Guadalupe County, State of Texas, where the Project is located.

19.8 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

19.9 Preparation of Agreement. All provisions of this Agreement have been subject to full and careful review by and negotiation between CONSULTANT and CLIENT. Each such party has availed itself of such legal advice and counsel as it, respectively, has deemed appropriate. The parties hereto agree that neither one of them shall be deemed to be the drafter or author of this Agreement, and in the event this Agreement is subject to interpretation or construction by a court of law or panel of non-binding arbitration, such court or panel shall not construe this Agreement or any portion hereof against either party as the drafter of this Agreement.

19.10 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties pertaining to the subject matter of this Agreement, and supersedes all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written, of the parties pertaining to that subject matter.

CLIENT

William E. West, Jr.
Signature

William E. West, Jr., General Manager
Name (Printed or Typed)

10/16/2013
Date

Attest

Gary Asbury
Signature

GARY ASBURY
Name (Printed or Typed)

10/16/2013
Date

CONSULTANT

R. Christopher Young
Signature

R. Christopher Young, Vice President
Name (Printed or Typed)

10/3/13
Date

Attest

Mark R. Nelson
Signature

MARK R. NELSON, VICE PRESIDENT
Name (Printed or Typed)

10/3/13
Date

**Attachment A
TASK ORDER COMPENSATION**

1 COMPENSATION

1.1 CLIENT shall pay to CONSULTANT as Compensation on each Task Order at the rates set forth in the rate schedule below.

1.2 Compensation shall include non-salary expenses and outside services attributable to the Project, consisting of:

1.2.1 Living and traveling expenses of employees when away from the home office on business connected with the Services at the rate of 1.05 times actual cost;

1.2.2 The cost of reproduction, printing and binding applicable to the Project; and

1.2.3 The actual cost of outside services and subcontractors at a rate between 1.03 and 1.07 times the actual cost. The rate shall be established on a Task Order by Task Order basis.

1.3 Charges for Services provided by CONSULTANT's approved water quality laboratory shall be in accordance with the published laboratory fee schedule in effect at the time the services are furnished.

1.4 CLIENT will pay CONSULTANT additional compensation for labor and expenses incurred by CONSULTANT in responding to or assisting with any audit required by CLIENT, or any other federal, state and local government agencies. The basis of payment will be the CONSULTANT's normal commercial rate for such services unless otherwise defined by an amendment to this Agreement.

RATE SCHEDULE

1. Services provided by CONSULTANT's personnel in various labor categories will be billed at the following negotiated hourly rates (inclusive of salary, overhead, and fee).
2. The rates provided below shall be in effect from June 24, 2013 to March 31, 2014. Rates and individual salaries will be adjusted annually and effective April 1 of each subsequent year.

<u>Labor Category</u>	<u>Billing Rate</u>
<u>Practice Leader/Subject Expert</u>	<u>\$298.00</u>
<u>Principal/Manager</u>	<u>\$248.00</u>
<u>Supervising Professional</u>	<u>\$188.00</u>
<u>Professional</u>	<u>\$149.00</u>
<u>Associate</u>	<u>\$114.00</u>
<u>Support/Assistant</u>	<u>\$85.00</u>

3. Mileage will be billed at the prevailing IRS rate.

Attachment B

TASK ORDER

This Task Order is made this the ___ day of _____, 20___, by and between _____ ("CLIENT") and MWH Americas, Inc. ("CONSULTANT") pursuant to the terms and conditions set forth in the Master Services Agreement executed between the parties on the ___ day of _____, 20___, ("Agreement"), which incorporated this Task Order by reference.

1. The CONSULTANT Contract Number for this Task Order is _____. The CONSULTANT Job Number for this Task Order is _____. The CONSULTANT Contract Number and Job Number shall be referenced in each invoice submitted by CONSULTANT to CLIENT under this Task Order.

2. The Services to be performed by CONSULTANT under this Task Order are as follows:

3. The Project Schedule is as follows:

4. The Compensation to be paid to CONSULTANT for the performance of the Services under this Task Order is set forth in Appendix I (Compensation), attached hereto and incorporated herein by reference.

5. Deliverables to be provided under this Task Order are as follows:

CLIENT

CONSULTANT

Signature

Signature

Name (Printed or Typed)

Name (Printed or Typed)

Date

Date

Attachment C
CHANGE ORDER

Contract No. _____
Change Order No. _____
Effective Date _____

In accordance with Article 7 of the Master Services Agreement dated _____, 20__
("Agreement") between _____ ("CLIENT") MWH Americas, Inc.
("CONSULTANT"), this Change Order modifies the Agreement as follows:

1. Change _____ in _____ Services:

2. Change in time of Performance (attach schedule if appropriate):

3. Change in _____ CONSULTANT's _____ Compensation:

All other terms and conditions remain unchanged.

CLIENT

CONSULTANT

Signature

Signature

Name (Printed or Typed)

Name (Printed or Typed)

Date

Date

Appendix: Part A6b

Bond Counsel Contract

LAW OFFICE
MCALL, PARKHURST & HORTON L.L.P.

711 NORTH HAYWOOD NINTH FLOOR DALLAS, TEXAS 75201-4567 TELEPHONE 214 704-6696 FACSIMILE 214 751-8229	700N. ST. MARY'S STREET 1225 ONE RIVERWALK PLACE SAN ANTONIO, TEXAS 78209-3509 TELEPHONE 214 225-2449 FACSIMILE 214 225-2394	800 CONGRESS AVENUE 1800 ONE AMERICAN CENTER AUSTIN, TEXAS 78761-3249 TELEPHONE 512 475-3463 FACSIMILE 512 472-0871
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May 13, 2015

Guadalupe-Blanco River Authority
c/o William E. West, Jr., General Manager
933 E. Court Street
Seguin, Texas 78156

**RE: AGREEMENT TO PROVIDE BOND COUNSEL SERVICES TO THE
GUADALUPE-BLANCO RIVER AUTHORITY**

Ladies and Gentlemen:

Thank you for the opportunity to submit this letter which will outline our agreement to provide services as Bond Counsel to the **GUADALUPE-BLANCO RIVER AUTHORITY ("GBRA")** in connection with the issuance of revenue bonds to finance or refinance various public improvements by GBRA (hereinafter generally referred to as the "**Bonds**"). It has been a privilege for our firm to have served as Bond Counsel for GBRA for many years, and we look forward to the opportunity to continue to do so in the future.

SERVICES

In connection with the issuance of a series of Bonds, at the request of GBRA, we will perform all usual and necessary legal services as Bond Counsel. Specifically, we will prepare and direct legal proceedings and perform other necessary legal services with reference to the authorization, sale, and delivery of the Bonds, including the following as they apply:

1. Provide preliminary advice concerning financing structures, potential sources for revenue pledges, and other legal matters related to public finance.
2. Prepare all instruments pursuant to which the Bonds will be authorized, secured, sold, and delivered in consultation with GBRA's staff, the Board of Directors, GBRA's Financial Advisor, and other officials and consultants of GBRA.
3. Attend meetings of the Board of Directors and meetings with GBRA's staff to the extent required or requested.
4. Attend meetings and/or conference calls with the representatives of GBRA and meetings and/or conference calls with the underwriters, rating agencies or bond insurers relating to the Bonds to the extent requested or required.

5. Cooperate with GBRA and its consultants in the preparation of an Official Statement or other offering materials, including review of the information therein describing the Bonds, the security therefor, and the federal income tax status thereof.
6. Submit the documents related to the issuance of the Bonds to the Attorney General of the State of Texas for approval and obtaining the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas, as required by law.
7. Supervise the printing, execution, and delivery of the Bonds to the initial purchasers thereof, or coordinate the preparation of initial Bonds to be delivered to the Depository Trust Company ("DTC") in connection with DTC's book-entry-only system, as applicable.
8. When so delivered, render an opinion regarding the validity of the Bonds under Texas law and the tax exempt status of the interest thereon under federal income tax laws.
9. Provide post-issuance advice, as may be requested by GBRA, concerning such subjects as arbitrage and rebate matters relating to the Bonds and the application of Bond proceeds.

COMPENSATION

Except as noted in the following paragraph, we would propose charging fees for performing services as Bond Counsel for GBRA equal to \$7,500 plus \$1.25 per \$1,000 in principal amount of Bonds issued by GBRA over \$1,000,000 whether sold through a negotiated underwriting, a competitive sale or a private placement and whether the Bonds are issued for "new money" or refunding purposes. For example, based on that proposed fee schedule, our fees as Bond Counsel for a \$10,000,000 bond issue would be \$18,750.

If Bonds issued by GBRA are purchased by the Texas Water Development Board, the United States Department of Agriculture (USDA), or another state or federal agency, we would propose a fee equal to \$10,000 for first \$1,000,000 in principal amount, 1/2 of 1% of the principal amount of the Bonds for next \$4,000,000, and 1/5th of 1% of the principal amount of the Bonds for amounts over \$5,000,000, subject to a minimum fee of \$12,500 for transactions under \$1,000,000, and a minimum fee of \$15,000 for transactions over \$1,000,000.

Our fees are contingent upon the actual delivery of a series of Bonds. No fees will be due the firm in connection with the issuance of a series of Bonds if GBRA does not issue and deliver such Bonds.

We would also request to be reimbursed for reasonable out-of-pocket expenses (i.e., costs for photocopies, telecopies, long distance telephone, overnight courier and delivery services, transcript binding, travel, and publication of required notices, if any) related to the issuance of a series of Bonds, which generally do not exceed \$2,000. In addition, state law requires GBRA to pay a nonrefundable examination fee to the Attorney General in connection with the issuance of a series of Bonds (see Section 1202.004, Texas Government Code, as amended) equal to 1/10th of 1% of the principal amount of the Bonds, subject to a minimum fee of \$750 and a maximum fee of \$9,500. At the appropriate time we will request that GBRA provide a check payable to the Attorney General for such amount, but in the event that our firm pays such statutory filing fee on GBRA's behalf, we will request to be reimbursed for such payment. In any event, GBRA will be able to reimburse itself with proceeds of the Bonds for such payment to the Attorney General.

RECORDS

At your request, papers and property furnished by you will be returned promptly. All complete and final drafts of agreement(s), documents, legal memoranda, correspondence, reports, information and other data given to, prepared or assembled by us in furtherance of work performed on behalf of GBRA, and any other related documents or items, shall become the sole property of GBRA and shall be delivered to GBRA upon request without restriction on future use. We may make copies of any and all documents for our files, at our sole cost and expenses.

CONFLICTS

Our firm represents many political subdivisions and others who do business with political subdivisions. It is possible that during the time that we are representing GBRA, one or more of our present or future clients will have transactions with GBRA. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in other matters with GBRA. We do not believe such representation, if it occurs, will adversely affect our ability to represent GBRA as provided in this correspondence, either because such matters will be sufficiently different from the matter which is the subject of this letter agreement so as to make such representations not adverse to our representation of GBRA, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of this matter. However, in the event we determine there is a conflict of interest or potential conflict of interest after the representation commences, we will immediately notify GBRA in writing.

CONCLUSION

We greatly appreciate the opportunity to serve GBRA as Bond Counsel and to submit this agreement for services. If you have any questions regarding this agreement or if we can provide you with any additional information regarding our firm, please feel free to contact the undersigned.

ACCEPTANCE

If the Board of Directors finds the terms in this letter acceptable, please indicate your acceptance and agreement of this engagement letter by signing on the line provided below.

Cordially yours,


McCALL, PARKHURST & HORTON L.L.P.



By: Thomas K. Spurgeon
Partner

ACCEPTED AND AGREED TO:

GUADALUPE-BLANCO RIVER AUTHORITY

By: 
Title: General Manager
Date: May 20, 2015

W. E. West, Jr.

Appendix: Part A6c

Financial Advisor Contract

FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement (the "Agreement") is made and entered into by and between the Guadalupe-Blanco River Authority ("Issuer") and Specialized Public Finance Inc. ("SPFI") effective as of the date executed by the Issuer as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, except for financings currently in progress, the Issuer desires to obtain the professional services of SPFI to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereafter referred to collectively as "Debt") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, SPFI is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and SPFI, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I

DESCRIPTION OF SERVICES

Upon the request of the Issuer, SPFI agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to SPFI the compensation as provided in Section VI hereof.

1. Financial Planning. Provide financial planning services related to Debt plans and programs.
2. Debt Elements. Provide recommendations regarding Debt under consideration, including such elements as timing, structure, security provisions, and such other provisions as may be appropriate.
3. Method of Sale. Make a recommendation as to an appropriate method of sale, including but not limited to competitive sale, negotiated sale or private/limited offering.
4. Price Fairness. Advise the Issuer as to the fairness of the price offered by the underwriters.

5. Offering Documents. Participate in and direct, as appropriate, the preparation of the offering documents and/or assist bond counsel with same.
6. Auditors. Coordinate verification by an independent auditor of any calculations incident to the Debt, as required.
7. Printing. Coordinate all work incident to printing of the offering documents and other documents required by Issuer.
8. Closing. Provide the Issuer a post sale/closing booklet or update for the Debt and other outstanding debt, as needed.

SECTION II OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, SPFI agrees to make available to the Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and SPFI regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II may require further agreement as to the compensation to be received by SPFI for such services:

1. Call Defeasance and Refunding. Evaluate and advise on exercising any call defeasance and/or refunding of any outstanding Debt.
2. Capital Program Modeling. Evaluate and advise on the development of any capital improvements programs.

SECTION III CONTINUING DISCLOSURE

It is understood and agreed that the Issuer, in connection with the sale and delivery of Debt, will be required to comply with certain continuing disclosure undertakings, including preparation and submission of annual reports (the "annual reports") and reporting of certain specified material events (the "material events") pursuant written undertakings of the Issuer and in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). SPFI shall provide continuing disclosure services on the terms and conditions, for the time period and for the compensation set forth herein.

1. This Agreement shall apply to all Debt delivered subsequent to the effective date of the confirming disclosure undertakings of Issuer and as specified in the Rule, to the extent that any particular issue of Debt does not qualify for exceptions to the continuing disclosure requirements of the Rule.
2. SPFI agrees to perform annual reporting and material event notification duties required by the undertakings of Issuer and the Rule.
3. The fees of SPFI for providing the foregoing continuing disclosure services shall be negotiated annually (not to exceed \$1,000 per similarly-secured type of Debt). The fees of SPFI for providing material event notification services shall be negotiated separately at the time such notifications may be required.

SECTION IV TERM OF AGREEMENT

This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated by either party pursuant to Section V of this Agreement, shall remain in effect thereafter for a period of three (3) years from such date. Unless SPFI or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will automatically renew on the third anniversary of the date hereof for an additional one (1) year period and thereafter will automatically renew on each anniversary date for successive one (1) year periods under the same terms as the initial 3 year period.

SECTION V TERMINATION

This Agreement may be terminated with or without cause by the Issuer or SPFI upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate. In the event of such termination, it is understood and agreed that only the amounts due SPFI for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION VI COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to SPFI for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and SPFI, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which SPFI is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt to the purchaser.

SECTION VII
MISCELLANEOUS

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas. Proper venue for any legal action arising out of this Agreement shall be Guadalupe County, Texas.
2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the issuer and SPFI, their respective heirs, executors, personal representatives, successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.
3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

Specialized Public Finance Inc.

By: 
Managing Director

Guadalupe-Blanco River Authority

By: 
Title: General Manager
Date: June 13, 2014

ATTEST:

Title

APPROVED

LEGAL 

APPENDIX A

Fee Schedule:

Base Fee			
\$ 15,000.00	up to	\$ 5,000,000	
\$ 20,000.00	\$ 5,000,001	\$ 24,999,999	
\$ 25,000.00	\$ 25,000,000	and over	
Plus			
\$2.00	per \$1,000 of par amount issued up to \$50,000,000		
\$1.00	per \$1,000 of par amount issued over \$50,000,001		

The above charges shall be multiplied by 1.25 times for the completion of an application to a federal or state government agency or for the issuance of revenue bonds or refunding bonds, reflecting the additional services required.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specified direction of the Issuer.

The payment of charges for financial advisory services in Section I of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described in Section II of the foregoing Agreement shall be due and payable in accordance with the mutual agreement therefor between SPFI and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable:

- Bond counsel
- Bond ratings
- Computer structuring
- Continuing Disclosure
- Credit enhancement
- Verification agent
- Official statement preparation
- Official statement printing
- Paying agent/registrars/trustee
- Travel related expenses related to ratings or credit enhancement, with prior approval
- Underwriter and underwriters' counsel
- Delivery, copy, conference call charges and other miscellaneous charges

The payment of reimbursable expenses that SPFI has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by SPFI.

Appendix: Part A6d

Certified Public Account Contract



COPY

March 19, 2014

To the Board of Directors and
Mr. William E. West, General Manager
Guadalupe-Blanco River Authority
933 East Court Street
Seguin, Texas 78155

We are pleased to confirm our understanding of the services we are to provide Guadalupe-Blanco River Authority (GBRA) for the year ended August 31, 2014. We will audit the financial statements of the business-type activities of Guadalupe-Blanco River Authority as of and for the year ended August 31, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A) to supplement GBRA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. As part of our engagement, we will apply certain limited procedures to GBRA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Funding Progress – Defined Benefit Pension Plan

We have also been engaged to report on supplementary information other than RSI that accompanies GBRA's financial statements. The financial statements will be prepared as a Comprehensive Annual Financial Report. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining Balance Sheet, Combining Revenue, Expenses, and Changes in Net Assets, and Combining Cash Flows Schedules
2. Bond Amortization Schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory Section
2. Statistical Data

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of GBRA and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that GBRA is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with 1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, 2) additional information that we may request for the purpose of the audit, and 3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatement and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that 1) you are responsible for presentation of the supplementary information in accordance with GAAP; 2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; 3) that the methods of measurement or presentation have not changed from those used in the prior period and 4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of GBRA's compliance with the provisions of applicable laws, regulations, contracts, agreements and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to GBRA; however, management is responsible for distributions of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made for public inspection.

The audit documentation for this engagement is the property of ABIP, P.C. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to your grantor agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of ABIP, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. The parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Guadalupe-Blanco River Authority. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin the preliminary audit procedures in August of 2014. Michael Del Toro is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our quoted hourly rates except that we agree that our gross fee for the audit will not exceed \$39,655. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. We will send you progress billings at the end of each month as the audit proceeds.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment. Our 2011 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Guadalupe-Blanco River Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

ABIP, PC

ABIP, P.C.

RESPONSE: This letter correctly sets forth the understanding of Guadalupe Blanco River Authority.

By: 
Mr. William E. West

Title: General Manager

Date: 10/1

Appendix: Part B17

TWDB-0201 Resolution

GUADALUPE-BLANCO RIVER AUTHORITY RESOLUTION AUTHORIZING FILING OF AN APPLICATION FOR THE TEXAS WATER DEVELOPMENT BOARD'S STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT) PROGRAM FOR FINANCIAL ASSISTANCE

WHEREAS, GUADALUPE-BLANCO RIVER AUTHORITY (GBRA) will file an application with the Texas Water Development Board (TWDB) to secure SWIFT financial assistance for GBRA sponsored regional projects; and

WHEREAS, the drought and anticipated growth in and around the region, is depleting the available water resources in the immediate area and as such new water resources will need to be developed; and

WHEREAS, GBRA has the authority to plan, implement, and operate water facilities within the planning area of the application; and

WHEREAS, GBRA has included the Mid-Basin Project, the Lower Basin Project, the Integrated Water and Power Project, and other projects in the 2011 Region L Water Plan to address water needs in the region; and

WHEREAS, GBRA in coordination with entities in Planning Regions K and N are evaluating an integrated project approach to meeting future water needs in the South Central and Coastal Bend regions of Texas; and

NOW THERE FORE, that the Board of Directors of GBRA does hereby authorize the following:

That W.E. West, Jr., General Manager, be and is hereby designated the authorized representative of GBRA for the purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such Texas Water Development Board's State Water Implementation Fund for Texas (SWIFT) application for financial assistance to provide funding for the GBRA sponsored regional projects.

Adopted, this 17th day of December, 2014.


Oscar H. Fogle
Chair, Board of Directors
Guadalupe-Blanco River Authority

ATTEST:


Rusty Brockman
Secretary, Board of Directors
Guadalupe-Blanco River Authority

Appendix: Part 18

Application Affidavit

TM08-001
Revised 2/27/2014

Application Affidavit (WRO-201)

THE STATE OF TEXAS §
COUNTY OF Guadalupe §
APPLICANT GBRA §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared William E. West as the Authorized Representative of the GBRA, who being by me duly sworn, upon oath says that:

1. the Director by the GBRA (individual, partnership, corporation, jointly) to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meeting Act (Government Code, §§51.001, et seq.) and after providing all such notice as required by such Act as is applicable to the GBRA (individual, partnership, corporation, jointly);

2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the GBRA (individual, city, county, corporation, partnership) has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessments or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write "none"):

4. the GBRA (individual, city, county, corporation, partnership) warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

5. the GBRA (individual, city, county, corporation, partnership) will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.


Official Representative

Title: General Manager

SWORN TO AND SUBSCRIBED BEFORE ME, by W.E. West, Jr.
this 4th day of June, 2015.

NOTARY'S SEAL




Notary Public, State of Texas

Appendix: Part B19

Certificate of Secretary

Application Resolution - Certificate of Secretary (WRD-201b)

THE STATE OF TEXAS §
 COUNTY OF Guadalupe §
 APPLICANT GBRA §

I, the undersigned, Secretary of the GBRA Texas,
 DO HEREBY CERTIFY as follows:

1. That on the 17th day of December, 2014, a regular/special meeting of the Board of Directors of Guadalupe Blanco River Authority was held at a meeting place within the City; the duly constituted members of the GBRA being as follows:

Oscar H. Fogle, Tommy Mathews, Kenneth Motl, Robert "Rusty" Brockman, Grace G. Kunde, Dennis L. Patillo, Don B. Meador, Darrel McLain, and William R. Carbonara.

and all of said persons were present at said meeting, except the following:

Among other business considered at said meeting, the attached resolution entitled:

"A RESOLUTION by the Board of Directors of the GBRA requesting financial participation from the Texas Water Development Board; authorizing the filing of an application for financial participation; and making certain findings in connection therewith."

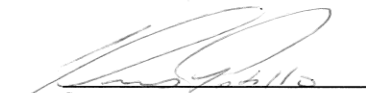
was introduced and submitted to the GBRA for passage and adoption. After presentation and due consideration of the resolution, and upon a motion made by Director Mathews and seconded by Director Patillo, the resolution was duly passed and adopted by the GBRA Board of Directors by the following vote:

All voted "For" voted "Against" abstained

all as shown in the official Minutes of the GBRA for the meeting held on the aforesaid date.

2. That the attached resolution is a true and correct copy of the original on file in the official records of the GBRA; the duly qualified and acting members of the GBRA Board of Directors on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of said meeting was given to each member of the GBRA; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the above entitled resolution, was posted and given in advance thereof in compliance with the provisions of Chapter 551 of the Texas Government Code.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said , this the 5 of January, 2014.


 Secretary

(SEAL)

Appendix: Part B21

Revenue Bond Resolution

- Please see Bond Resolution attachment, adopted June 2015.

TWDB-0201a
Rev 1/3/2014

Application Filing and Authorized Representative Resolution (WRD-201a)

A RESOLUTION by the Board of Directors of the Guadalupe-Blanco River Authority (GBRA) requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE Board of Directors OF THE GBRA

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$ 8,000,000.00 to provide for the costs of environmental permitting and design involving the study of the Integrated Water Power Project.

SECTION 2: That W.E. West, Jr., General Manager be and is hereby designated the authorized representative of the GBRA for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the GBRA before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor:	<u>Steven Adams</u> <u>Specialized Public Finance, Inc.</u> <u>Dallas, Texas</u>
Engineer:	<u>Stefan Shuster</u> <u>MWH Global</u> <u>Austin, Texas</u>
Bond Counsel:	<u>Tom Spurgeon</u> <u>McCall, Parkhurst & Horton, LLP</u> <u>San Antonio, Texas</u>

PASSED AND APPROVED, this the 17 day of June, 2015

ATTEST: [Signature]
Dennis L. Patillo
GBRA Secretary

By: [Signature]
Tommy Mathews
GBRA Chair

(Seal)

Appendix Part B25

Water Conservation Plan

- Please see WCP attachment, adopted April 16, 2014.

LAW OFFICES

MCALL, PARKHURST & HORTON L.L.P.

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

June 16, 2015

Ms. Alexis Lorick
Texas Water Development Board
1700 N. Congress Avenue
Austin, Texas 78701

Re: Guadalupe-Blanco River Authority

Dear Ms. Lorick:

Our firm acts as Bond Counsel to the Guadalupe-Blanco River Authority (the "Authority"), and in that capacity will be preparing the financing documents for, and rendering an approving opinion with respect to, the issuance of bonds to be purchased by the Texas Water Development Board through its State Water Implementation Revenue Fund for Texas revenue bond program. Our firm also acts as Bond Counsel to the Texas Water Development Board on several of its bond programs, including the State Water Implementation Revenue Fund for Texas revenue bond program, and in that capacity we have given the Board advice regarding the ability to issue bonds on a tax-exempt basis to provide the Board the funds that it intends to use to purchase obligations from the Authority. In our capacity as Bond Counsel to the Authority, we will draft the financing documents to accurately reflect the terms of the financing as discussed by the Authority and its financial advisor, who will deal directly with the Texas Water Development Board on this matter. Since we are not representing the Authority in an advocacy capacity with respect to the negotiation of the terms of the loan to Authority by the Board, our representation of the Authority on this matter would not result in our being in a conflict of interest position in respect to our representation of the Board as Bond Counsel. If you wish, I will be happy to discuss this in greater detail at your convenience.

Very truly yours,

MCALL, PARKHURST & HORTON L.L.P.



Jeffrey A. Leuschel

PRIVATE PLACEMENT MEMORANDUM

DATED _____

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Bonds (defined below), Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF BOND COUNSEL.

\$8,000,000

**GUADALUPE-BLANCO RIVER AUTHORITY
GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015 (the “Bonds”)**

Dated: Interest Accrues from Date of Delivery

Due: August 15

Interest Date: Interest on the Bonds will be payable on February 15 and August 15 each year, commencing August 15, 2015 (each an “Interest Payment Date”). The Bonds will bear interest at the rates per annum set forth in “APPENDIX A - MATURITY SCHEDULE.”

Record Date: The close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date, commencing August 15, 2015.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth in “APPENDIX A – MATURITY SCHEDULE”, such interest payable semiannually on February 15 and August 15 of each year until the earliest of maturity or prior redemption, commencing on August 15, 2015.

Redemption: The Bonds are subject to redemption prior to maturity as provided herein. See “THE BONDS - Redemption Provisions” herein.

Authorized Denominations: The Bonds are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof.

Paying Agent/Registrar/Registrar: The paying agent (“Paying Agent/Registrar/Registrar”) for the Bonds is Bank of Texas (BOKF, NA), Austin, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Bonds will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) to which principal, redemption premium, if any, and interest payments on the Bonds will be made. The purchasers of the Bonds will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Bonds will be payable at the designated office of the Paying Agent/Registrar, Bank of Texas (BOKF, NA), Austin, Texas as the same become due and payable.

Issuer: Guadalupe-Blanco River Authority.

Official Action: Resolution Authorizing Bonds dated _____ .

Purpose: See “APPENDIX B - OFFICIAL ACTION.”

Security for the Bonds: See “APPENDIX B - OFFICIAL ACTION.”

Ratings: See “OTHER INFORMATION - Ratings”

Expected Delivery Date: TBD.

See “APPENDIX A - MATURITY SCHEDULE” for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

GUADALUPE-BLANCO RIVER AUTHORITY

<u>Board Members</u>	<u>Title</u>	<u>County Represented</u>	<u>Length of Service</u>
Thomas Mathews II	Chair	Kendall County	5 Years
Rusty Brockman	Vice-Chair	Comal County	5 Years
Dennis Patillo	Secretary/Treasurer	Victoria County	5 Years
William Carbonara	Director	DeWitt County	3 Years
Oscar Fogle	Director	Caldwell County	8 Years
Grace Kunde	Director	Guadalupe County	9 Years
Darrell McLain	Director	Gonzales County	2 Years
Don Meador	Director	Hays County	2 Years
Kenneth Motl	Director	Calhoun County	2 Years

McCall, Parkhurst & Horton, L.L.P., Bond Counsel

Specialized Public Finance Inc., Financial Advisor

Bank of Texas (BOKF, NA), Paying Agent/Registrar

Freese and Nichols, Inc., Project Engineer

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**Private Placement Memorandum
relating to

\$8,000,000
GUADALUPE-BLANCO RIVER AUTHORITY
GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2015 (the “Bonds”)**

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and provides summaries of certain provisions of the “Bonds” pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See “APPENDIX B – “FORM OF OFFICIAL ACTION” attached hereto.

APPENDIX A contains the maturity schedule for the Bonds. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Bonds. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Bonds. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE BONDS

General Description

The Bonds are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Bonds are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Bonds will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in “APPENDIX A - MATURITY SCHEDULE.”

Interest on the Bonds is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Bonds will be payable to the Owners upon presentation and surrender at the principal office of the Paying Agent/Registrar.

Purpose

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

Authority for Issuance

The Bonds are issued pursuant to the Official Action adopted by the Issuer.

Security for the Bonds

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

Redemption Provisions

On August 15, 2025, or on any date thereafter, the Bonds maturing on and after August 15, 2026 may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part in inverse order of maturity, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar will determine by lot the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Bonds to Be Redeemed

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption of the Bonds, notice of proposed amendment to the Official Action or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and deposited with DTC. See APPENDIX B - “FORM OF OFFICIAL ACTION.”

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Estimated Draw Schedule

See “APPENDIX D – DRAW SCHEDULE.”

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Bonds substantially in the form as attached in “APPENDIX C - FORM OF OPINION OF BOND COUNSEL.”

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer's expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Bonds have placed reliance on forward-looking statements. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer's actual results could differ materially from those in such forward-looking statements.

Ratings

No application has been made to any ratings agency or municipal bond insurance company for qualification of the Bonds for ratings or municipal bond insurance, respectively, nor is it anticipated the Issuer would have received an investment grade rating had one been applied for.

LITIGATION

General

On the date of delivery of the Bonds to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Bonds.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Bonds, the security for, or the validity of, the Bonds or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made an agreement for the benefit of the holders and beneficial owners of the Bonds regarding continuing disclosure. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified events, to certain other information vendors. SEE APPENDIX B - "FORM OF OFFICIAL ACTION."

Compliance with Prior Undertakings

During the last five years, the Issuer has complied in all material respects with its continuing disclosure agreements in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Bonds and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

<u>Principal Amount</u>	<u>August 15 Maturity</u>	<u>Interest Rate</u>	<u>Initial Yield</u>	<u>CUSIP No.</u>
\$ 585,000	2024			
595,000	2025			
610,000	2026			
625,000	2027			
635,000	2028			
655,000	2029			
670,000	2030			
685,000	2031			
705,000	2032			
725,000	2033			
745,000	2034			
765,000	2035			

APPENDIX B
FORM OF OFFICIAL ACTION

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

APPENDIX D
DRAW SCHEDULE

Appendix: Part C45 a Guadalupe-Blanco River Authority

Proforma

Pro Forma

FYE 8/31/2015	Operating Revenues	Operating Expenses	Net Revenues	Existing Debt Service	SWIFT Bonds				Total Debt Service	Coverage	Coverage Ratio
					Principal	Coupon	Interest	Total			
2015	13,731,909	9,234,575	\$ 4,497,333	\$ 1,080,059	\$ -		\$ -	\$ -	\$ 1,080,059	\$ 3,417,274	4.1640
2016	13,859,085	9,326,921	4,532,164	1,080,959	-		-	-	1,080,959	3,451,204	4.1927
2017	13,987,532	9,420,190	4,567,342	1,081,259	-		-	-	1,081,259	3,486,083	4.2241
2018	14,117,265	9,514,392	4,602,872	1,081,109	-		-	-	1,081,109	3,521,763	4.2575
2019	14,248,294	9,609,536	4,638,758	1,090,001	-		-	-	1,090,001	3,548,757	4.2557
2020	14,380,634	9,705,632	4,675,002	1,087,526	-		-	-	1,087,526	3,587,476	4.2987
2021	14,514,297	9,802,688	4,711,609	1,088,779	-		-	-	1,088,779	3,622,830	4.3274
2022	14,649,297	9,900,715	4,748,582	1,088,604	-		-	-	1,088,604	3,659,978	4.3621
2023	14,785,647	9,999,722	4,785,925	1,094,398	-		-	-	1,094,398	3,691,527	4.3731
2024	14,923,360	10,099,719	4,823,641	1,093,006	585,000	2.05%	203,371	788,371	1,881,377	2,942,264	2.5639
2025	15,062,451	10,200,716	4,861,734	1,093,784	595,000	2.13%	191,390	786,390	1,880,174	2,981,560	2.5858
2026	15,202,932	10,302,724	4,900,208	1,092,478	610,000	2.26%	178,747	788,747	1,881,224	3,018,984	2.6048
2027	15,344,818	10,405,751	4,939,067	1,098,752	625,000	2.36%	164,954	789,954	1,888,706	3,050,361	2.6151
2028	15,488,123	10,509,808	4,978,315	787,241	635,000	2.47%	150,186	785,186	1,572,426	3,405,888	3.1660
2029	15,632,861	10,614,906	5,017,955	780,960	655,000	2.57%	134,482	789,482	1,570,442	3,447,513	3.1952
2030	15,779,047	10,721,055	5,057,991	368,999	670,000	2.63%	117,668	787,668	1,156,668	3,901,324	4.3729
2031	15,926,694	10,828,266	5,098,428		685,000	2.68%	100,074	785,074	785,074	4,313,354	6.4942
2032	16,075,818	10,936,549	5,139,269		705,000	2.73%	81,737	786,737	786,737	4,352,533	6.5324
2033	16,226,433	11,045,914	5,180,519		725,000	2.76%	62,504	787,504	787,504	4,393,015	6.5784
2034	16,378,554	11,156,373	5,222,181		745,000	2.80%	42,480	787,480	787,480	4,434,701	6.6315
2035	16,532,196	11,267,937	5,264,260		765,000	2.83%	21,650	786,650	786,650	4,477,610	6.6920
Total				<u>\$ 16,087,913</u>	<u>\$ 8,000,000</u>		<u>\$ 1,449,242</u>	<u>\$ 9,449,242</u>	<u>\$ 25,537,155</u>		

Appendix: Part C45a

Estimated Debt Service

Guadalupe-Blanco River Authority

Estimated Debt Service

Deferred Loan Structure

FYE 8/31	SWIFT Loan			
	Principal	Coupon	Interest	Total
2015		-		-
2016		-		-
2017		-		-
2018		-		-
2019		-		-
2020		-		-
2021		-		-
2022		-		-
2023		-		-
2024	585,000.00	2.05%	203,371.06	788,371.06
2025	595,000.00	2.13%	191,390.26	786,390.26
2026	610,000.00	2.26%	178,746.50	788,746.50
2027	625,000.00	2.36%	164,954.40	789,954.40
2028	635,000.00	2.47%	150,185.66	785,185.66
2029	655,000.00	2.57%	134,482.10	789,482.10
2030	670,000.00	2.63%	117,668.26	787,668.26
2031	685,000.00	2.68%	100,074.06	785,074.06
2032	705,000.00	2.73%	81,736.60	786,736.60
2033	725,000.00	2.76%	62,504.20	787,504.20
2034	745,000.00	2.80%	42,479.70	787,479.70
2035	765,000.00	2.83%	21,649.50	786,649.50
	<u>8,000,000.00</u>		<u>1,449,242.30</u>	<u>9,449,242.30</u>

Appendix: Part C46

Five Year Comparative Operating Statement

GUADALUPE-BLANCO RIVER AUTHORITY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FISCAL YEARS ENDED AUGUST 31, 2014, 2013, 2012, 2011, and 2010

	2014	2013	2012	2011	2010
REVENUE					
Power Sales.....	\$ 3,032,418	\$ 3,548,940	\$ 3,979,015	\$ 4,192,271	\$ 4,040,510
Water Sales and Lake Operations.....	34,316,750	34,252,743	33,081,820	31,615,931	31,054,841
Recreation and Land Use.....	766,399	774,504	747,666	665,450	568,247
Waste Water Treatment Services.....	3,830,673	3,649,643	3,556,848	4,273,817	6,107,928
Laboratory Services.....	842,643	800,922	823,466	736,451	759,958
Rental.....	385,493	352,641	363,753	357,296	358,802
Miscellaneous.....	4,382,883	1,686,873	2,084,089	1,808,498	1,627,413
Total Operating Revenue.....	47,557,259	45,066,266	44,636,657	43,649,714	44,517,699
EXPENSES					
Personnel Operating Costs.....	10,669,145	9,983,897	9,679,527	9,454,599	9,942,404
Operating Supplies and Services.....	14,675,651	14,111,633	13,291,466	13,340,648	13,288,880
Maintenance and Repairs.....	4,808,404	4,398,941	4,071,712	4,272,751	4,416,585
Depreciation and Amortization.....	6,273,761	7,279,816	5,847,241	6,136,748	6,127,100
Total Operating Expenses.....	36,426,961	35,774,287	32,889,946	33,204,746	33,774,969
Operating Income.....	11,130,298	9,291,979	11,746,711	10,444,968	10,742,730
NONOPERATING REVENUES (EXPENSES)					
Grant Income.....	1,030,613	681,223	563,047	549,534	430,424
Investment Income.....	276,151	117,304	146,506	288,242	237,079
Gain (Loss) on the Disposal of Capital Assets.....	8,981	4,560	(122,715)	(1,748,901)	16,790
Interest Expense.....	(5,059,003)	(6,711,171)	(6,684,592)	(6,812,918)	(7,184,205)
Total Nonoperating Revenues (Expenses).....	(3,743,258)	(5,908,084)	(6,097,754)	(7,724,043)	(6,499,912)
Income Before Recognition of Deferrals.....	7,387,040	3,383,895	5,648,957	2,720,925	4,242,818
Capital Contributions.....	-	-	-	-	414,096
Costs (Revenue) to be Recognized in Future Years.....	(1,526,940)	2,464,710	(886,614)	(534,847)	(1,015,402)
Income Before Special Items.....	5,860,100	5,848,605	4,762,343	2,186,078	3,641,512
SPECIAL ITEMS					
Costs Associated with the Whooping Crane Endangered Species Lawsuit.....	(239,080)	(1,024,963)	(2,970,725)	(1,994,934)	(1,195,792)
Change in Net Position.....	5,621,020	4,823,642	1,791,618	191,144	2,445,720
Net Position at September 1, XXXX.....	71,706,938	66,883,296	65,091,678	64,900,534	61,954,814
Restatement of Net Assets.....	-	-	-	-	500,000
Net Position at August 31, XXXX.....	\$ 77,327,958	\$ 71,706,938	\$ 66,883,296	\$ 65,091,678	\$ 64,900,534

Appendix: Part C47

Annual Audit



November 19, 2014

To the Board of Directors
Guadalupe-Blanco River Authority

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Guadalupe-Blanco River Authority for the year ended August 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 18, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Guadalupe-Blanco River Authority are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by Guadalupe-Blanco River Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the governmental activities and the general fund financial statements were:

Management's estimate of depreciation is based on historical experience. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 19, 2014.

Appendix: Part C47

Annual Audit

Management Consultations with Other Independent Accountant

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Guadalupe-Blanco River Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Guadalupe-Blanco River Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

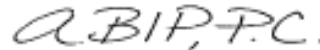
Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a GAAP Basis-General Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Guadalupe-Blanco River Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



ABIP, P.C.
San Antonio, Texas
November 19, 2014

*Guadalupe-Blanco River Authority
Combining Income and Expenses*

April 30, 2015

Appendix: Part C47

Interim Financial Information

	CURRENT			YEAR TO DATE		
	ACTUAL	BUDGET	% DIFF	ACTUAL	BUDGET	% DIFF
REVENUE						
Pollution & Industrial Financing	\$ --	\$ --	--	\$ --	\$ --	--
Power Sales	226,685	316,612	-28%	1,453,360	2,532,898	-43%
Water Sales and Lake Operations	2,883,461	2,949,253	-2%	23,198,917	23,185,342	0%
Recreation and Land Use	63,296	67,875	-7%	401,543	519,480	-23%
Wastewater Services	340,652	372,549	-9%	2,940,755	2,980,391	-1%
Laboratory Services	80,951	72,500	12%	577,232	580,000	0%
Rental Income	21,044	21,419	-2%	268,222	268,313	0%
Administrative and General	237,213	239,500	-1%	1,817,697	1,916,003	-5%
Interest Income	26,445	14,213	86%	100,319	113,701	-12%
Gain (Loss) on Cap. Assets	--	--	--	--	--	--
Miscellaneous	484,921	226,200	114%	2,515,966	1,797,823	40%
Total Revenue	4,364,669	4,280,122	2%	33,274,012	33,893,952	-2%
EXPENSES						
Operating Expenses	2,241,349	2,085,820	7%	16,764,448	16,661,188	1%
Maintenance and Repairs	481,857	478,280	1%	2,679,177	3,826,238	-30%
Administrative and General	227,701	225,392	1%	1,746,105	1,803,133	-3%
Interest Expense	377,563	425,928	-11%	3,067,437	3,407,424	-10%
Total Expenses	3,328,470	3,215,419	4%	24,257,168	25,697,983	-6%
Net Operating Revenues	1,036,198	1,064,702		9,016,844	8,195,969	
Depreciation and Amortization	466,126	--		3,755,482	--	
Contributed Capital	--	--		--	--	
Net Income	570,073	1,064,702		5,261,362	8,195,969	
Deferred Revenues	(88,306)	--		(706,451)	--	
NET INCOME TRANSFERRED TO RETAINED EARNINGS	\$ 481,766	\$ 1,064,702		\$ 4,554,911	\$ 8,195,969	

Appendix: Part C49

Schedule

Guadalupe-Blanco River Authority Existing Debt Service

Fiscal Year End 31-Aug	Series 2011 ⁽¹⁾				Series 2012 ⁽²⁾				Total		
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Interest	Total
2015	470,000.00	3.00%	\$ 347,456.26	\$ 817,456.26	\$ 225,000.00	0.00%	\$ 37,603.00	\$ 262,603.00	\$ 695,000.00	\$ 385,059.26	\$ 1,080,059.26
2016	490,000.00	3.00%	333,356.26	823,356.26	220,000.00	0.00%	37,603.00	257,603.00	710,000.00	370,959.26	1,080,959.26
2017	505,000.00	3.00%	318,656.26	823,656.26	220,000.00	0.00%	37,603.00	257,603.00	725,000.00	356,259.26	1,081,259.26
2018	520,000.00	4.00%	303,506.26	823,506.26	220,000.00	0.14%	37,603.00	257,603.00	740,000.00	341,109.26	1,081,109.26
2019	545,000.00	4.00%	282,706.26	827,706.26	225,000.00	0.30%	37,295.00	262,295.00	770,000.00	320,001.26	1,090,001.26
2020	565,000.00	4.00%	260,906.26	825,906.26	225,000.00	0.51%	36,620.00	261,620.00	790,000.00	297,526.26	1,087,526.26
2021	590,000.00	4.00%	238,306.26	828,306.26	225,000.00	0.70%	35,472.50	260,472.50	815,000.00	273,778.76	1,088,778.76
2022	615,000.00	3.63%	214,706.26	829,706.26	225,000.00	0.85%	33,897.50	258,897.50	840,000.00	248,603.76	1,088,603.76
2023	640,000.00	3.75%	192,412.50	832,412.50	230,000.00	1.04%	31,985.00	261,985.00	870,000.00	224,397.50	1,094,397.50
2024	665,000.00	4.00%	168,412.50	833,412.50	230,000.00	1.14%	29,593.00	259,593.00	895,000.00	198,005.50	1,093,005.50
2025	690,000.00	4.13%	141,812.50	831,812.50	235,000.00	1.21%	26,971.00	261,971.00	925,000.00	168,783.50	1,093,783.50
2026	720,000.00	4.25%	113,350.00	833,350.00	235,000.00	1.33%	24,127.50	259,127.50	955,000.00	137,477.50	1,092,477.50
2027	755,000.00	4.38%	82,750.00	837,750.00	240,000.00	1.45%	21,002.00	261,002.00	995,000.00	103,752.00	1,098,752.00
2028	475,000.00	4.63%	49,718.76	524,718.76	245,000.00	1.76%	17,522.00	262,522.00	720,000.00	67,240.76	787,240.76
2029	495,000.00	4.63%	27,750.00	522,750.00	245,000.00	1.66%	13,210.00	258,210.00	740,000.00	40,960.00	780,960.00
2030	105,000.00	4.63%	4,856.26	109,856.26	250,000.00	1.76%	9,143.00	259,143.00	355,000.00	13,999.26	368,999.26
Total	\$ 8,845,000.00		\$ 3,080,662.60	\$ 11,925,662.60	\$ 3,695,000.00		\$ 467,250.50	\$ 4,162,250.50	\$ 12,540,000.00	\$ 3,547,913.10	\$ 16,087,913.10

(1) - Bonds were sold in the public market.

(2) - Bonds were sold to the Texas Water Development Board.

Appendix: Part C52

Raw Water Contract Example

CONTRACT FOR RAW WATER SERVICE

This Contract for Raw Water Service (this "Contract") is entered into as of _____, 2015 between Guadalupe-Blanco River Authority, a conservation district and political subdivision of the State of Texas ("GBRA"), and _____, ("Purchaser").

For and in consideration of the mutual promises, obligations, and benefits hereinafter set forth, GBRA and Purchaser agree as follows:

1. QUANTITY. GBRA agrees to furnish Purchaser, at the Point of Diversion (hereinafter defined), during the term of this Contract, untreated water from conservation storage in Canyon Reservoir under Certificate of Adjudication 18-2074, as amended, in such quantity as may be required by Purchaser, not to exceed acre feet per year (the "Annual Commitment"), to be used for purposes. GBRA may also furnish untreated water under the terms and conditions of this Contract from any source or combination of sources that may be available to GBRA on a firm-yield basis including without limitation, run-of-river flows of the Guadalupe River under new water rights or amendments to existing water rights, and water obtained from sources other than surface waters of the Guadalupe River Basin. Upon request, Purchaser shall provide to GBRA information reasonably necessary to demonstrate its requirements for the quantities of water to be furnished pursuant to this Contract.

2. POINT OF DIVERSION AND PLACE OF USE. The water will be furnished at a point in _____ County (the "Point of Diversion") described as follows: _____.

The maximum rate of diversion at the Point of Diversion shall not exceed gallons per minute (cubic feet/second). The vicinity map attached hereto as Exhibit "A" shows the Point of Diversion and place of use. Certificate of Adjudication 18-2074, as amended, authorizes GBRA to use the bed and banks of the Guadalupe River to convey water released from Canyon Reservoir to the Point of Diversion. The water diverted under this Contract may not be leased or resold in any manner by Purchaser, and it may not be used outside of GBRA's ten-county statutory district.

3. ANNUAL PAYMENTS. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, upon execution of this Contract by Purchaser, and thereafter not later than the thirty-first (31st) day of January in each succeeding year during the term of this Contract, an amount of money equal to the Annual Commitment multiplied by the then applicable rate for firm water supplied pursuant to this Contract (the "Firm Water Rate"). Purchaser agrees that the Firm Water Rate is a rate charged pursuant to this Contract. The payment due upon execution of this Contract shall be based upon the current Firm Water Rate of \$130.00 per acre-foot per year. GBRA shall submit to Purchaser not later than the fifth day of January of each year during the term of this Contract an invoice for the payment due the thirty-first day of January of that year.

4. ANNUAL ADJUSTMENT. Purchaser agrees to pay GBRA at its office in Guadalupe County, Texas, or such other place as GBRA may designate in writing, not later than the thirty-first day of January of each year, a dollar amount equal to the Firm Water Rate times the number of acre-feet

Appendix: Part C52

Raw Water Contract Example

by which the total amount of water diverted at the Point of Diversion in the previous calendar year exceeds the Annual Commitment, provided, however, that nothing in this section shall be construed as obligating GBRA to supply in any year more water than the Annual Commitment.

5. ADJUSTMENT OF FIRM WATER RATE. The Firm Water Rate may be adjusted by GBRA at any time and from time to time. If GBRA desires to adjust the Firm Water Rate, it shall, at least sixty (60) days prior to the first day on which the adjustment is proposed to become effective, give written notice of the proposed adjustment to Purchaser.

6. METERING. Purchaser shall furnish, install, operate and maintain at its own expense at the Point of Diversion a measuring device or devices to measure the quantity of water diverted by Purchaser within five percent (5%) above or below the amount actually diverted. All measuring devices shall be subject at all reasonable times to inspection, examination and testing by an employee or agent of GBRA. Any measuring device which fails to function or which functions incorrectly shall, at Purchaser's expense, promptly be adjusted, repaired or replaced by a like device having the required accuracy. GBRA may, at its expense, install and maintain such measuring devices as it deems appropriate to measure the quantity of water diverted by Purchaser at the Point of Diversion, in which case measurement of water shall be made by GBRA's measuring devices. Purchaser shall read the metering equipment monthly at or near the first day of each month, and shall maintain records of such readings. Purchaser shall furnish GBRA by the first day of each month an estimate of the total amount of water to be diverted that month, as well as the amount actually diverted during the previous month. GBRA agrees to complete and file with the Texas Commission on Environmental Quality (or its successor) all reports of water used by Purchaser.

7. QUALITY. The water to be supplied hereunder shall be untreated water as it occurs in the Guadalupe River at the Point of Diversion.

8. REGULATORY REQUIREMENTS. This Contract is subject to all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having jurisdiction. This Contract is specifically subject to all applicable sections of the Texas Water Code and the rules of the Texas Commission on Environmental Quality, or any successor agency.

9. CONSERVATION AND DROUGHT MANAGEMENT PLANS. Purchaser agrees to provide to the maximum extent practicable for the conservation of water. Purchaser further agrees to assist GBRA in implementing water conservation and drought management plans applicable to the use of water from Canyon Reservoir or other sources of supply. Purchaser shall develop and implement a water conservation and drought management plan applicable to its use of all water supplied under this Contract. Any such plan shall at all times meet all requirements of all applicable laws and regulations, and all reasonable requirements of GBRA, including but not limited to the requirement to implement conservation-oriented water rates.

10. ALLOCATION DURING DROUGHT. During drought conditions or in any other condition when water cannot be supplied to meet the demands of all customers, the water to be distributed shall be divided by GBRA among all its customers pro rata, according to the amount

Appendix: Part C52

Raw Water Contract Example

each may be entitled to, subject to reasonable conservation and drought management plans and requirements based on particular purposes of use of the water, so that preference is given to no one and everyone suffers alike.

11. ASSIGNMENT. Except as specifically provided otherwise below, Purchaser may not assign this Contract without the prior written consent of GBRA. Without obtaining GBRA's consent, Purchaser may assign this Contract to the U. S. Department of Agriculture-Rural Development. Any successor or assign of GBRA shall succeed to the rights and obligations of GBRA hereunder.

12. CAPTIONS. All titles of the sections of this Contract have been inserted for convenience of reference only and are not considered a part of this Contract and in no way shall they affect the interpretation of any provisions of this Contract.

13. TERMINATION. Purchaser may terminate this Contract at any time for any reason by giving GBRA written notice of termination ninety (90) days prior to the date of termination. If Purchaser fails to pay any amounts payable under this Contract when due and payable, GBRA may give written notice of such delinquency to Purchaser, and if all amounts due and unpaid, including interest thereon from the date payment was due at maximum legal rates, are not paid within thirty days after delivery of such notice, then GBRA may, at its option, institute suit for the collection thereof and utilize such other remedies as may exist to collect any amounts due and unpaid, together with interest thereon at the maximum legal rate and attorney's fees. In addition to all other remedies, GBRA may, at its option, if such amounts are not paid within said thirty day period, terminate this Contract without recourse.

14. TERM. This Contract shall terminate on _____ unless it is terminated earlier pursuant to the provisions hereof.

15. NOTICE. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given on the date of service if served personally, or three (3) days after the date of mailing if mailed, by first class mail, registered or certified, postage prepaid and addressed as follows:

For PURCHASER:

For GBRA:

Guadalupe-Blanco River Authority
933 East Court Street
Seguin, Texas 78155
FAX: 830-401-0991

Any notices served by fax shall be deemed to have been given and received only when written confirmation of the receipt of such fax has been received by the sender. Any Party hereto may, at any time by giving fifteen (15) days' written notice to the other Party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given.

Appendix: Part C52

Raw Water Contract Example

16. AGREEMENT. This Contract constitutes the entire agreement of the Parties and supersedes any and all prior negotiations, correspondence, understandings, and agreements between the Parties respecting the subject matter hereof. Neither this Contract nor any of its terms may be changed or modified, waived, or terminated (unless as otherwise provided hereunder) except by an instrument in writing signed by an authorized representative of the Party against whom the enforcement of the change, waiver, or termination is sought.

17. SEVERABILITY. If a court of competent jurisdiction determines that any term of this Contract is invalid or unenforceable to any extent under applicable law, the remainder of this Contract (and the application of this Contract to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

18. IMMUNITY. No provision of this Contract shall affect or waive any sovereign or governmental immunity available to a Party and/or its elected officials, officers, employees and agents under Federal or Texas law nor waive any defenses or remedies at law available to a Party and/or its elected officials, officers, employees and agents under Federal or Texas law.

19. GOVERNING LAW/VENUE. This Contract is entered into under and pursuant to, and is to be construed and enforceable in accordance with the laws of the State of Texas, without regard to its conflict of laws principles. Exclusive venue shall be in a court of competent jurisdiction in Guadalupe County, Texas.

20. DUE AUTHORIZATION, BINDING OBLIGATION, NO APPROVALS REQUIRED. This Contract has been duly authorized, executed and delivered by all necessary action of Purchaser, and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms. No further approval, authorization, order or consent of, or declaration, registration or filing is required for the valid execution and delivery of this Contract by Purchaser or for the performance of any payment or other obligation by Purchaser.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed in multiple counterparts, each of which shall constitute an original.

Appendix: Part C52

Raw Water Contract Example

Guadalupe-Blanco River Authority

By _____
General Manager

Attest:

Purchaser

By _____

_____ Address

_____ City, State, Zip

_____ Telephone No.

Attest:

Appendix: Part C52

Raw Water Contract Example

THE STATE OF TEXAS §

COUNTY OF GUADALUPE §

BEFORE ME, the undersigned, a Notary Public in and for said State, on this day personally appeared William E. West, Jr., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the GUADALUPE-BLANCO RIVER AUTHORITY, a conservation district and political subdivision, and that he executed the same as the act of such conservation district and political subdivision for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2014.

Notary Public
The State of Texas

THE STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2014.

Notary Public
The State of Texas

Appendix: Part C52

Letter of Support



Formosa Plastics®

Formosa Plastics Corporation, Texas
201 Formosa Drive • P.O. Box 700
Point Comfort, TX 77978
Telephone: (361)-987-7000
Fax: (361)-987-2721

April 01, 2015

Mr. W.E. West, Jr.
General Manager
Guadalupe-Blanco River Authority
933 East Court Street
Sequin, Texas 78155

RE: Letter of Intent to Purchase Water – Lower Guadalupe Basin Water Projects

Dear Mr. West,

The last several years have been eventful ones for the Texas coast. As you know, the persistent drought has placed significant stress on the water supplies available to coastal farmers, coastal industries and coastal cities. It has also underscored need for creative planning and the implementation of creative solutions to meet current and future water needs.

At the same time, there is now great opportunity for the growth of industry and seagoing trade on the Texas coast due to a number of factors. The Texas coast and the Texas economy are poised for significant expansion. What is needed is a reliable supply of water.

We are aware of the efforts by the Guadalupe-Blanco River Authority (GBRA) to create a future hedge against drought and to address future water needs on the Texas coast through its Lower Basin Storage Project and its Integrated Water Power Project (IWPP).

Our company has been proud to be a part of the Texas coastal community for some time, providing jobs for Texans and supporting local institutions. We are poised to be part of the bright future coming to the Texas coast and to grow with Texas.

To that end, we expect to have needs to additional water supplies, up to 30,000 additional acre-feet of water per year. It is our intent to:

1. Discuss terms under which water from GBRA's Lower Guadalupe Basin water projects may be supplied to our company.



Appendix: Part C52

Letter of Support

2. Cooperate with GBRA where possible to support legislative and regulatory initiatives needed to promote the development of needed water supplies for the Texas coast.

We look forward to working with GBRA to accomplish these goals and we support your efforts.

Sincerely,



R.P. Smith
Vice President/General Manager

Cc: Walter Chen
Jack Wu
Rick Crabtree
Mike River

Appendix: Part C52

Memorandum of Understanding

Memorandum of Understanding Between the City of Corpus Christi and the Guadalupe-Blanco River Authority

WHEREAS, the City of Corpus Christi, Texas (“City”) is a home-rule municipal corporation created under the authority of the Constitution of the State of Texas; and

WHEREAS, the Guadalupe-Blanco River Authority (“GBRA”) is a conservation and reclamation district created under the authority of Article 16, Section 59 of the Constitution of the State of Texas, consisting of that part of the State of Texas lying within the boundaries of Kendall, Hays, Comal, Guadalupe, Caldwell, Gonzales, DeWitt, Victoria, Refugio, and Calhoun Counties; and

WHEREAS, the City, and GBRA (collectively, the “Project Partners”) recognize that many parts of Texas, including portions in their respective service areas, are experiencing rapid growth, both in population and in the number of businesses and industries locating therein, which have significantly increased the need for water; and

WHEREAS, the persistent drought in Texas underscores the need for creative planning and the implementation of creative solutions to meet current and future water needs; and

WHEREAS, the Project Partners recognize they can best serve their respective basins by long-term planning efforts and initiatives that will focus, where appropriate, on solutions to water needs that are regional or that transcend their service area boundaries; and

WHEREAS, the Project Partners recognize that cooperative efforts are necessary to secure firm, long-term drought-proof water supplies for the contiguous Coastal Bend, which stretches along the Texas coast from Brazoria to Nueces County; and

WHEREAS, the Project Partners recognize the potential that seawater from the Gulf of Mexico represents for a limitless, drought-proof source of water supply and have taken the lead in efforts to bring seawater desalination to Texas.

NOW, THEREFORE, the Project Partners agree to institute long-term regional and trans-boundary planning processes and initiatives to address the water needs in areas of mutual concern, as follows:

ARTICLE I OBJECTIVES AND ACTIONS

Within their contiguous and proximate areas, the Project Partners shall:

1.1 Work to identify additional Project Partners and areas which may be best served by joint effort or regional or trans-boundary projects, including seawater desalination;

Appendix: Part C52

Memorandum of Understanding

1.2 Identify sources of water, funding, and other resources that would be the most efficient resources for such projects, including seawater desalination;

1.3 Identify sources of water supply, including but not limited to water rights held by GBRA that could be integrated into a regional distribution system that would be the most efficient and cost-effective means of funding and developing regional or trans-boundary projects;

1.4 Develop criteria for joint planning efforts;

1.5 Gather and share data as they deem appropriate to the purposes of the Memorandum of Understanding;

1.6 Within the limits of each Project Partners' statutory authority and where appropriate to the purposes of this Memorandum of Understanding, carry out joint planning, financing, construction, and operation of cooperative, regional or inter-territorial projects; and,

1.7 Cooperate in the legislative and regulatory processes to address the issues necessary to carrying out the purposes of this Memorandum of Understanding.

ARTICLE II GENERAL PROVISIONS

2.1 The Effective Date of this Memorandum of Understanding shall be date when the last signer below is shown to have signed the Memorandum.

2.2 The City Council or Board of Directors of each Project Partner shall review the accomplishments made under this Memorandum of Understanding and the desirability of its continued existence every four years; provided, however, that any of the undersigned Project Partners may withdraw from this Memorandum at any time by giving not less than 30 days written notice of withdrawal to the other Project Partners. If there is more than one Project Partner, then in the event of the withdrawal of one signatory Project Partners, this Memorandum will remain in force and effect between the remaining signatory authorities unless terminated.

2.3 This Memorandum of Understanding anticipates the addition, by mutual agreement, of additional Project Partners on such terms and conditions as the current Project Partners agree; provided, however, that any of the undersigned Project Partners may withdraw from this Memorandum at any time by giving not less than 30 days written notice of withdrawal to the other Project Partners. If there is more than one Project Partner, then in the event of the withdrawal of one signatory Project Partners, this Memorandum will remain in force and effect between the remaining signatory authorities unless terminated.

Appendix: Part C52

Memorandum of Understanding

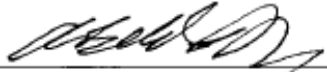
WITNESS OUR SIGNATURES on the dates indicated below:

The City of Corpus Christi

By: 
RONALD L. OLSON, City Manager

Date Signed: 7/18/14

Guadalupe-Blanco River Authority


By: 
W.E. WEST, JR., General Manager

Date Signed: 6-18-2014

By: 
OSCAR H. FOGLE, Board Chair

Date Signed: 6-18-2014

ATTEST: 
REBECCA HUERTA
CITY SECRETARY

Res. 030224
BY COUNCIL 7/15/14

SECRETARY

Appendix: Part C52

Memorandum of Understanding



City of
Corpus
Christi

**ENVIRONMENTAL &
STRATEGIC INITIATIVES**

P.O. Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3245
www.cctexas.com

RECEIVED
AUG . 7 2014
GBRA - Seguin Office

August 4, 2014


James Lee Murphy, Esq.
Executive Manager, Water Resource & Utility Operations
933 East Court Street
Seguin, Texas 78155

Dear Mr. Murphy,

Please find enclosed for your records a fully executed Memorandum of Understanding instrument between the City of Corpus Christi and the Guadalupe-Blanco River Authority.

We very much look forward to working together with you and your staff for cooperative and comprehensive water supply solutions to benefit the citizens of our region and state.

Sincerely yours,



William J. Green, P.E.
Interim Director
Environmental & Strategic Initiatives

WJG/sr
Enclosure

CC: ESI File

Appendix: Part C52

Memorandum of Understanding

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WHEREAS, the City of Corpus Christi, Texas ("City") is a home-rule municipal corporation created under the authority of the Constitution of the State of Texas; and

WHEREAS, the Guadalupe-Blanco River Authority ("GBRA") is a conservation and reclamation district created under the authority of Article 16, Section 59 of the Constitution of the State of Texas, consisting of that part of the State of Texas lying within the boundaries of Kendall, Hays, Comal, Guadalupe, Caldwell, Gonzales, DeWitt, Victoria, Refugio, and Calhoun Counties; and

WHEREAS, the City, and GBRA (collectively, the "Project Partners") recognize that many parts of Texas, including portions in their respective service areas, are experiencing rapid growth, both in population and in the number of businesses and industries locating therein, which have significantly increased the need for water; and

WHEREAS, the persistent drought in Texas underscores the need for creative planning and the implementation of creative solutions to meet current and future water needs; and

WHEREAS, the Project Partners recognize they can best serve their respective basins by long-term planning efforts and initiatives that will focus, where appropriate, on solutions to water needs that are regional or that transcend their service area boundaries; and

WHEREAS, the Project Partners recognize that cooperative efforts are necessary to secure firm, long-term drought-proof water supplies for the contiguous Coastal Bend, which stretches along the Texas coast from Brazoria to Nueces County; and

WHEREAS, the Project Partners recognize the potential that seawater from the Gulf of Mexico represents for a limitless, drought-proof source of water supply and have taken the lead in efforts to bring seawater desalination to Texas.

NOW, THEREFORE, the Project Partners agree to institute long-term regional and trans-boundary planning processes and initiatives to address the water needs in areas of mutual concern, as follows:

ARTICLE I OBJECTIVES AND ACTIONS

Within their contiguous and proximate areas, the Project Partners shall:

1.1 Work to identify additional Project Partners and areas which may be best served by joint effort or regional or trans-boundary projects, including seawater desalination;

Appendix: Part C52

Memorandum of Understanding

ARTICLE I OBJECTIVES AND ACTIONS

Within their Contiguous and Proximate Areas, the Authorities shall:

1.1 Work to identify areas that may be best served by joint effort, or regional or trans-boundary water supply projects;

1.2 Identify sources of water, funding, and other resources that would be the most efficient resources for such projects;

1.3 Develop criteria for joint water supply planning efforts;

1.4 Gather and share data as they deem appropriate to the purposes of the Memorandum of Understanding;

1.5 Within the limits of each Authority's statutory authority and where appropriate to the purposes of this Memorandum of Understanding, carry out joint planning, financing, construction, and operation of cooperative, regional or inter-territorial water supply projects; and,

1.6 Cooperate in the legislative and regulatory processes to address the issues necessary to carrying out the purposes of this Memorandum of Understanding.

ARTICLE II GENERAL PROVISIONS

2.1 The Effective Date of this Memorandum of Understanding shall be date when the last signer below is shown to have signed the Memorandum.

2.2 The Boards of Directors of each Authority shall review the accomplishments made under this Memorandum of Understanding and the desirability of its continued existence every five years; provided, however, that either of the undersigned Authorities may withdraw from this Memorandum by giving not less than 30 days written notice of withdrawal to the other Authority, and upon such withdrawal this Memorandum will terminate.

2.3 Each Authority shall specifically delineate its respective Contiguous and Proximate Areas to which this Memorandum of Agreement shall apply,

2.4 Nothing in this Memorandum will limit the ability of either Authority to pursue water supply planning and water resource development within their respective service area boundaries.

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Memorandum of Understanding

Memorandum of Understanding Between the City of Corpus Christi and the Guadalupe-Blanco River Authority

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WHEREAS, the City, and GBRA (collectively, the "Project Partners") recognize that many parts of Texas, including portions in their respective service areas, are experiencing rapid growth, both in population and in the number of businesses and industries locating therein, which have significantly increased the need for water; and

WHEREAS, the persistent drought in Texas underscores the need for creative planning and the implementation of creative solutions to meet current and future water needs; and

WHEREAS, the Project Partners recognize they can best serve their respective basins by long-term planning efforts and initiatives that will focus, where appropriate, on solutions to water needs that are regional or that transcend their service area boundaries; and

WHEREAS, the Project Partners recognize that cooperative efforts are necessary to secure firm, long-term drought-proof water supplies for the contiguous Coastal Bend, which stretches along the Texas coast from Brazoria to Nueces County; and

WHEREAS, the Project Partners recognize the potential that seawater from the Gulf of Mexico represents for a limitless, drought-proof source of water supply and have taken the lead in efforts to bring seawater desalination to Texas.

NOW, THEREFORE, the Project Partners agree to institute long-term regional and trans-boundary planning processes and initiatives to address the water needs in areas of mutual concern, as follows:

ARTICLE I OBJECTIVES AND ACTIONS

Within their contiguous and proximate areas, the Project Partners shall:

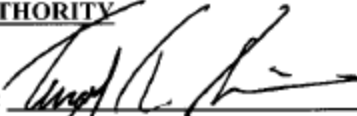
1.1 Work to identify additional Project Partners and areas which may be best served by joint effort or regional or trans-boundary projects, including seawater desalination;

Appendix: Part C52

Memorandum of Understanding

WITNESS OUR SIGNATURES on the dates indicated below:

**LOWER COLORADO RIVER
AUTHORITY**

BY: 
TIMOTHY T. TIMMERMAN,
CHAIRMAN

DATE SIGNED: 6-10-2014

BY: 
PHIL WILSON,
GENERAL MANAGER

DATE SIGNED: 6/10/2014

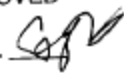
**GUADALUPE-BLANCO RIVER
AUTHORITY**

BY: 
OSCAR H. FOGLE, CHAIRMAN

DATE SIGNED: 6-18-2014

BY: 
W.E. WEST, JR.,
GENERAL MANAGER

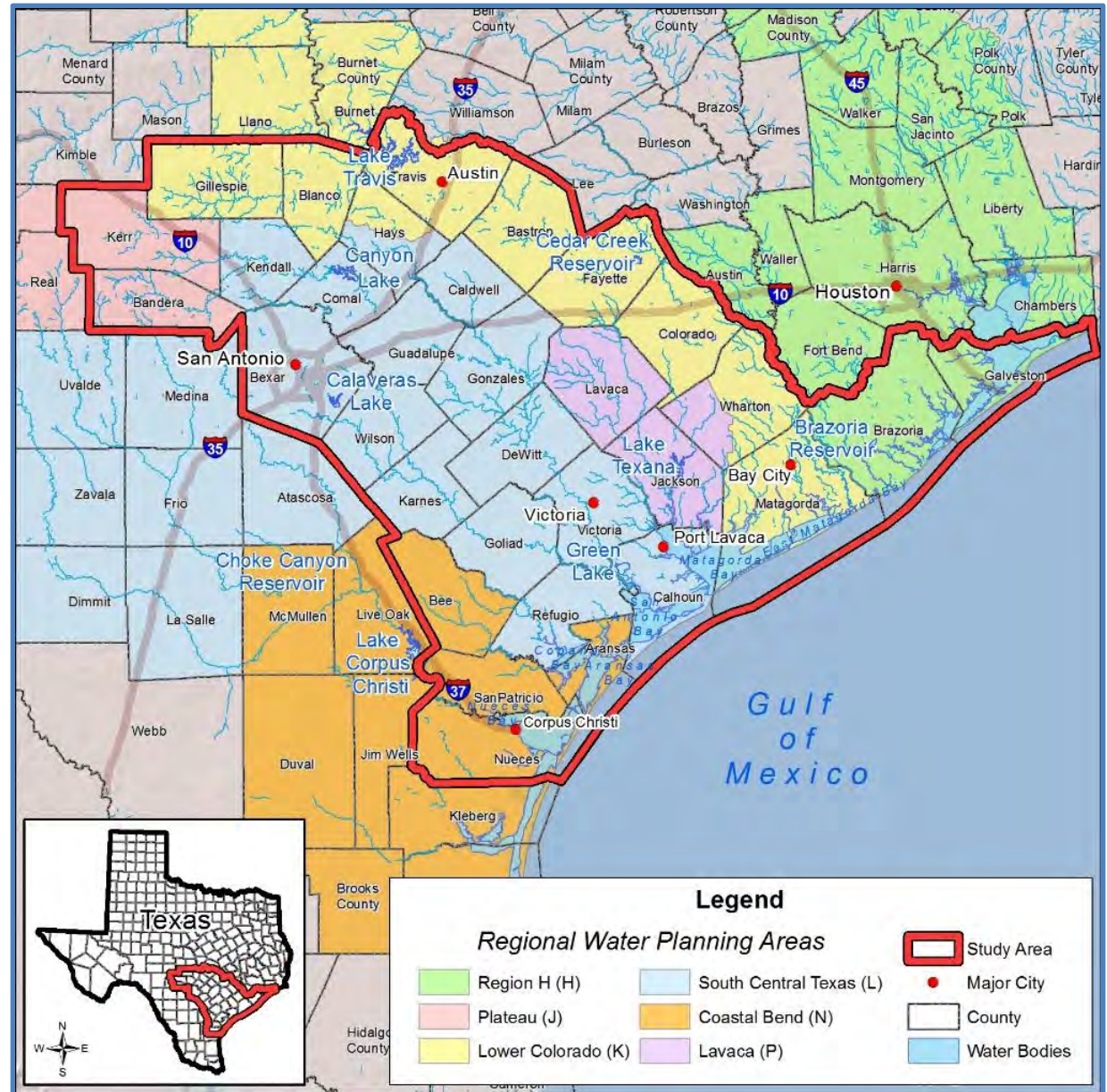
DATE SIGNED: 6-18-2014

APPROVED
LEGAL 

Appendix: Part D56

Map of Service Area - IWPP
Study Area

- 32 Counties
- 5 Major rivers
7 additional coastal streams and rivers
- 6 State Water Planning Regions (all or portion)
- 855 TAF/yr more water by 2060 (includes -150 TAF for ag reduction)



Appendix: Part D56

Map of Service Area - Representative Sites in Each Region

Western

- San Patricio MWD

Western Central

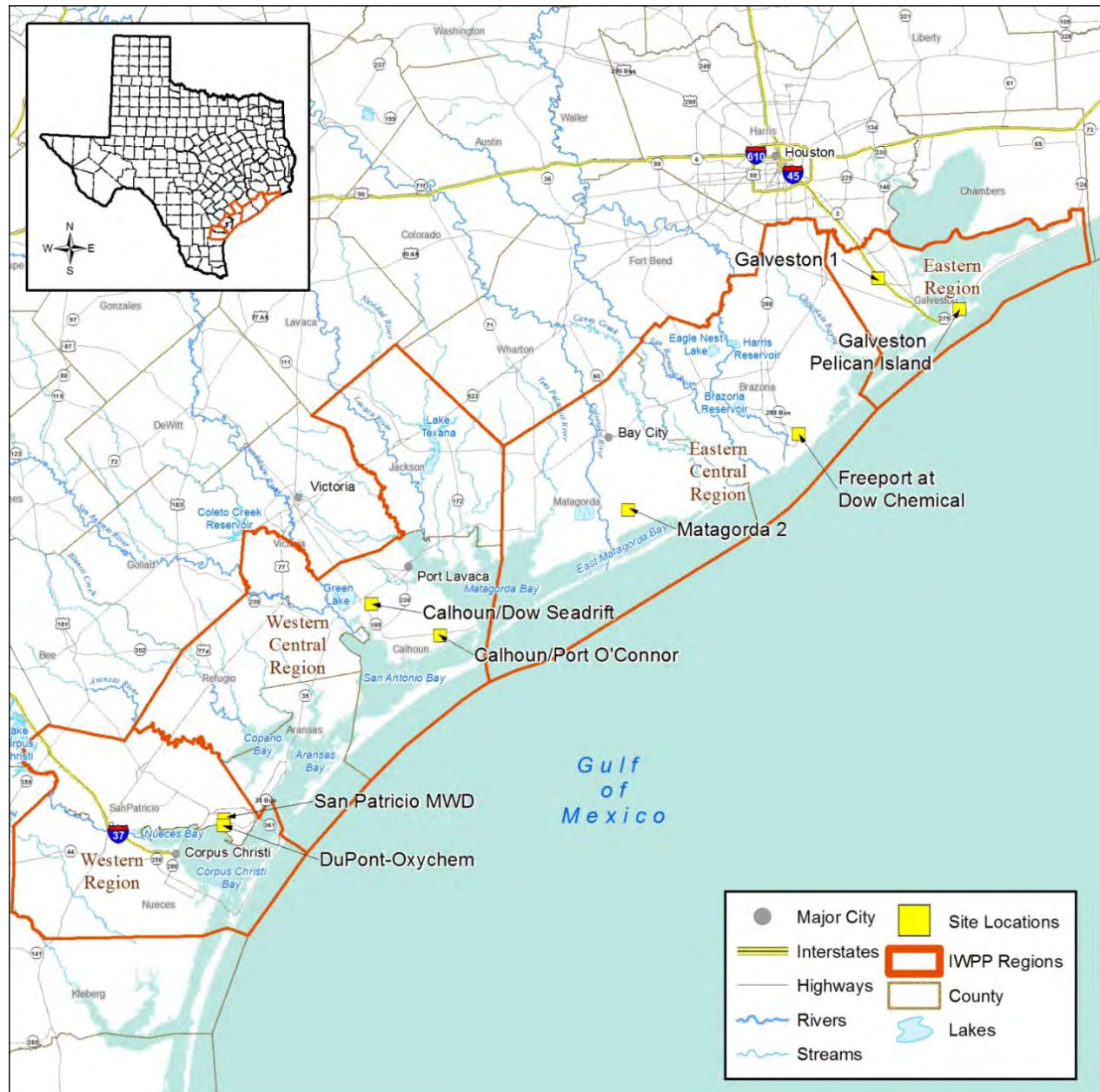
- Dow Seadrift

Eastern Central

- Matagorda 2

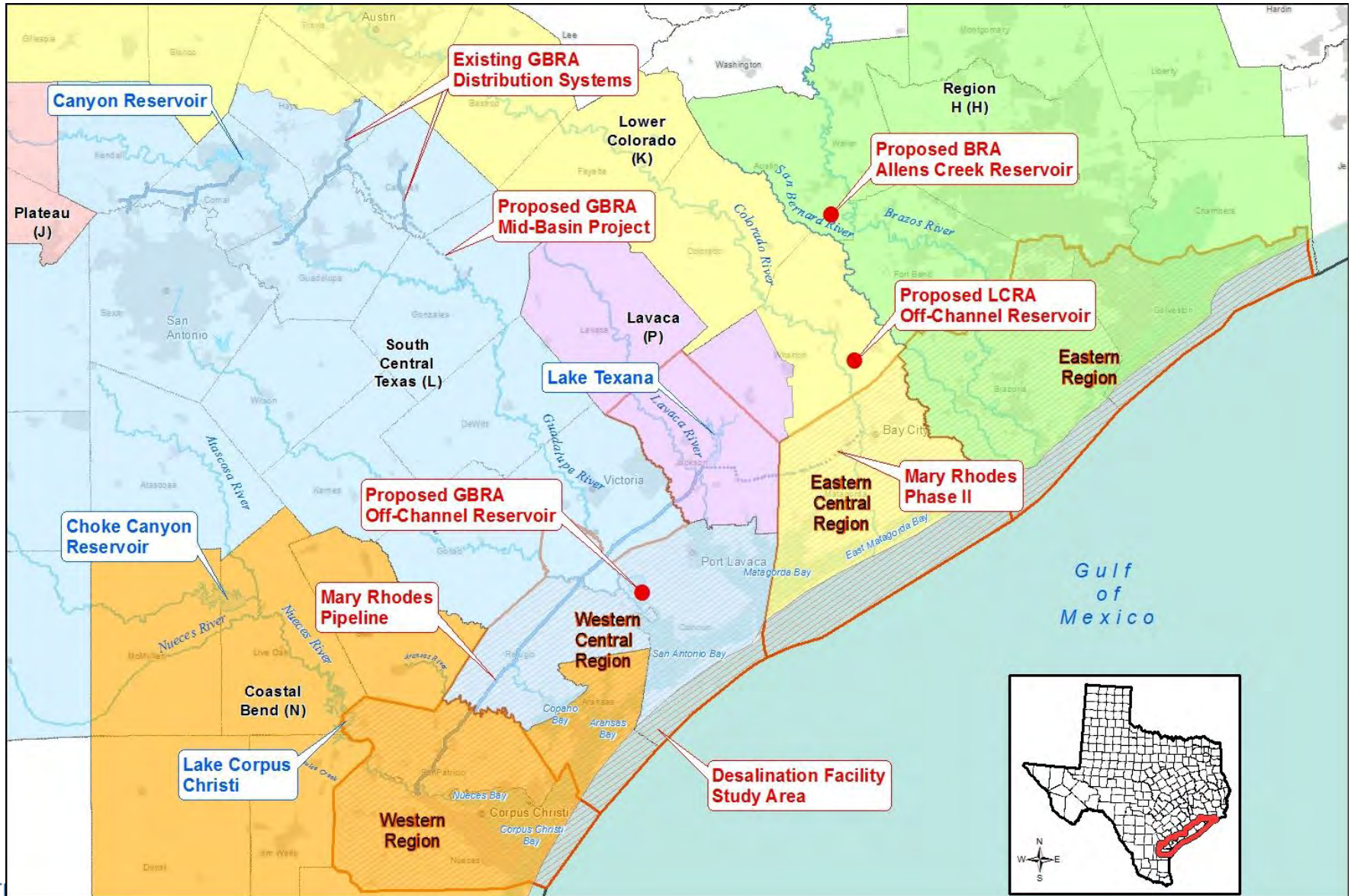
Eastern

- Galveston 1



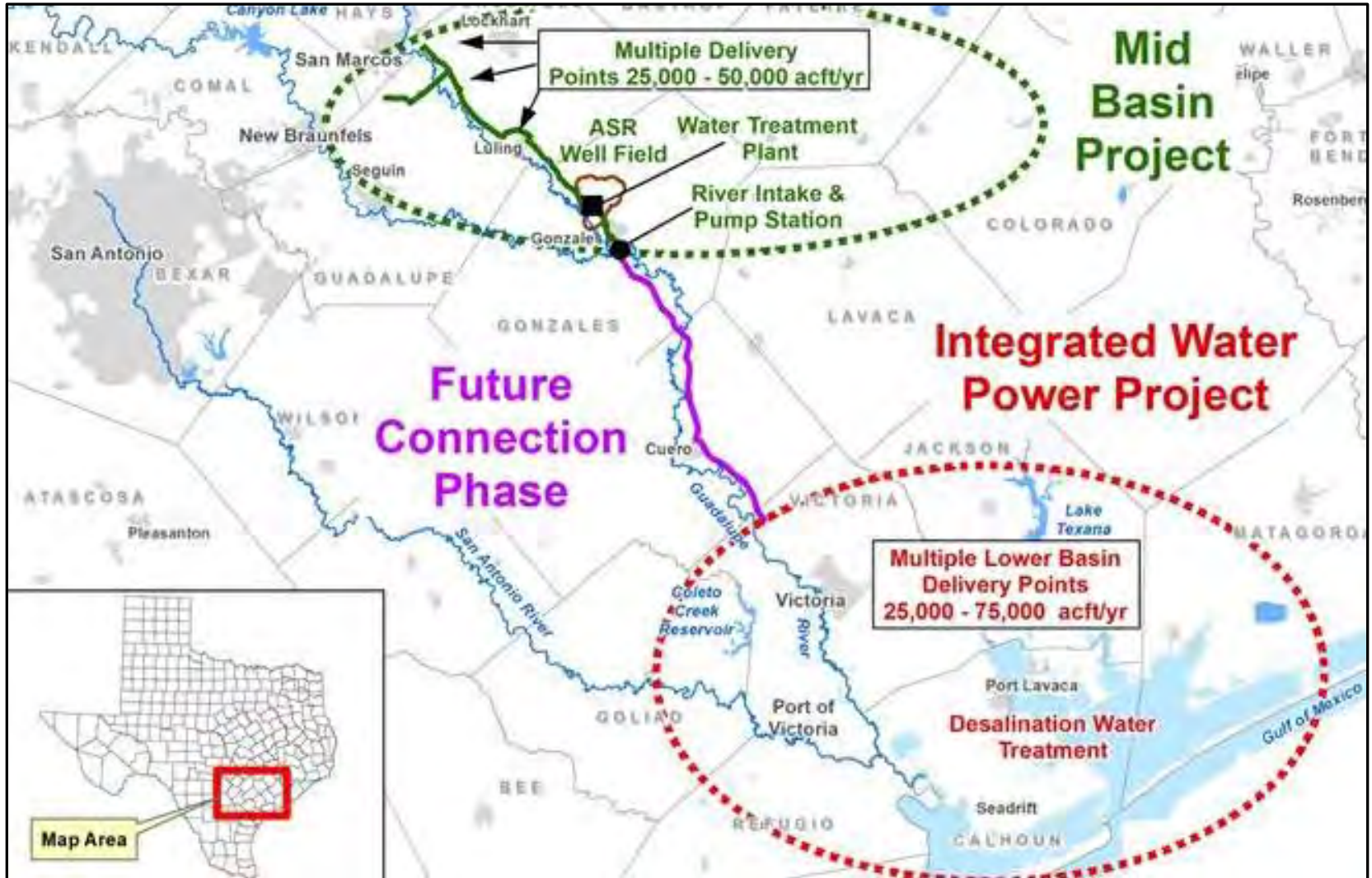
Appendix: Part D56

Map of Service Area - IWPP Integration Strategy for a Regional Water Grid



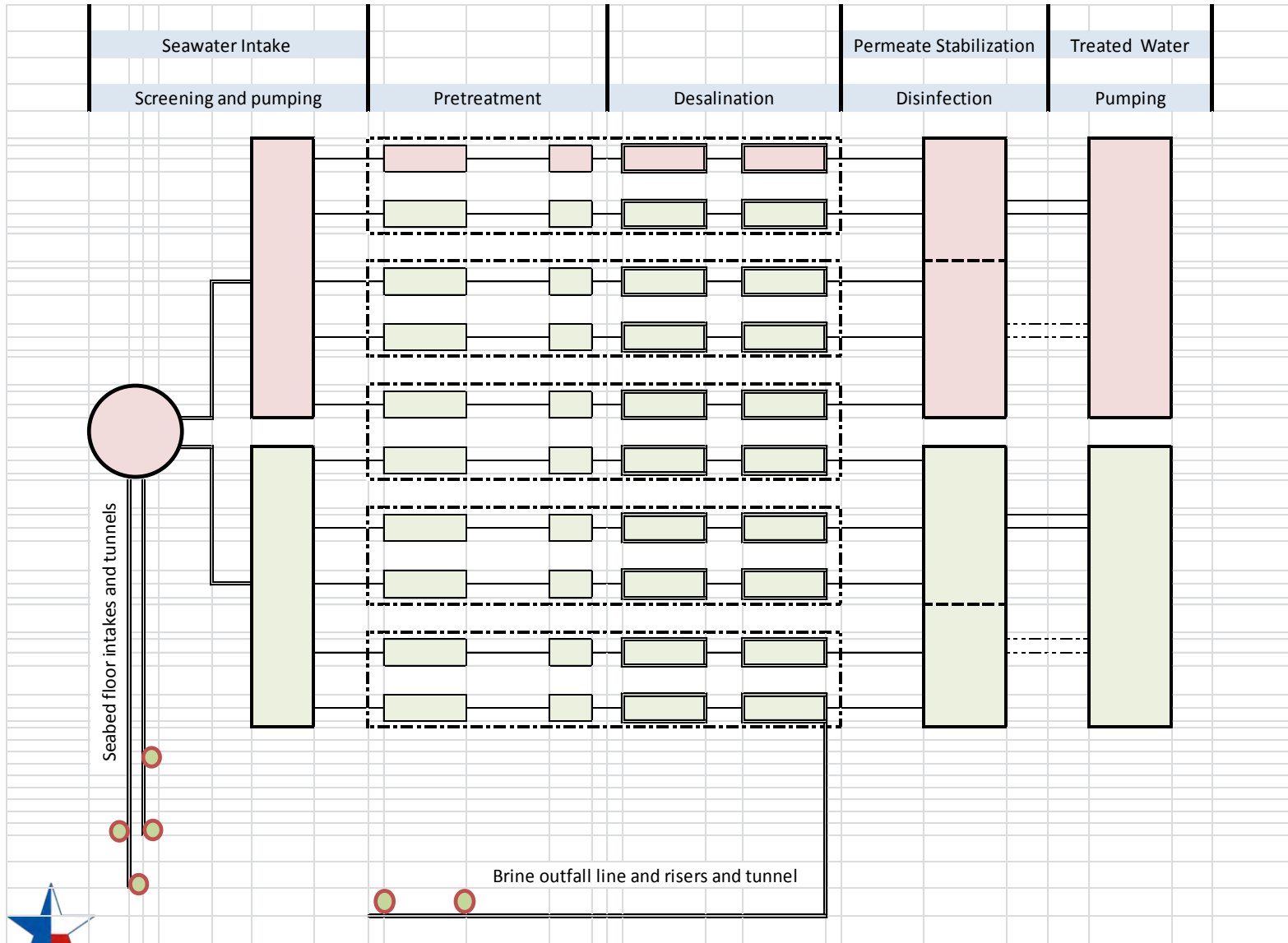
Appendix: Part D56

Map of Service Area - Linking the IWPP and Mid Basin Project



Appendix: Part D56

Desalination Plant Modular Build-out Strategy



Appendix: Part D57

Census Tract

County	Census Tract
Calhoun County, TX	Census Tract 1, Calhoun County, Texas
Calhoun County, TX	Census Tract 2, Calhoun County, Texas
Calhoun County, TX	Census Tract 3, Calhoun County, Texas
Calhoun County, TX	Census Tract 4, Calhoun County, Texas
Calhoun County, TX	Census Tract 5, Calhoun County, Texas
Calhoun County, TX	Census Tract 9900, Calhoun County, Texas
Calhoun County, TX	Census Tract 9901, Calhoun County, Texas
Calhoun County, TX	Census Tract 9902, Calhoun County, Texas
Calhoun County, TX	Census Tract 9903, Calhoun County, Texas
Calhoun County, TX	Census Tract 9904, Calhoun County, Texas
Calhoun County, TX	Census Tract 9905, Calhoun County, Texas
Caldwell County, Texas	Census Tract 9601, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9601.01, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9601.02, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9602, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9603, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9604, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9605, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9606, Caldwell County, Texas
Caldwell County, Texas	Census Tract 9607, Caldwell County, Texas
Comal County	Census Tract 3101, Comal County, Texas
Comal County	Census Tract 3102, Comal County, Texas
Comal County	Census Tract 3103, Comal County, Texas
Comal County	Census Tract 3104.01, Comal County, Texas
Comal County	Census Tract 3104.02, Comal County, Texas
Comal County	Census Tract 3104.03, Comal County, Texas
Comal County	Census Tract 3104.04, Comal County, Texas
Comal County	Census Tract 3105, Comal County, Texas
Comal County	Census Tract 3105.01, Comal County, Texas
DeWitt County	Census Tract 9701, DeWitt County, Texas
DeWitt County	Census Tract 9702, DeWitt County, Texas
DeWitt County	Census Tract 9703, DeWitt County, Texas
DeWitt County	Census Tract 9704, DeWitt County, Texas
DeWitt County	Census Tract 9705, DeWitt County, Texas
Gonzalez County	Census Tract 1 Gonzalez County, Texas
Gonzalez County	Census Tract 2 Gonzalez County, Texas
Gonzalez County	Census Tract 3 Gonzalez County, Texas
Gonzalez County	Census Tract 4 Gonzalez County, Texas
Gonzalez County	Census Tract 5 Gonzalez County, Texas
Gonzalez County	Census Tract 6 Gonzalez County, Texas
Gonzalez County	Census Tract 9901, Gonzalez County, Texas

Appendix: Part D57

Census Tract

County

Census Tract

Gonzalez County	Census Tract 9902, Gonzalez County, Texas
Gonzalez County	Census Tract 9903, Gonzalez County, Texas
Gonzalez County	Census Tract 9904, Gonzalez County, Texas
Gonzalez County	Census Tract 9906, Gonzalez County, Texas
Guadalupe County	Census Tract 2101, Guadalupe County, Texas
Guadalupe County	Census Tract 2102, Guadalupe County, Texas
Guadalupe County	Census Tract 2103, Guadalupe County, Texas
Guadalupe County	Census Tract 2104, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.01, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.03, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.04, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.05, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.06, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.07, Guadalupe County, Texas
Guadalupe County	Census Tract 2105.08, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.03, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.04, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.05, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.06, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.07, Guadalupe County, Texas
Guadalupe County	Census Tract 2106.08, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.01, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.03, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.05, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.06, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.07, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.08, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.09, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.10, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.11, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.12, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.13, Guadalupe County, Texas
Guadalupe County	Census Tract 2107.14, Guadalupe County, Texas
Guadalupe County	Census Tract 2108.01, Guadalupe County, Texas
Guadalupe County	Census Tract 2108.02, Guadalupe County, Texas
Guadalupe County	Census Tract 2108.03, Guadalupe County, Texas
Guadalupe County	Census Tract 2108.04, Guadalupe County, Texas
Guadalupe County	Census Tract 2109.01, Guadalupe County, Texas
Guadalupe County	Census Tract 2109.02, Guadalupe County, Texas
Hays County	Census Tract 101, Hays County, Texas
Hays County	Census Tract 102, Hays County, Texas
Hays County	Census Tract 103.01, Hays County, Texas
Hays County	Census Tract 103.02, Hays County, Texas

Appendix: Part D57

Census Tract

County	Census Tract
Hays County	Census Tract 103.03, Hays County, Texas
Hays County	Census Tract 103.04, Hays County, Texas
Hays County	Census Tract 104, Hays County, Texas
Hays County	Census Tract 105, Hays County, Texas
Hays County	Census Tract 106, Hays County, Texas
Hays County	Census Tract 107, Hays County, Texas
Hays County	Census Tract 107.01, Hays County, Texas
Hays County	Census Tract 107.02, Hays County, Texas
Hays County	Census Tract 108.01, Hays County, Texas
Hays County	Census Tract 108.02, Hays County, Texas
Hays County	Census Tract 108.03, Hays County, Texas
Hays County	Census Tract 108.04, Hays County, Texas
Hays County	Census Tract 108.05, Hays County, Texas
Hays County	Census Tract 108.06, Hays County, Texas
Hays County	Census Tract 108.07, Hays County, Texas
Hays County	Census Tract 108.08, Hays County, Texas
Hays County	Census Tract 108.09, Hays County, Texas
Hays County	Census Tract 109.01, Hays County, Texas
Hays County	Census Tract 109.02, Hays County, Texas
Hays County	Census Tract 109.03, Hays County, Texas
Hays County	Census Tract 109.04, Hays County, Texas
Hays County	Census Tract 109.05, Hays County, Texas
Hays County	Census Tract 109.06, Hays County, Texas
Hays County	Census Tract 109.07, Hays County, Texas
Hays County	Census Tract 109.08, Hays County, Texas
Hays County	Census Tract 109.09, Hays County, Texas
Hays County	Census Tract 109.10, Hays County, Texas
Kendall County	Census Tract 9701, Kendall County, Texas
Kendall County	Census Tract 9703, Kendall County, Texas
Kendall County	Census Tract 9703.01, Kendall County, Texas
Kendall County	Census Tract 9703.02, Kendall County, Texas
Kendall County	Census Tract 9704, Kendall County, Texas
Kendall County	Census Tract 9704.01, Kendall County, Texas
Kendall County	Census Tract 9704.02, Kendall County, Texas
Kendall County	Census Tract 9705, Kendall County, Texas
Refugio County	Census Tract 9501, Refugio County, Texas
Refugio County	Census Tract 9502, Refugio County, Texas
Refugio County	Census Tract 9503, Refugio County, Texas
Refugio County	Census Tract 9504, Refugio County, Texas
Victoria County	Census Tract 1, Victoria County, Texas
Victoria County	Census Tract 2.01, Victoria County, Texas
Victoria County	Census Tract 2.02, Victoria County, Texas

Appendix: Part D57

Census Tract

Victoria County	Census Tract 3.01, Victoria County, Texas
Victoria County	Census Tract 3.02, Victoria County, Texas
Victoria County	Census Tract 4, Victoria County, Texas
Victoria County	Census Tract 5.01, Victoria County, Texas
Victoria County	Census Tract 5.02, Victoria County, Texas
Victoria County	Census Tract 6.01, Victoria County, Texas
Victoria County	Census Tract 6.02, Victoria County, Texas
Victoria County	Census Tract 7, Victoria County, Texas
Victoria County	Census Tract 8, Victoria County, Texas
Victoria County	Census Tract 13, Victoria County, Texas
Victoria County	Census Tract 14, Victoria County, Texas
Victoria County	Census Tract 15.01, Victoria County, Texas
Victoria County	Census Tract 15.02, Victoria County, Texas
Victoria County	Census Tract 15.03, Victoria County, Texas
Victoria County	Census Tract 15.04, Victoria County, Texas
Victoria County	Census Tract 16.01, Victoria County, Texas
Victoria County	Census Tract 16.03, Victoria County, Texas
Victoria County	Census Tract 16.04, Victoria County, Texas
Victoria County	Census Tract 16.05, Victoria County, Texas
Victoria County	Census Tract 16.06, Victoria County, Texas
Victoria County	Census Tract 17, Victoria County, Texas
Victoria County	Census Tract 9800, Victoria County, Texas

Appendix: Part D58

Project Schedule

TASK/ACTIVITY	2015		2016												2017												2018									
	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10
Loan Closing	█																																			
Additional Partnering Agreements			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█										
Planning & Site Finalization			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█										
Engineering Predesign																			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Power Provisioning Approach																			█	█	█	█	█	█	█	█										
Environmental Surveys			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█										
Permitting																			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Conveyance Alignment and Surveying																			█	█	█	█	█	█	█	█										
Economic and Fiscal Analysis																			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Project Management/Report Updates	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█

Appendix: Part D59

Current and Future Water Use Projections

	2010 CENSUS POPULATION	2020 POPULATION	2030 POPULATION	2040 POPULATION	2050 POPULATION	2060 POPULATION	2010 TOTAL WATER USE	2020 PROJECTED TOTAL WATER USE	2030 PROJECTED TOTAL WATER USE	2040 PROJECTED TOTAL WATER USE	2050 PROJECTED TOTAL WATER USE	2060 PROJECTED TOTAL WATER USE
Aransas	26,863	30,604	32,560	32,201	30,422	28,791	4,224	4,682	4,882	4,782	4,526	4,335
Bandera	26,373	37,265	48,577	54,829	56,642	60,346	3,671	4,725	5,774	6,341	6,528	6,900
Bastrop	84,449	120,740	151,364	199,548	239,588	288,683	33,532	40,695	46,878	50,821	58,023	65,266
Bee	34,298	36,099	37,198	37,591	37,598	36,686	9,170	9,685	10,162	10,595	11,091	11,578
Bexar	1,631,935	1,857,745	2,059,112	2,222,887	2,369,950	2,500,731	328,626	365,210	398,816	424,173	449,075	474,653
Blanco	9,946	11,756	13,487	15,002	16,641	18,544	1,986	2,228	2,459	2,651	2,866	3,131
Brazoria	305,649	354,708	401,684	444,981	490,875	538,795	448,174	469,308	494,392	520,853	548,263	580,660
Caldwell	45,958	59,722	71,459	83,250	95,103	106,575	8,297	9,777	11,001	12,247	13,540	14,871
Calhoun	23,556	26,610	29,964	33,046	34,642	36,049	68,674	72,110	75,265	78,865	82,078	86,370
Colorado	21,239	22,591	23,311	23,424	23,900	24,324	226,430	218,619	210,802	203,127	195,787	188,786
Comal	108,219	146,868	190,873	233,964	278,626	326,655	29,680	36,697	44,408	51,958	59,710	68,389
DeWitt	20,460	20,964	21,251	21,341	21,021	20,648	5,160	5,158	5,116	5,051	4,953	4,907
Fayette	24,826	28,808	32,363	35,259	38,933	44,120	36,895	37,480	41,222	42,409	42,898	43,542
Galveston	268,714	284,731	294,218	298,057	300,915	302,774	103,061	106,679	110,509	113,658	116,855	121,863
Gillespie	25,258	29,117	30,861	30,861	30,861	30,861	8,364	9,020	9,269	9,197	9,159	9,178
Goliad	8,087	9,508	10,648	11,395	11,964	12,324	11,682	19,302	19,298	19,266	19,233	19,224
Gonzales	19,872	21,227	22,260	23,003	23,219	23,151	13,293	13,636	13,894	14,089	14,168	14,274
Guadalupe	114,878	146,511	180,725	214,912	252,857	293,736	26,972	29,863	34,403	40,710	46,449	54,260
Hays	166,342	242,051	302,795	363,678	436,388	493,320	27,410	37,859	46,589	56,015	67,051	76,252
Jackson	15,441	16,515	17,183	17,567	17,713	17,716	63,300	63,409	63,455	63,465	63,481	63,531
Karnes	17,001	18,830	20,759	22,305	23,256	23,774	5,718	5,850	6,008	6,116	6,163	6,167
Kendall	35,720	50,283	65,752	78,690	89,312	99,698	5,815	7,521	9,279	10,733	11,998	13,237
Kerr	49,250	54,886	57,565	58,662	61,204	62,252	9,814	10,377	10,552	10,503	10,751	10,857
Lavaca	18,750	18,731	18,219	17,314	16,264	15,061	13,815	13,794	13,735	13,651	13,580	13,550
Matagorda	40,506	43,295	44,991	45,925	45,925	45,925	295,146	341,478	335,570	329,803	324,128	319,162
Nueces	358,278	405,492	447,014	483,692	516,265	542,327	127,635	146,363	158,810	171,019	183,074	196,690
Refugio	8,217	8,505	8,609	8,799	8,915	8,877	1,948	1,987	1,982	1,999	2,012	2,002
San Patricio	80,701	95,381	109,518	122,547	134,806	146,131	34,460	38,325	41,975	45,626	49,258	53,350
Travis	1,003,253	1,201,256	1,402,153	1,583,068	1,770,347	1,918,135	243,540	287,195	339,000	385,595	431,457	466,255
Victoria	93,073	102,487	110,221	116,368	121,416	125,865	62,333	115,059	117,984	120,805	123,511	126,617
Wharton	43,560	46,045	47,648	48,567	48,590	48,074	343,776	337,597	331,453	325,454	319,670	297,503
Wilson	44,078	58,621	74,641	90,187	106,373	123,135	19,754	20,195	20,936	21,771	22,873	24,193
TOTALS	4,774,750	5,607,952	6,378,983	7,072,920	7,750,531	8,364,083	2,622,355	2,881,883	3,035,878	3,203,348	3,344,209	3,477,553

Appendix: Part D60

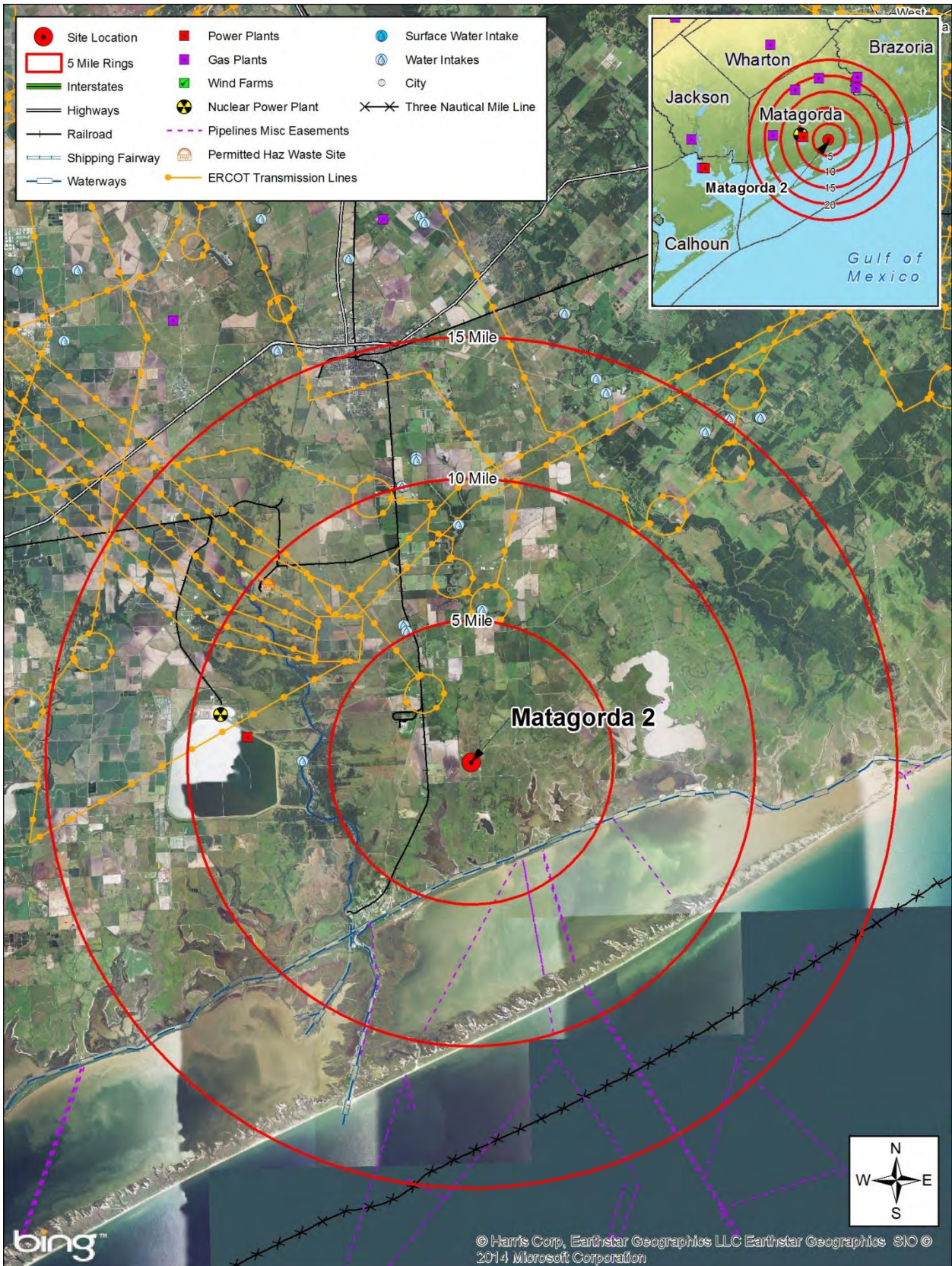
Itemized Project Cost Estimate

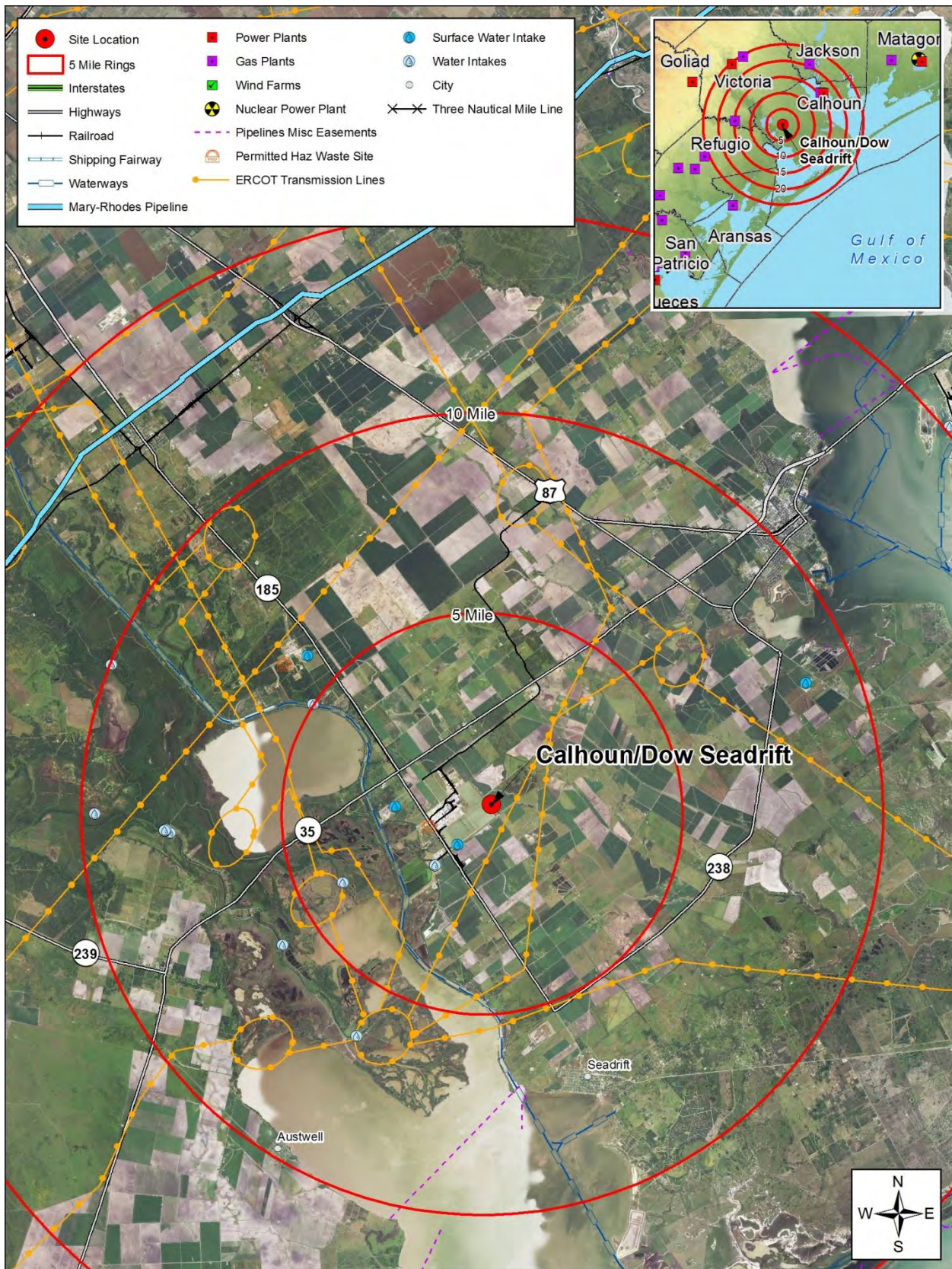
PROJECT BUDGET - Entity Name Guadalupe Blanco River Authority (GBRA) IWPP					
Uses	TWDB Funds Series 1	TWDB Funds Series 2	Total TWDB Cost	Other Funds	Total Cost
Construction					
Construction	\$0	\$0	\$0	\$0	\$0
Subtotal Construction	\$0	\$0	\$0	\$0	\$0
Basic Engineering Fees					
Planning +	\$3,000,000	\$0	\$3,000,000	\$100,000	\$3,100,000
Design	\$1,500,000	\$0	\$1,500,000	\$100,000	\$1,600,000
Construction Engineering	\$0	\$0	\$0	\$0	\$0
Basic Engineering Other *	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$4,500,000	\$0	\$4,500,000	\$200,000	\$4,700,000
Special Services					
Application	\$250,000	\$0	\$250,000	\$25,000	\$275,000
Environmental	\$1,500,000	\$0	\$1,500,000	\$100,000	\$1,600,000
Water Conservation Plan	\$50,000	\$0	\$50,000	\$25,000	\$75,000
I/I Studies/Sewer Evaluation	\$0	\$0	\$0	\$0	\$0
Surveying	\$250,000	\$0	\$250,000	\$0	\$250,000
Geotechnical	\$150,000	\$0	\$150,000	\$0	\$150,000
Testing	\$100,000	\$0	\$100,000	\$0	\$100,000
Permits	\$250,000	\$0	\$250,000	\$0	\$250,000
Inspection	\$0	\$0	\$0	\$25,000	\$25,000
O&M Manual	\$0	\$0	\$0	\$0	\$0
Project Management (by engineer)	\$250,000	\$0	\$250,000	\$0	\$250,000
Pilot Testing	\$100,000	\$0	\$100,000	\$0	\$100,000
Water Distribution Modeling	\$100,000	\$0	\$100,000	\$25,000	\$125,000
Special Services Other *	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$3,000,000	\$0	\$3,000,000	\$200,000	\$3,200,000
Other					
Administration	\$100,000	\$0	\$100,000	\$0	\$100,000
Land/Easements Acquisition	\$0	\$0	\$0	\$0	\$0
Water Rights Purchase (If Applicable)	\$0	\$0	\$0	\$0	\$0
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$250,000	\$0	\$250,000	\$0	\$250,000
Other **	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$350,000	\$0	\$350,000	\$0	\$350,000
Fiscal Services					
Financial Advisor	\$20,000	\$0	\$20,000	\$10,000	\$30,000
Bond Counsel	\$20,000	\$0	\$20,000	\$10,000	\$30,000
Issuance Cost	\$20,000	\$0	\$20,000	\$10,000	\$30,000
Bond Insurance/Surety	\$20,000	\$0	\$20,000	\$0	\$20,000
Fiscal/Legal	\$20,000	\$0	\$20,000	\$10,000	\$30,000
Capitalized Interest	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$0	\$0	\$0	\$0	\$0
Loan Origination Fee	\$0	\$0	\$0	\$0	\$0
Other **	\$0	\$0	\$0	\$0	\$0
Subtotal Fiscal Services	\$100,000	\$0	\$100,000	\$40,000	\$140,000
Contingency					
Contingency	\$50,000	\$0	\$50,000	\$10,000	\$60,000
Subtotal Contingency	\$50,000	\$0	\$50,000	\$10,000	\$60,000
TOTAL COSTS	\$8,000,000	\$0	\$8,000,000	\$450,000	\$8,450,000

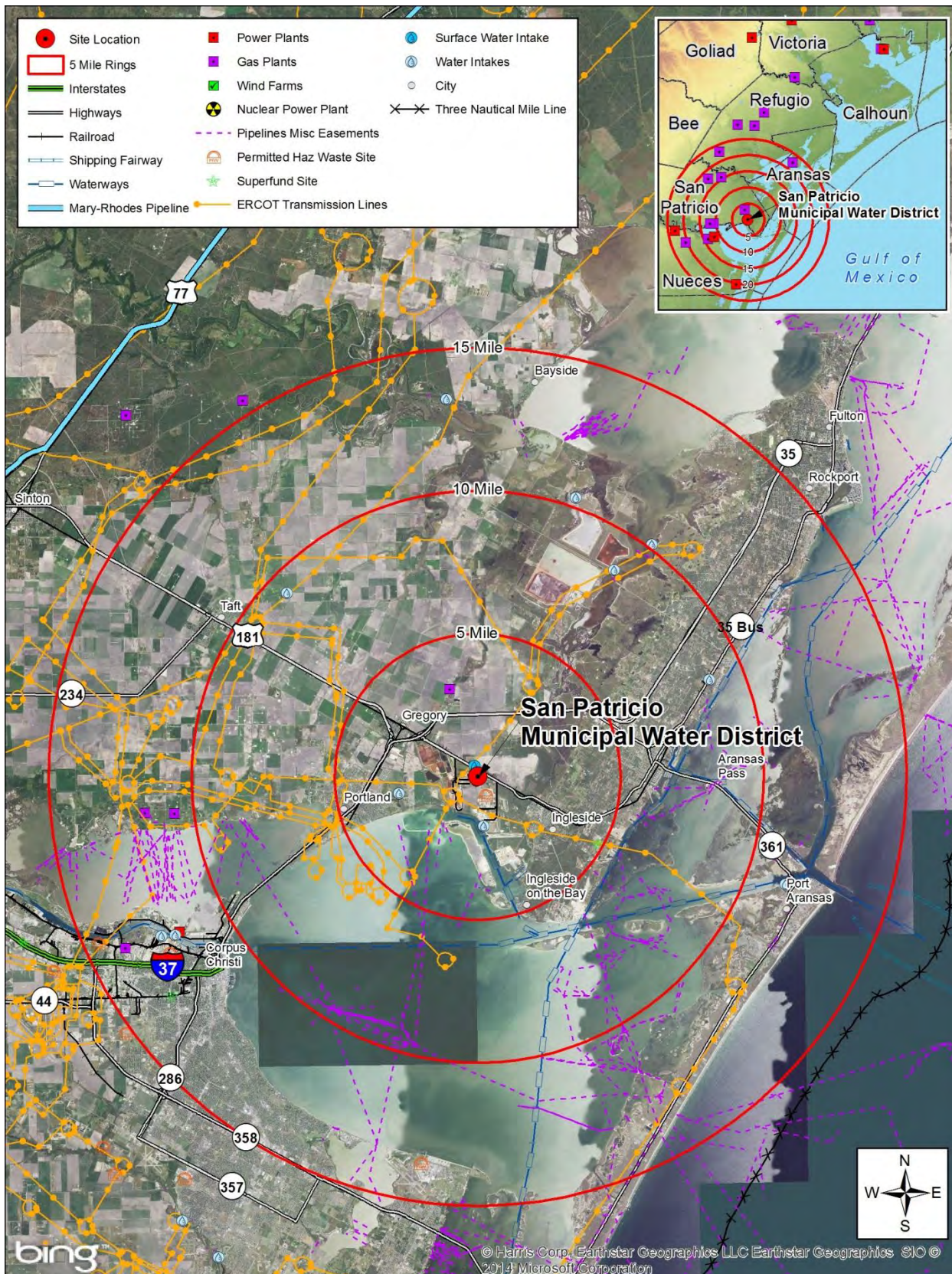
Other ** description must be entered

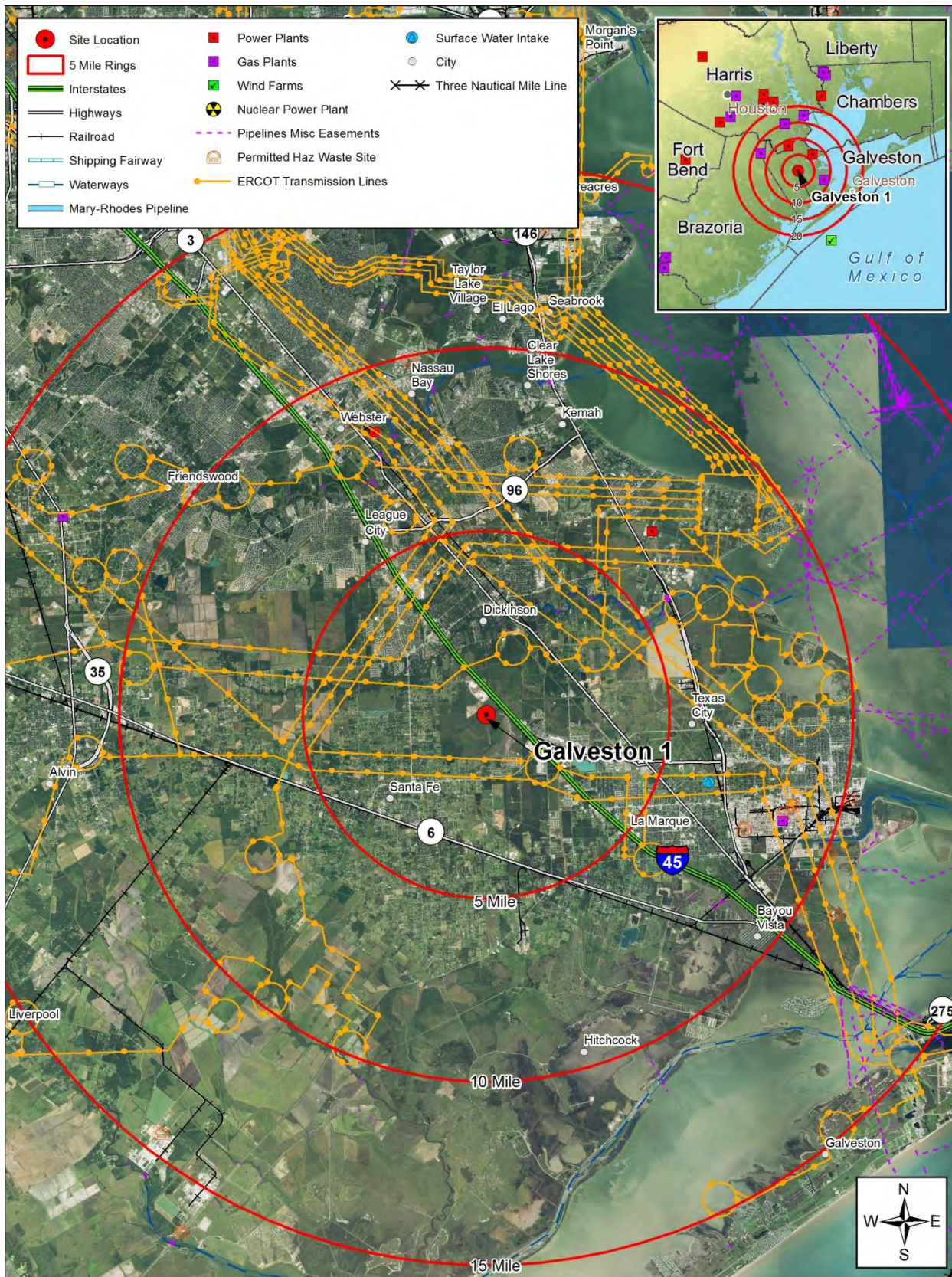
Four Selected Sites for Consideration

The following four sites have been selected under the existing Feasibility Study for further study to determine a final location for an IWPP site location. It is the objective of the SWIFT-funded study to make a recommendation toward a final site location. Final site selection criteria will be discussed and agreed upon with TWDB environmental review team and appropriate state and federal agencies prior to evaluation and selection of final site.









Appendix: Part D61

Water Project Information Form WRD 253d

Texas Water Development Board Water Project Information							
A. Project Name Integrated Water Power Project		B. Project No. PIF# 11045		C. County Multiple		D. Regional Planning Group (A-P) L, N, P	
E. Program(s) SWIFT		F. Loan <input checked="" type="checkbox"/> / Grant <input type="checkbox"/> Amount:		G. Loan Term: 20 years			
H. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc) The Guadalupe-Blanco River Authority is presently conducting a feasibility study for an Integrated W Attach map of service area affected by Project or other documentation.							
I. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				J. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
K. Projected Population from application for at least a 20 year period. Attach justification and list service area populations if different from Planning Area.	Year	Reference Year	2010	2020	2030	2040	
	Population Projection	2010	4,774,750	5,607,952	6,378,983	7,072,920	
Project Design Year	2017		Design Population		1,500,000		
L. Is the proposed project included in a current Regional Water Plan? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number: <u>194 Vol. 5.2.2010 8.19.10</u>)							
M. What type of water source is associated directly with the proposed project? Surface Water <input type="checkbox"/> Groundwater <input type="checkbox"/> Reuse <input type="checkbox"/>							
N. Will the project increase the volume of water supply? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>							
O. What volume of water is the project anticipated to deliver/ treat per year? <u>100,000</u> Acre-Feet/Year							
P. Current Water Supply Information							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Guadalupe River/GBRA		18-5178		Calhoun		106,000 AFY	
Groundwater Source Aquifer		Well Field location		Source County		Annual Volume and Unit	
Q. Proposed Water Supply Associated Directly with the Proposed Project							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
Gulf of Mexico (seawater)		HB2031				175,000 AFY	
Groundwater Source Aquifer		Well Field location:		Source County		Annual Volume and Unit	
R. Consulting Engineer Name			Telephone No.		E-mail address		
MWH (Attn: Stefan Schuster)			512-635-9463		stefan.schuster@mwhglobal.com		
S. Applicant Contact Name, Title			Telephone No.		E-mail address		
James Lee Murphy, Inc. Executive Manager of Water Resources and Utility Operations			830-379-5822		jmurphy@gbra.org		

ENVIRONMENTAL DATA FORM

REQUIRED FOR THE:

**Water Development Fund,
Rural Water Assistance Fund,
Water Infrastructure Fund,
State Participation Program,
Economically Distressed Areas Program,
Agricultural Loan Program**

Mid-level Environmental Review: Environmental Data Form

A mid-level environmental review is required by 31 Texas Administrative Code §363.14 of the Texas Water Development Board's (TWDB) rules for most projects receiving state funding. The purpose of a mid-level review is to ensure the proposed project has been adequately reviewed by regulatory agencies and determine, within a reasonable level of certainty, if the project is expected to have adverse environmental impacts. The attached form applies to projects which appear to cause environmental impacts that are limited in number or scope or which may be readily avoided, minimized, or mitigated. If however, based upon the information provided in this form and recommendations from regulatory agencies, this is not the case, the preparation of a full Environmental Assessment may be required.

Preliminary Review Available and Encouraged

As a service to our clients, preliminary review of the Environmental Data Form by TWDB staff prior to agency coordination is available and encouraged. Preliminary review ensures that the appropriate agency coordination requirements are identified in advance.

Timing

The Environmental Data Form may be submitted with the application or prepared during the planning phase of the project after a loan commitment has been secured. Please note that issuance of an Environmental Determination by TWDB environmental staff is required prior to TWDB approval of the Engineering Feasibility Report and release of design and/or construction funds.

Levels of Environmental Review in State Programs

1. **Categorical Exclusion (CE)**: Generally applies to infrastructure rehabilitation or functional replacement, minor expansion of facilities, construction of adjoining facilities on existing sites, etc. If you believe the proposed project will qualify for a CE, consult with TWDB environmental review staff before proceeding with this form.
2. **Mid-level Review**: The majority of projects financed by the TWDB will qualify for a mid-level environmental review and will use this form.
3. **Full Environmental Review**: For projects that may have numerous environmental impacts that cannot be readily avoided, minimized or mitigated, consult with TWDB environmental review staff prior to submitting this form regarding the potential need to prepare an Environmental Assessment.

A full explanation of TWDB environmental requirements is provided in 31 Texas Administrative Code §363.14. Draft and final versions of the Environmental Data Form, as well as any questions regarding the preparation of the document or review process, should be submitted to:

**Environmental Reviewer
Regional Water Planning & Development
Water Supply & Infrastructure
Texas Water Development Board
P.O. Box 13231
Austin, Texas 78711-3231
Telephone: (512) 936-0938**

General Information	
Authority:	
TWDB Project No:	
Project Name:	
County:	
Funding Source/ Loan Number:	/ / /
Total Estimated Project Costs:	
TWDB Funded Phases:	<input type="checkbox"/> Planning <input type="checkbox"/> Acquisition <input type="checkbox"/> Design <input type="checkbox"/> Construction
Other Funding Source(s):	
Consultant Project Name/Number (if applicable):	
Authority:	<i>Legal Name:</i>
	<i>Contact Person:</i>
	<i>Mailing Address:</i>
	<i>Phone:</i>
	<i>Email:</i>
Project Engineer:	<i>Company:</i>
	<i>Contact Person:</i>
	<i>Mailing Address:</i>
	<i>Phone:</i>
	<i>Email:</i>
Environmental Consultant (if different):	<i>Company:</i>
	<i>Contact Person:</i>
	<i>Mailing Address:</i>
	<i>Phone:</i>
	<i>Email:</i>

Proposed Project

Does the proposed project involve a probable or known public controversy relating to environmental or social impacts (e.g. substantial rate increase, displacement of persons, etc.)?

Yes No

If Yes, a public meeting or hearing may be required.

Attach additional sheets if the space provided is not adequate.

Purpose and need for the proposed project:

Empty space for providing the purpose and need for the proposed project.

General Information

Provide a concise description of the proposed project:

General Information

Provide a bulleted list of project components:

How many streams intersect the proposed project area? #:
Does the project involve the dewatering of any stream segments? Yes No
Proposed construction methods to be used at crossings (e.g. trenching, dewatering, boring, etc.):

Is coordination with the U.S. Army Corps of Engineers for a jurisdictional determination for permitting requirements required? Yes No

If Yes, please describe the status of this coordination:

Estimated Project Schedule for the Completion of:

Planning:	Start of Construction:
Acquisition:	Construction Completion:
Permitting:	
Design:	

General Information

Mitigative Measures

Provide a list of potential adverse impacts of the proposed project and a description of how those impacts will be avoided, minimized, or mitigated. This list will be used to develop conditions for the Environmental Determination issued by the TWDB. Please ensure the information is consistent with what was provided to regulatory agencies and incorporates applicable agency recommendations. When responding to recommendations provided by regulatory agencies, identify which are feasible and which will not be implemented.

<i>Impact:</i>	<i>Recommended/required by What Entity? (if applicable)</i>	<i>Mitigative Measures Description:</i>

Other Programs and Projects

Provide a description of any other projects in progress that may be affected by the proposed project (e.g. TxDOT plans for Road Construction, etc.).

List of Required Attachments	
Documents lacking required attachments will not be accepted	
<p>Provide the following maps in PDF format when submitted digitally. Identify the project footprint on all maps. Example project maps are provided online at: http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1800.pdf</p>	
Regional Location Map	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
USGS Topographic Map(s) for Proposed Project	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
Project footprint or plans/plats	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
FEMA Floodplain Map(s)	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
Agency Coordination	
Uniform Requirements	
Texas Parks and Wildlife Department, Wildlife Habitat Assessment Program	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
Texas Historical Commission	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
United States Army Corps of Engineers	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
United States Fish and Wildlife Service	Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No
Circumstantial Requirements: Provide coordination materials from the listed entity for each of the circumstances that apply to the proposed project.	
<i>Circumstance:</i>	<i>Coordination Attached?</i>
<p>Will the project involve the construction of insurable facilities within the floodplain? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>National Flood Insurance Program Local Floodplain Administrator <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>Have you contacted TPWD to determine if this project requires a sand, shell, gravel or marl permit? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Public Utility *Public utilities are exempt from this requirement (Parks and Wildlife Code §86.0191, 31 TAC §69.120).</p>	<p>Texas Parks & Wildlife Department Sand and Gravel Permitting Coordinator <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>Is the project located within the Coastal Management Zone (See Appendix C)? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>General Land Office <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A National Marine Fisheries Service <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>Will the project be on lands within the floodplain or adjacent to the channel of the Rio Grande River? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>International Boundary & Water Commission <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>Will the project impact National Forests or Grasslands? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>U.S. Forest Service <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>Will the project impact National Parks? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>U.S. National Park Service <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p>
<p>** Additional coordination may be required by the TWDB based on the outcome of the environmental review. ** Projects on state-owned lands and riverbeds require an easement from the General Land Office. Easements are required prior to the release of construction funds.</p>	

Appendix A

Sample Agency Correspondence Letter

DATE

CONTACT NAME AND ADDRESS (see appendix B for agency contact information)

RE: Review request for proposed project receiving funding through the Texas Water Development Board

Dear **CONTACT**:

The **APPLICANT** is pursuing funding through the Texas Water Development Board's State funded **FUNDING PROGRAM** for the proposed **PROJECT NAME (TWDB PROJECT NUMBER)**. The purpose of this coordination is to identify potential environmental and permitting issues: specifically, permits or mitigative conditions required to ensure compliance with environmental regulations specific to your agency's area of jurisdiction.

The attached Environmental Data Form provides a project description, project maps and a list of all agencies with whom we are coordinating. Recommended or required actions identified through this coordination, including permits, will be considered for inclusion as conditions in the TWDB's environmental determination. Please cite the relevant authority (statue/regulation) for recommendations.

INCLUDE A BRIEF EXPLANATION TAILORED TO THE AGENCY'S SPECIFIC AREA OF JURISDICTION. INCLUDE THE FOLLOWING INFORMATION IN YOUR DESCRIPTION:

- How the project will/will not potentially adversely affect any environmentally sensitive features and/or require permitting or mitigation.
- A description of how impacts will be avoided (to be included as conditions of the environmental determination, e.g., avoidance of clearing or construction activities during migratory bird nesting season).

We request your concurrence with our determination that _____ . If you have any questions or need any additional information, please contact me at (tel:) _____ or by e-mail at _____ .

Sincerely,
APPLICANT

Enclosure: Environmental Data Form

Appendix B

Review Agencies and Addresses: The following addresses should be used to select the appropriate offices to receive the Environmental Data Form.

(These addresses were last updated 2/12/15)

U. S. ARMY CORPS OF ENGINEERS

District Offices

FORT WORTH DISTRICT

U.S. Army Corps of Engineers, Fort Worth
District
Regulatory Division (CESWF-DE-R)
819 Taylor Street, Room 3A37
Post Office Box 17300
Fort Worth, Texas 76102-0300
817-886-1731

TULSA DISTRICT

U.S. Army Corps of Engineers, Tulsa District
Regulatory Office (CESWT-RO)
1645 South 101st East Avenue
Tulsa, Oklahoma 74128-4609
918-669-7401

ALBUQUERQUE DISTRICT

U.S. Army Corps of Engineers, Albuquerque
District
Las Cruces Regulatory Office (CESPA-RD-
TX)
505 South Main Street, Suite 142
Las Cruces, New Mexico 88001-1210
575-556-9939

GALVESTON DISTRICT

U.S. Army Corps of Engineers, Galveston
District
Regulatory Division (CESWG-PE-R)
2000 Fort Point Road
Post Office Box 1229
Galveston, Texas 77553-1229
409-766-3982

U. S. FISH AND WILDLIFE SERVICE

District Offices

ARLINGTON

U.S. Fish and Wildlife Service
Ecological Services Field Office
2005 NE Green Oaks Blvd, Suite 140
Arlington, TX 76006-6247
817-277-1100

CLEAR LAKE

U.S. Fish and Wildlife Service
Ecological Services Field Office
17629 El Camino Real #211
Houston, TX 77058
281-286-8282

AUSTIN

U.S. Fish and Wildlife Service
Ecological Services Field Office
10711 Burnet Road, Suite 200
Austin, TX 78758-4460
512-490-0057

CORPUS CHRISTI

U.S. Fish and Wildlife Service c/o TAMU-CC
Ecological Services Field Office
6300 Ocean Drive Unit 5837
Corpus Christi, TX 78412-5837
361-994-9005

TEXAS HISTORICAL COMMISSION

Mark Wolfe
State Historic Preservation Officer
Texas Historical Commission
P.O. Box 12276
Austin, TX 78711-2276

TEXAS PARKS AND WILDLIFE DEPARTMENT

Texas Parks and Wildlife Department
Habitat Assessment Program, Wildlife Division
4200 Smith School Road,
Austin, TX 78744
512-389-4800

TPWD Wildlife Habitat Assessment Program is now accepting projects through electronic submittal. Review requests can be submitted to WHAB@tpwd.texas.gov. If submitting requests electronically, please include geographic location files when available (e.g. GIS shape file, .kmz, etc.).

Texas Parks and Wildlife Department
ATTN: Inland Fisheries: Sand & Gravel Permitting Coordinator
4200 Smith School Road,
Austin, TX 78744-3291
512-389-4800

GENERAL LAND OFFICE

Texas General Land Office
1700 N. Congress Ave.
Austin, TX 78701-1495
512-463-5001

NATIONAL MARINE FISHERIES SERVICE

NOAA NMFS
Attn: Fishery Management Branch
Galveston Laboratory
4700 Avenue U
Galveston, TX 77551
409-766-3500

INTERNATIONAL BOUNDARY & WATER COMMISSION

International Boundary & Water Commission
4171 North Mesa, Suite C-100
El Paso, TX 79902-1441
1-800-262-8857

U.S. FOREST SERVICE

National Forests & Grasslands in Texas
2221 North Raguette
Lufkin, TX 75904
Attn: Environmental Coordinator

U.S. NATIONAL PARK SERVICE

National Park Service
Intermountain Regional Office
12795 Alameda Parkway
Denver, CO 80225
(303)-969-2500

Rio Grande Wild and Scenic River
P.O. Box 129
Big Bend National Park, TX 79834
(432)-477-2251

**NATIONAL FLOOD INSURANCE PROGRAM:
LOCAL FLOODPLAIN ADMINISTRATOR
(Coordination required for projects to be constructed in the 100-year floodplain)**

Appendix: Part E71a

Draft Bond Ordinance

- See hard copy attachment

Appendix: Part E71b

Private Placement Memorandum

Rates cannot be finalized until loan closes
and Private Placement Memorandum will
be filed then.

Guadalupe-Blanco River Authority

Wholesale Water Conservation Plan

**Wholesale Water Conservation Providers
Title 30. Part I, Chapter 288,
Subchapter A, 288.5**



APRIL 16, 2014

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APPENDICES

APPENDIX 1 – GBRA Board Policy on Water Conservation

APPENDIX 2 – Population and Customer Data

APPENDIX 3 – TCEQ Utility Profile Forms with Water Use Data

APPENDIX 4 – Wastewater System Data

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APPENDIX 6 – GBRA Guidelines for Water Conservation

Guadalupe-Blanco River Authority Wholesale Water Conservation Plan

1.0 Introduction

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

GBRA was established to develop, conserve and protect the water resources of the Guadalupe River Basin and make them available for beneficial use. Since its beginning, GBRA has understood that planning and resource development efforts cannot take place in isolation, but must always consider the broader scope of regional and statewide water needs. GBRA's statutory district begins near the headwaters of the Guadalupe and Blanco Rivers, ending at San Antonio Bay. The district includes the Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun, and Refugio Counties, encompassing approximately 7,900 square miles. GBRA is made up of 10 operational divisions and the General Division to supply essential services including water and wastewater treatment, water quality testing, the management of water rights and delivery of stored water, the production of electricity from seven hydroelectric plants, engineering and design support, economic development and educational support to a population of greater than 650,000 people.

GBRA is governed by a board of nine directors appointed by the Governor, subject to confirmation by the Texas Senate. Each director serves a six-year term with three directors appointed or reappointed every two years. Management and administrative functions are performed by the General Manager and staff under policies established by the Board.

The mission of the GBRA is to protect, conserve, reclaim and steward the resources of the 10-county District in order to ensure and promote quality of life for those we serve. This mission has been separated into six specific goals:

- Water Resource Management – To ensure a supply of quality water for both immediate and long-term needs of the District by development of all feasible alternatives; and development of flood management measures.

-
- Water Quality – To ensure that the quality of water in the District is suitable for municipal, agricultural, environmental and industrial supplies as well as recreational uses.
 - Public Services – To expand the GBRA’s public services and continue to enhance current operations.
 - Economic Development – To create economic development opportunities for each community in the District through partnerships with the GBRA.
 - Technical Assistance and Support – To provide increased professional and technical assistance to customers and other entities.
 - Communication and Education – To inform and educate employees and the public regarding protection, conservation and reclamation of District resources and GBRA stewardship of those resources.

This Water Conservation Plan (Plan) pertains to the use of wholesale water by GBRA’s customers and is intended to meet the requirements of the Texas Commission on Environmental Quality (TCEQ), Texas Water Development Board (TWDB), and the Guadalupe-Blanco River Authority.

1.1 Definitions

Definitions of commonly used terms are provided as follows:

Conservation – Those practices, techniques and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.

Drought Contingency Plan – A strategy for implementing water use restrictions during periods of drought and emergency events.

Industrial Use – The use of water in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, commercial fish production and the development of power by means other than hydroelectric, but does not include agricultural use.

Municipal per capita water use – The sum total of water diverted into a water supply system for residential, commercial, public and institutional uses divided by actual population served.

Municipal use – The use of potable water within or outside a municipality and its environs whether supplied by a person, privately owned utility, political subdivision, or other entity as well as the use of sewage effluent for certain purposes, including the use of treated water for domestic purposes, fighting fires, sprinkling streets, flushing sewers and drains, water parks and parkways and recreational purposes, including public and private swimming pools, the use of potable water in industrial and commercial enterprises supplied by a municipal distribution system without special construction to meet its demands and for the watering of lawns and family gardens.

Municipal use in gallons per capita per day – The total average daily amount of water diverted or pumped for treatment of potable use by a public water supply system. The calculation is made by dividing the water diverted or pumped for treatment for potable use by population served. Indirect reuse volumes shall be credited against total diversion volumes for the purpose of calculating gallons per capita per day for targets and goals.

Public water supplier – An individual or entity that supplies water to the public for human consumption.

Regional water planning group – A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, § 16.053.

Retail public water supplier – An individual or entity that for compensation, supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to itself or to its employees or tenants when that water is not resold to or used by others.

Reuse – The authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before that water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake or other body of state-owned water.

Water conservation plan – A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss or waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water and for preventing the pollution of water. A water conservation plan may be a separate document identified as such or may be contained within another water management document(s).

Water loss – The difference between water diverted or treated and water delivered (sold). Water loss can result from: (1) inaccurate or incomplete record keeping; (2) meter error; (3) unmetered uses such as firefighting, line flushing and water for public buildings and water treatment plants; (4) leaks; and (5) water theft and unauthorized use.

Wholesale public water supplier – An individual or entity that for compensation, supplies water to another for resale to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants as an incident of that employee service or tenancy when that water is not resold to or used by others, or an individual or entity that conveys water to another individual or entity, but does not own the right to the water which is conveyed, whether or not for a delivery fee.

2.0 Wholesale Water Conservation Plan

GBRA provides wholesale water to municipal customers through contracts for stored water out of Canyon Reservoir and run-of-river water under GBRA's water right permits authorized by TCEQ. As the customers' retail utility systems are separate from the GBRA's water system, the GBRA does not have the ability to implement most of the water conservation measures discussed in this Plan. The customers will be able to implement these measures as a part of their respective retail water supply operations. GBRA's role in this program will include the administration and promotion of the Plan, and public education and information.

This Water Conservation Plan pertains to the use of all wholesale water delivered through contracts with GBRA and is intended to meet the requirements of the Texas Commission on Environmental Quality (TCEQ), Texas Water Development Board (TWDB), and the Guadalupe-Blanco River Authority. Under Senate Bill 1 approved in 1997 by the Texas Legislature, all major municipal water rights holders are required to submit to TCEQ for approval and then implement a water conservation plan. This Plan is consistent with the requirements of TCEQ Rules, Title 30 TAC Section 288.5 and 288.30. The Plan also adheres to the provisions of the GBRA Board Policy on water conservation, which has been included in **Appendix 1**.

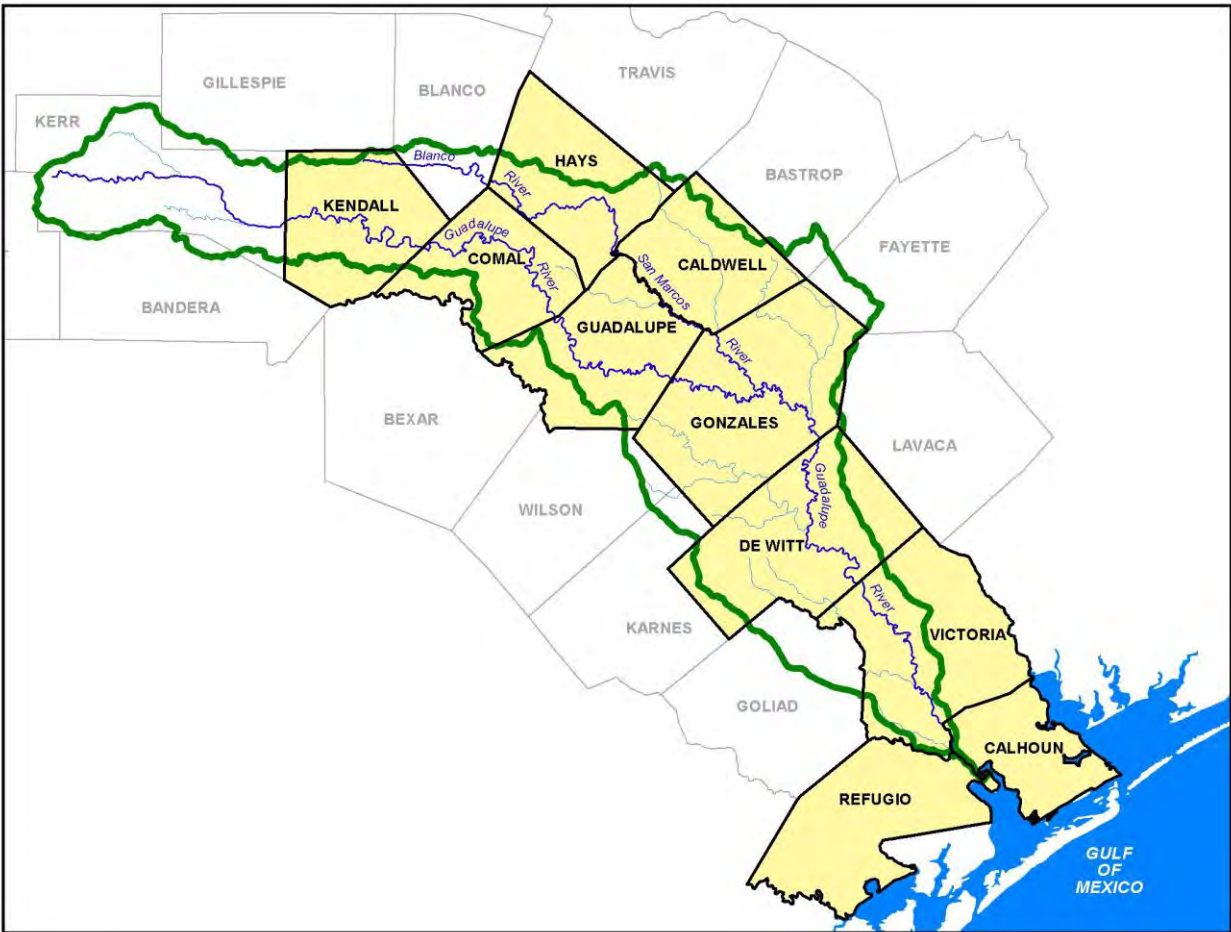
Components of the Plan include:

- Technical assistance
- Administrative and pricing requirements
- Water distribution system efficiency improvement
- Implementation reports
- Education

2.1 Planning Area Description

GBRA's statutory district begins near the headwaters of the Guadalupe and Blanco Rivers, ends at San Antonio Bay, and includes Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun and Refugio counties (see figure 1). Today, Eleven Operating Divisions and General Division supply essential services including water and wastewater treatment, water quality testing, the management of water rights and delivery of stored water, the production of electricity from seven hydroelectric plants, engineering and design support, economic and community development and natural resource education. Population data, the TCEQ utility profile forms containing water use data and customer data, and wastewater system data have been included in **Appendices 2, 3, and 4**, respectively.

Figure 1 – GBRA Statutory District



2.2 Conservation Goals

The purpose of the GBRA’s water conservation program is to increase water use efficiency and reduce water waste. Achievement of significant water conservation savings can only occur if each retail water utility sets and aggressively implements its own water conservation programs. GBRA’s water conservation program is predicated on the fact that the implementation of conservation measures must occur largely at the local level and is focused on encouraging and supporting initiatives by wholesale customers.

The conservation goals for wholesale water deliveries established by the Plan are, as follows:

1. Provide technical assistance in developing water conservation plans and drought

contingency plans for each city in the district with a population of 5,000 or more and for each major customer (100 acre feet or more) of wholesale water from GBRA.

2. Achieve an average municipal per capita water use within GBRA’s statutory district of 134 gpd by the year 2019 and 132 gpd by the year 2024.
3. Utilize the “averaging concept” in the commitment of water in order to stretch the supply of stored water.
4. Work with systems to develop water supplies based on a firm yield.
5. Develop criteria for use of reuse water for golf courses and residential purposes.
6. Establish criteria for increased metering to track and manage water supplies.
7. Maximum acceptable unaccounted for water of 15% or less by the year 2019 and 15% or less by the year 2024.

The target goals for municipal use in the GBRA service area specified in the Plan are based on the 2011 South Central Texas Regional Water Plan (Region L Plan) population and demand projections (see **Appendix 5**). These municipal demand projections assume that the water conservation goals in the Region L plan have been met for all municipal users. The municipal water conservation goals established in the Region L Plan are, as follows:

- For municipal water user groups (WUGs) with water use of 140 gpcd and greater, reduction of per capita water use by 1 percent per year until the level of 140 gpcd is reached, after which, the rate of reduction of per capita water use is one-fourth percent (0.25 percent) per year.
- For municipal WUGs having water use of less than 140 gpcd, reduction of per capita water use by one-fourth percent per year.

GBRA requires each of its municipal customers to set goals in gallons per capita per day (gpcd) and goals for a maximum acceptable level of unaccounted-for water as part of their local

water conservation planning. Municipal customers of GBRA's wholesale water operations will be encouraged to adopt water conservation goals consistent with the goals established in the Region L Plan.

Goals for industrial water conservation are dependent upon individual manufacturing processes. These goals will be determined on a case-by-case basis, and their implementation will be specified in individual water sale contracts.

Irrigation water conservation efforts will continue for water delivered by the GBRA Calhoun Canal System. It must be recognized that GBRA's Calhoun Canal System is more than a seasonal irrigation canal system and is used throughout the year to deliver municipal, industrial, and livestock water. Most of these off-peak season deliveries are for small quantities of water, making the operation more challenging when compared to some other canal operations. Refer to Section 4.0 for additional information on conservation practices for irrigation.

2.3 Monitoring and Record Management Program

GBRA maintains records of all water transactions as well as daily reading of Canyon Reservoir storage capacity, inflow and releases and requires annual reports of all water use. Each year GBRA's records, including water sales, deliveries, and losses are audited by an independent auditor. In addition, flow records and reports are routinely audited by GBRA's internal auditor.

2.4 Metering/Leak Detection and Repair Program

Wholesale water customers shall meter all retail water uses and will be encouraged to provide a master meter as well as metering of all utility, city and other public facilities. The customers will manage their ongoing leak detection, location and repair programs. Waterline leaks are detected by utility personnel while reading meters, maintaining their water and wastewater systems, and while performing other routine surveillance programs.

Additionally, as required by House Bill 3338, a water audit shall be conducted and submitted to the Texas Water Development Board every five years. In addition, each customer city will be encouraged to submit, on an annual basis, a water system audit to the GBRA in order

to determine the amount of water which is being lost from the system as a result of various conditions including theft, leaks, inaccurate meters, or bookkeeping errors.

As a contract requirement, each municipal water purchaser is required to submit on at least an annual basis a water system audit to determine the amount of water which is being lost from the system as a result of various conditions including theft, leaks, inaccurate meters, or bookkeeping errors. If such audit reveals that the customer's average system loss has been in excess of twenty (20) percent, the GBRA customer must perform the following:

- a) All system master meters and a random sampling of at least five (5) percent of Purchaser's customer meters are tested to determine their accuracy.
- b) After audit or testing performed in accordance with this section, Purchaser would submit in writing to GBRA a system efficiency plan outlining the corrective actions to be taken by Purchaser and a specific time schedule for each of the deficiencies found by the survey to be remedied.

Additional purchaser requirements include:

- Metering (unless GBRA agrees otherwise) all water pumped at the contractual diversion points and calibrating those meters at least once a year,
- Implementing an ongoing education program promoting water conservation through distribution of educational material and by conducting workshops,
- For municipal customers, no declining block rates for retail customers, and
- Adopting water conservation and drought contingency plans which include appropriate water use goals such as percentage reduction in per capita use, reduced peak water demands or reduced wastewater flows.

A further requirement is that each purchaser report every five years to the GBRA on the status of their water conservation program.

GBRA will monitor for leaks in any water storage, delivery, and transmission system components used to transport treated water prior to delivery to the wholesale customers. Any reported leaks will be repaired in a timely manner.

2.5 Water Supply Contracts

It is a mandatory requirement for GBRA to require customers with any new or amended contracts or successor contracts to develop a water conservation plan. GBRA's Guidelines for Development of a Water Conservation Plan has been included in **Appendix 6**. Minimum plan requirements for municipal customers entering or renewing GBRA contracts include:

- A completed TCEQ utility profile;
- Specific, quantified five-year and ten-year targets for water savings to include goals for water loss programs and goals for municipal use, in gallons per capita per day.
- Metering devices having accuracy within plus or minus 5 percent in order to measure and account for the amount of water diverted from the supply source;
- A program for universal metering of both customer and public uses of water, for meter testing and repair, and for periodic meter replacement;
- Measures to determine and control unaccounted-for uses of water (for example, periodic visual inspections along distribution lines, annual or monthly audit of the water system to determine illegal connections, abandoned services, etc.);

All new water sales and water or wastewater utility service contracts or any extension of such contracts are required to contain appropriate conditions requiring conservation measures that are consistent with the provisions of this Plan and the current Drought Contingency Plan as adopted or amended by the GBRA Board of Directors.

This Plan requires that a water sale contract applicant must promote efficiency in the purchaser's use of water. In addition, each purchaser further agrees that, in the event that it furnishes water or water services to a third party that in turn will furnish the water or services to the ultimate consumer, the requirements of the water sale contract relative to water conservation shall be met through contractual agreements between it and the third party.

2.6 Water Conservation Education

For 25 years GBRA has provided educational programs to thousands of students and teachers, as well as distributed thousands of pieces of water conservation literature to our customers and communities in our water service area.

Status of Elementary Water Education Program

GBRA continues to provide a high-quality water education program to elementary schools. Printed materials are provided free of charge to second and fourth grade classes. Classroom presentations are presented upon request, as staff calendars allow.

A Journey Through the Guadalupe River Basin: This one and a half week unit for the 4th grade classroom, written and developed by GBRA, introduces students to basin-wide water uses and issues. Cartoon characters “Edward A. Armadillo” and “Lupe the Turtle” present the learning narrative which includes place-based geography, watersheds, water uses and regulations, the importance of springflow, water quality and conservation. Each classroom kit includes 25 workbooks, a teacher’s guide, map poster, and a CD with accompanying presentations. Since its introduction in 1989, nearly 211,000 students have studied and completed this program. In 2013, approximately 420 classes (10,500 students) will study the *Journey* program. The student workbook is also available in Spanish. Date Initiated: 1989; updated and distributed annually

Water Makes the World Go ‘Round is a second grade workbook, first introduced in schools in 2012. This colorful booklet, written and developed by GBRA staff, introduces young students to the importance of water, the water cycle, water uses and water conservation. During school year 2013-14, GBRA distributed 10,500 copies to public and private schools. This publication is available in Spanish. Date Initiated: 2011, distributed annually

Status of Middle School Water Education Program

Starting school year 2013-14, GBRA is pleased to provide a new multi-media middle school program, targeting seventh grade science and social studies classes. Teacher trainings are

provided free of charge. Classroom presentations are provided upon request, as staff calendars allow.

River of Life: This middle school curriculum, written and developed by GBRA, included lessons on the physical properties of water, the hydrologic cycle, watersheds, the Edwards and other aquifers, water quality and nonpoint source pollution, drinking and wastewater treatment, and water conservation. This curriculum has been used in classrooms since 2003 by well over 150,000 students. Date Initiated: 2003

Waters to the Sea, Guadalupe River: GBRA is currently phasing out the *River of Life* and replacing it with *Waters to the Sea, Guadalupe River*, a new multi-media interactive program that will be used in 7th grade science and social studies classrooms. *Waters to the Sea* will many of the same topics as *River of Life*, but will be presented through video stories, animation, and computer based interactive modules. Water quality and water conservation are the focus of the majority of the modules. A teacher's guide has been developed and made available to all teachers who have been trained. The guide includes supplemental worksheets, student readings, and labs. Trainings for this program began in summer 2013, and have continued throughout the school year. *Waters to the Sea, Guadalupe River* is available free of charge to any educator, and can be found online at: www.hamline.edu.cgee/WTTS-Guadalupe Date Initiated: 2013

Status of GBRA's Education Programs for General Public; Schools, etc.

GBRA provides additional water conservation education for students and the general public through participation in national programs during late spring. Additionally, water education kiosks have been placed in public spaces throughout the river basin.

Drinking Water Week and Water Conservation Awareness Week: GBRA continues to participate in this nationwide program the first week of May. The GBRA General Laboratory offers a discount on laboratory services during this week. Other activities include Board Proclamation, stickers, employee participation, and billing statement messages. The Luling Water Treatment plant holds an open house to third grade students each year. In 2013, fifth grade students from Startzville Elementary (Comal ISD) visited

the Western Canyon Water Treatment plant, and intentions are for this program to continue. For the last 10 years, GBRA Education staff has sponsored a Composition Challenge (essay contest) for fourth grade students, focusing on water conservation. Awarded prizes include t-shirts, cups, stickers and certificates, all with a water conservation message. During spring of 2013, over 1,000 students registered. Prizes are awarded during Drinking Water Week. Date Initiated: 1998

Earth Day Celebrations: GBRA presents water conservation education materials and interactive games during Earth Day celebrations (late April) in numerous cities: Seguin, New Braunfels, Seguin, Sattler, Victoria, Boerne. Date Initiated: 2009

Water Education Kiosks: Supported by funding from the Texas Commission on Environmental Quality and the Texas State Soil and Water Conservation Board, GBRA has placed interactive computer kiosks in public places in communities throughout the basin: Canyon Lake, Wimberley, Kyle, Lockhart, Luling, Seguin, Cuero, Victoria. The kiosks lead users through a variety of lessons, focusing on water quality and water conservation. These kiosks are connected to GBRA's Real-Time Data Network. Date Initiated: 2011

Status of Special Literature Regarding Water Conservation/Drought Contingency

GBRA maintains an inventory of its own water conservation literature as well as some from various organizations (primarily the Texas Water Development Board and Texas Commission on Environmental Quality), which it distributes free to schools, civic groups, as bill stuffers, and at other public and private functions.

Aqua-Phil's Conservation Basin: Introduced in 2011, Aqua Phil's Conservation Basin brochure shares overall tips about how citizens can contribute to the overall efforts of water conservation in the Guadalupe River Basin and throughout the state. Tips focus on: Retrofit, Repair, Reduction; In-Home Conservation in the Kitchen, Bathroom, and Laundry; and Outdoor Water Conservation in Lawns and Gardens. The publication and

an accompanying video are available on the GBRA website. This publication is available in Spanish.

Aqua-Phil's Hydro-Illogical Cycle: Using the National Drought Mitigation Center's Hydro-ILLOGICAL cycle idea, users can explore this concept through a short animation featuring Aqua Phil (GBRA water character). This is available on the GBRA website, and is featured on water education kiosks throughout the river basin.

River Run: This award-winning publication, printed three times a year, features articles on water conservation and water quantity topics, ranging from legislative efforts, regional planning, water supply projects and drought. River Run is mailed to over 5,000 interested persons, including legislators other public /water planning officials, water managers and other constituents.

Status of Public Information Advertising by GBRA

Radio Ads and Public Service Announcements: GBRA staff developed a series of 25 “water-saving tips” (beginning in 2007) that are recorded in both English and Spanish. The tips are disseminated to local radio stations for airing during times when drought conditions are affecting counties within GBRA’s statutory district. Usually, the radio stations run one English and Spanish water-saving tip per day until all 25 have aired. A sample of an English/Spanish tip is noted below:

- “Check your sprinkler system frequently and adjust sprinklers so only your lawn is watered and not the house, sidewalk, or street.”
- “Verifique su sistema de la regadera con frecuencia y ajuste las regaderas tan sólo su césped se riega y no la casa, la acera, ni la calle.”

Status of Any Special Advertising by the GBRA

GBRA has not purchased “special advertising” for conservation, but rather, it mostly pushes the continuous use of its water-saving tips program year round.

3.0 Canyon Reservoir Operation

Canyon Dam and Reservoir was completed in 1964 as a cooperative project that is jointly managed by GBRA and the U.S. Army Corps of Engineers. GBRA is responsible for reservoir water management and release within the ‘conservation pool,’ between 800 feet mean sea level (msl) and the normal operating elevation of 909 feet msl. The Corps is responsible for management and release of waters within the ‘flood control pool,’ at elevations above 909 feet msl. Water is normally released as soon as possible from this portion of the reservoir as it must be kept empty to contain runoff from high rainfall and flood events.

Canyon Reservoir supplies stored water to cities, industries, and agricultural users. Under a permit issued by TCEQ, GBRA is currently allowed to divert a five-year average of 90,000 acre feet per year of stored water to supply contracted water users. To many users Canyon storage is their sole source of water; for others, it provides a dependable, alternative source of water during drought conditions and low river flows.

At maximum conservation pool level of 909 feet elevation msl, the reservoir covers more than 8,200 surface acres and impounds 386,200 acre-feet of water to a depth of 140 feet.

3.1 Reservoir Averaging

GBRA has developed an operating procedure whereby stored water from Canyon Reservoir is used to "firm-up" run-of-the-river water for users downstream of the reservoir. As an example, by using stored water from Canyon Reservoir, GBRA developed and used a "reservoir averaging" method whereby Coletto Creek Reservoir, an off-channel cooling lake for a steam-electric power plant in the lower basin, has been dependably operated with a run-of-the-river permit for water from the Guadalupe River, firmed up by a minimum quantity of stored water. The run-of-the river permit for Coletto Creek Reservoir is 20,000 acre-feet per year. With TCEQ’s approval, GBRA’s contract for stored water provides for an average of 6,000 acre-feet per year of stored water from Canyon, with a special condition that the maximum quantity of stored water that can be used during any one year is 18,900 acre-feet. This is possible, because in most years, the run of the river permit and natural run off are sufficient to keep Coletto Creek Reservoir full, and no Canyon releases are necessary. In this way, stored water for the electric

utility is minimized, and the project has an adequate water supply to allow operations during short term droughts. This is just one example of the benefits of reservoir averaging.

3.2 Pricing of Stored Water

GBRA has a philosophy of pricing stored water, so the rate includes the cost of the capital; operation and maintenance of facilities; management of water rights; and other expenses required to store, manage and deliver water. A basin-wide price is calculated as the weighted average cost of service from all water resource activities. The current rate for stored water is \$125.00 per acre-foot per year. This rate will increase as new projects are financed and built, and GBRA becomes more active in other water-related activities such as flood management and conservation.

4.0 Additional Conservation Practices for Irrigation

The GBRA's efforts in irrigation water conservation have been and continue to be focused to promote water conservation. The system accounts for approximately 80 percent of the surface water irrigation in GBRA's ten-county statutory district. The GBRA's conservation activities are directed at improving the efficiency of the water delivery systems and enhancing water use efficiency on the individual farms served by GBRA system.

Three major elements comprise the GBRA conservation program:

- Education on Best Irrigation Practices,
- Canal Rehabilitation and Maintenance; and
- Volumetric Water Pricing and Billing.

Each of these programs are described in the following sections.

4.1 Education on Best Irrigation Practices

Key elements of the on-farm water conservation education program include:

1. Working with local extension agencies to educate rice producers.
2. Establishing a row-crop rate to reduce the number of acres of marginal crops irrigated.
3. Support of crop tours and field days.

Based on the preliminary results of the "Less Water, More Rice" research program, improved cultivation and management practices (e.g., precision land leveling, multiple inlet systems, etc.) can reduce on-farm water use by 25 to 30 percent. Importantly, the conservation practices examined in the research program have been shown to significantly increase crop yield. As such, individual rice producers have a direct economic incentive to adopt the recommended conservation practices. Indications are that a majority of producers have been exposed to the "Less Water, More Rice" conservation practices and that many producers have or intend to adopt recommended practices.

4.2 Canal Rehabilitation and Maintenance

Improving the canal conveyance efficiency, reducing power consumption and improving canal system management are goals of a rehabilitation and maintenance program. GBRA will enhance its program to improve irrigation efficiency by re-sectioning canals, rebuilding levees, and removing vegetation. GBRA will also investigate the possibility of abandoning lateral canals that are seldom used.

4.3 Volumetric Pricing and Billing

As part of the Water Conservation Plan, GBRA will continue to investigate volumetric pricing and billing in the Calhoun Canal System.

5.0 Coordination with Regional Planning Groups

GBRA's statutory district is located within the South Central Texas Regional Water Planning Area (Region L) and the GBRA will provide a copy of the Plan to Region L.

6.0 Board Resolution and Implementation

By resolution dated April 16, 2014, the GBRA Board of Directors adopted the Wholesale Water Conservation Plan for GBRA. The General Manager or his/her designee is authorized and directed to implement the applicable provisions of this plan. The General Manager or his/her designee will act as the administrator of the plan, oversee the execution and implementation of the plan, and will be responsible for keeping adequate records for program verification. A copy of the Board Resolution adopting the Plan has been provided in **Appendix 7**.

APPENDIX 1



GBRA Board Policy on Water Conservation

GBRA Board Policy

501 – Water Conservation

501.10 Purpose. This policy provides direction for GBRA’s leadership role in assuming an adequate supply of clean water within the GBRA10-county statutory district sufficient to meet the needs of municipal, agricultural and industrial uses for the future through promoting the conservation of both ground and surface waters.

501.20 Policy

501-201 Leadership. GBRA directors and employees will exercise leadership by encouraging and where appropriate, requiring the conservation of both ground and surface waters within GBRA’s statutory district as follows:

- A) GBRA will promote practices and enter into cooperative efforts while avoiding duplication of other efforts.
- B) GBRA’s goals will be to promote the development and application of practices and technologies that improve water use efficiency, increase the beneficial reuse and recycling of water, and minimize the waste of water such that water supplies are extended.
- C) GBRA will support local, state, federal and private-sector initiatives to develop, demonstrate and apply water conservation measures where appropriate.
- D) GBRA will implement technical assistance, demonstrations, public information and educational programs on water conservation.
- E) In the operation and management of GBRA facilities and properties, GBRA will use water efficiency measures and demonstrate water conserving technology.
- F) All future water sales contracts will contain appropriate conservation and drought management conditions requiring the purchaser to provide to the maximum extent for the conservation of water, and to operate and maintain its facilities in a manner that prevents waste of water.

501.202 Technical Assistance. GBRA’s efforts in technical assistance will focus on the development and implementation of local water conservation and drought contingency programs that encourage local initiative and achievement. GBRA will provide assistance in the preparation of local conservation plans.

501.202 Cooperative Efforts. GBRA will look for opportunities for cooperative efforts with the Texas Water Development Board and the Texas Commission on Environmental Quality for the development and review of water conservation plans affecting the

GBRA statutory district. GBRA will also seek grants, matching funds, or other financial arrangements from public and private sources.

501.202.1 Research and Legislation. GBRA will support research, regulatory initiatives and legislation that advance the conservation and beneficial reuse of water in the GBRA statutory district. GBRA also will assist in the research and transfer of technology and information regarding cost-effective conservation measures for the benefit of water users within the statutory district.

501.203 Municipal and Industrial Water Efficiency. GBRA will integrate, as appropriate, water efficiency measures into the development and implementation of GBRA programs and projects. Such programs and projects may include, but shall not be limited to: water resources planning and demand forecasting such as the Senate Bill One Regional Water Planning Study; water and wastewater utility service studies, new projects and service agreements; water rate design; environmental programs; and energy efficiency programs.

501.204 Agricultural Water Efficiency. GBRA will support public and private-sector initiatives to develop, and apply cultivation and irrigation practices to improve on-farm water use efficiency as follows:

- A) GBRA will assist with the transfer of information and technology for improving on-farm water use efficiency from research to the producer.
- B) GBRA will undertake maintenance, rehabilitation and management practices, where feasible, to minimize water losses from GBRA irrigation water delivery systems.

501.205 Public Education. GBRA will cooperate in the distribution of water conservation materials to water users in GBRA's statutory district. GBRA will include water conservation information as a part of education programs.

501.30.1 Responsibility.

501.301 General Manager. The General Manager is responsible for the development of the water conservation program and will prepare the necessary management directives to carry out this policy.

Effective: May 16, 2007

APPENDIX 2

Population Data for GBRA Statutory District

POPULATION FOR GBRA'S TEN COUNTIES*

Census	Caldwell	Calhoun	Comal	Dewitt	Gonzales	Guadalupe	Hays	Kendall	Refugio	Victoria	Total
2000	32,194	20,647	78,021	20,013	18,628	89,023	97,589	23,743	7,828	84,088	471,774
2001	33,812	20,669	81,729	20,104	18,639	92,193	104,498	24,628	7,768	84,738	488,778
2002	34,928	20,410	84,719	20,053	18,875	94,374	109,718	25,314	7,700	85,054	501,145
2003	35,572	20,454	87,785	20,100	19,057	97,101	114,193	26,178	7,625	85,395	513,460
2004	36,461	20,498	90,857	20,146	19,247	100,014	118,760	27,617	7,550	85,737	526,887
2005	35,383	20,561	97,090	20,713	19,463	105,077	129,129	29,532	7,450	85,427	549,825
2006	35,622	20,958	105,431	20,341	19,135	114,736	137,940	31,350	7,493	86,756	579,762
2007	35,843	20,937	108,170	20,265	19,174	119,084	142,310	32,474	7,386	86,750	592,393
2008	37,671	21,127	103,272	19,902	7,164	123,398	147,674	31,754	7,430	85,762	585,154
2009	37,829	21,388	106,350	20,048	7,157	128,265	153,619	32,655	7,410	86,635	601,356
2010	38,066	21,381	108,472	20,097	19,807	131,533	157,107	33,410	7,383	86,793	624,049
2011	38,583	21,460	112,171	20,574	20,157	136,116	163,839	34,622	7,391	87,393	642,306
2012	39,014	21,692	115,084	21,019	20,299	139,419	166,718	35,477	7,433	88,905	655,060

*2000 & 2008-2010 US Census Bureau, 2001-2007 & 2011-2012 Texas Association of Counties

APPENDIX 3

TCEQ Implementation Reports with Water Use Data and Customer Data



Texas Commission on Environmental Quality

PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR WHOLESALE PUBLIC WATER SUPPLIERS

This form is provided to assist wholesale public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: Guadalupe Blanco River Authority Calhoun County Divisions

Address: P.O. Box 146, Port Lavaca, Texas 77979

Telephone Number: (361) -5529751 Fax: (361) -5526529


Water Right No.(s): 18-5173,18-5174,18-5175,18-5176,18-5177,18-5178,18-3863B

Regional Water Planning Group: L

Form Completed by: Stephanie Shelley

Title: Chief Operator

Person responsible for implementing conservation program: William E. West, Jr. Phone: (830) -3795822

Signature:  Date: 4/29/2014

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

PROFILE

I. WHOLESALE SERVICE AREA POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Service area size (in square miles): 314
(Please attach a copy of service-area map)
2. Current population of service area: 23,556

3. Current population served for:

- a. Water 23,556
- b. Wastewater NA

4. Population served for previous five years:

Year	Population
2009	23556
2010	23556
2011	23556
2012	23556
2013	23556

5. Projected population for service area in the following decades:

Year	Population
2020	24864
2030	28291
2040	31414
2050	33041
2060	34465

6. List source or method for the calculation of current and projected population size.

Current from the 2010 Census. Projected from the Texas Water Development Board for Calhoun County subtracting Point Comfort and Seadrift.

B. Customers Data

List (or attach) the names of all wholesale customers, amount of annual contract, and amount of annual use for each customer for the previous year:

	Wholesale Customer	Contracted Amount (acre-feet)	Previous Year Amount of Water Delivered (acre-feet)
1.	City of Port Lavaca Port O'Connor	4480	1452
2.	Improvement District Calhoun County Rural	1170	302
3.	Water Supply System	1500	253
4.	Inneos	3300	2992
5.	Seadrift Coke	1000	366

II. WATER USE DATA FOR SERVICE AREA

A. Water Delivery

Indicate if the water provided under wholesale contracts is treated or raw water and the annual amounts for the previous five years (in acre feet):

Year	Treated Water	Raw Water
2009	2125	51882.00
2010	2155	45312.11
2011	2571	54397.81
2012	2093	46188.54
2013	2007	33094.60
Totals	10951	230875.06

B. Water Accounting Data

- Total amount of water diverted at the point of diversion(s) for the previous five years (in acre-feet) for all water uses:

Year	2013	2012	2011	2010	2009
<i>Month</i>					
January	1936.70	2664.2	2695.72	2527.54	2177
February	1288.13	2664.20	3314.31	1431.55	2255
March	1377.49	1313.49	1871.90	2181.13	2348
April	2951.49	3190.57	2787.05	2859.03	3860
May	3722.04	5713.65	6692.65	4352.92	5797
June	2845.48	5362.07	3217.53	6302.78	7284
July	4103.29	4292.53	7933.76	5587.65	7200
August	5371.31	5668.96	7517.96	5959.26	7644
September	4178.22	5034.46	5814.01	3173.98	4507
October	1843.25	3612.75	4300.68	3676.88	3921
November	1395.32	4034.35	4588.52	3321.87	2296
December	2081.89	2637.31	3663.72	3937.52	2593
Totals	33094.60	46188.54	54397.81	45312.11	51882.00

2. Wholesale population served and total amount of water diverted for **municipal use** for the previous five years (in acre-feet):

Year	Total Population Served	Total Annual Water Diverted for Municipal Use
2009	21984	2125
2010	21984	2155
2011	21984	2571
2012	22476	2093
2013	22476	2007

C. Projected Water Demands

If applicable, project and attach water supply demands for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Projected Water Demands

List all current water supply sources and the amounts authorized (in acre feet) with each.

Water Type	Source	Amount Authorized
Surface Water	Guadalupe River	7150
Groundwater	NA	NA
Other	NA	NA

B. Treatment and Distribution System (if providing treated water)

1. Design daily capacity of system (MGD): Surface Water Treatment Plant rated at 6.0 MGD
2. Storage capacity (MGD):
 - c. Elevated 1.25
 - d. Ground 2.05
3. Please attach a description of the water system. Include the number of treatment plants, wells, and storage tanks.

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD): N/A
2. Briefly describe the wastewater system(s) of the area serviced by the wholesale public water supplier. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: _____ %
2. Monthly volume treated for previous five years (in 1,000 gallons):

<i>Year</i>	_____	_____	_____	_____	_____
<i>Month</i>	_____	_____	_____	_____	_____
January	_____	_____	_____	_____	_____
February	_____	_____	_____	_____	_____
March	_____	_____	_____	_____	_____
April	_____	_____	_____	_____	_____
May	_____	_____	_____	_____	_____
June	_____	_____	_____	_____	_____
July	_____	_____	_____	_____	_____
August	_____	_____	_____	_____	_____
September	_____	_____	_____	_____	_____
October	_____	_____	_____	_____	_____
November	_____	_____	_____	_____	_____
December	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

V. ADDITIONAL REQUIRED INFORMATION

In addition to the description of the wholesaler’s service area (profile from above), a water conservation plan for a wholesale public water supplier must include, at a minimum, additional information as required by Title 30, Texas Administrative Code, Chapter 288.5. Note: If the water conservation plan does not provide information for each requirement an explanation must be included as to why the requirement is not applicable.

A. Specific, Quantified 5 & 10-Year Targets

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings including, where appropriate, target goals for municipal use in gallons per capita per day for the wholesaler's service area, maximum acceptable unaccounted-for water, and the basis for the development of these goals. Note that the goals established by wholesale water suppliers under this subparagraph are not enforceable.

B. Metering Devices

The water conservation plan must include a description as to which practice(s) and/or device(s) will be utilized to measure and account for the amount of water diverted from the source(s) of supply.

C. Record Management Program

The water conservation plan must include a monitoring and record management program for determining water deliveries, sales, and losses.

D. Metering/Leak-Detection and Repair Program

The water conservation plan must include a program of metering and leak detection and repair for the wholesaler's water storage, delivery, and distribution system.

E. Reservoir Systems Operations Plan

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plan shall include optimization of water supplies as one of the significant goals of the plan.

F. Contract Requirements for Successive Customer Conservation

The water conservation plan must include a requirement in every water supply contract entered into or renewed after official adoption of the water conservation plan, and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of Title 30 TAC Chapter 288. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

G. Enforcement Procedure and Official Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

H. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the wholesale water supplier in order to ensure consistency with the appropriate approved regional water plans.

Example statement to be included within the water conservation plan:

The service area of the _____ (name of water supplier) is located within the _____ (name of regional water planning area or areas) and _____ (name of water supplier) has provided a copy of this water conservation plan to the _____ (name of regional water planning group or groups).

I. Plan Review and Update

A wholesale water supplier shall review and update its water conservation plan, as appropriate based on an assessment of previous five-year and ten-year targets and any other new or updated information. A wholesale water supplier shall review and update the next revision of its water conservation plan no later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

J. Additional Conservation Strategies

Any combination of the following strategies shall be selected by the water wholesaler, in addition to the minimum requirements of this chapter, if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;
2. A program to assist agricultural customers in the development of conservation, pollution prevention and abatement plans;
3. A program for reuse and/or recycling of wastewater and/or graywater;
4. A cost-share program;
5. A technical assistance and outreach program;
6. A program for purchase and direct distribution of water conservation equipment; and
7. Any other water conservation practice, method, or technique which the wholesaler shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

Best Management Practices

The Texas Water Developmental Board's (TWDB) Report 362 is the Water Conservation Best Management Practices (BMP) guide. The BMP Guide is a voluntary list of management practices that water users may implement in addition to the required components of Title 30, Texas Administrative Code, Chapter 288. The Best Management Practices Guide broken out by sector, including Agriculture, Commercial, and Institutional, Industrial, Municipal and Wholesale along with any new or revised BMP's can be found at the following link on the Texas Water Developments Board's website: <http://www.twdb.state.tx.us/conservation/bmps/index.asp>

Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact 512-239-3282.

I. WHOLESALE SERVICE AREA POPULATION AND CUSTOMER DATA

B. Customers Data

Irrigation Customers	20,663 ac.ft. contracted	20,663 ac.ft. used 2013
Union Carbide Dow	NA**	13,108 ac.ft. used 2013

****Note: Union Carbide Dow does not directly contract with GBRA for surface water because they possess surface water rights, either solely owned or shared with GBRA.**

INDUSTRIAL CUSTOMERS

<u>Raw Water Customer</u>	<u>Total Contracted</u>	<u>Storage/Alternate Source</u>	<u>Notes</u>
Ineos	3300 acre-feet	1100 ac-ft	
Seadrift Coke	1000 acre-feet	334 ac-ft	
Union Carbide(Dow)	Not applicable	100 ac-ft	note 1
Ponds	281 surface acres	no alt. source	Ag 1 yr term 2013

IRRIGATION CUSTOMERS

<u>Raw Water Customer</u>	<u>Total Contracted</u>	<u>Storage/Alternate Source</u>	<u>Notes</u>
US Fish & Wildlife	4,000 acre-feet	no alt. source	Ag 5 yr term
Rice	2306 surface acres	no alt. source	Ag 1 yr term 2013
Row crop & pasture	1645 surface acres	no alt. source	Ag 1 yr term 2013

III. WATER SUPPLY SYSTEM DATA

3. Description of the Water System

Guadalupe Blanco River Authority Port Lavaca Water Treatment Plant

The GBRA Port Lavaca Water Treatment Plant is a surface water plant rated at 6.0 MGD. The plant wholesales the water to the City of Port Lavaca, the Calhoun County Rural Water Supply System, and the Port O'Connor Improvement District. The plant has a 1.0 MG Clearwell. The City of Port Lavaca has two 0.5 MG elevated tanks. The Calhoun County Rural Water System wheels off of the City of Port Lavaca and also has a 0.03 MG ground storage tank. The Port O'Connor Improvement District has a 0.75 MG in ground storage and 0.25 MG in an elevated tower.



Texas Commission on Environmental Quality

PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR WHOLESALE PUBLIC WATER SUPPLIERS

This form is provided to assist wholesale public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: GBRA Luling Water Treatment Plant

Address: 933 E. Court Street, Seguin, TX 78155

Telephone Number: (830) -3795822 Fax: (830) -3720868


Water Right No.(s): 18-3896A, 18-5234B, 18-3600D

Regional Water Planning Group: L

Form Completed by: Darel Ball

Title: Division Manager, Hays & Caldwell Counties

Person responsible for implementing conservation program: William E. West, Jr. Phone: (830) -3795822

Signature:  Date: 4/29/2014

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

PROFILE

I. WHOLESALE SERVICE AREA POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Service area size (in square miles): 25.4
(Please attach a copy of service-area map)
2. Current population of service area: 18,472

3. Current population served for:

- a. Water 18,472
- b. Wastewater n/a

4. Population served for previous five years:

Year	Population
2007	19,110
2008	19,147
2009	19,740
2010	18,147
2011	18,347

5. Projected population for service area in the following decades:

Year	Population
2020	22,362
2030	27,378
2040	32,326
2050	37,227
2060	42,166

6. List source or method for the calculation of current and projected population size.

U.S. Census Bureau, Population Division (www.census.gov); 2016 Regional Water Plan (www.twdb.texas.gov)

B. Customers Data

List (or attach) the names of all wholesale customers, amount of annual contract, and amount of annual use for each customer for the previous year:

	Wholesale Customer	Contracted Amount (acre-feet)	Previous Year Amount of Water Delivered (acre-feet)
1.	City of Luling	1,810	814
2.	City of Lockhart	724	1,290
3.			
4.			
5.			

II. WATER USE DATA FOR SERVICE AREA

A. Water Delivery

Indicate if the water provided under wholesale contracts is treated or raw water and the annual amounts for the previous five years (in acre feet):

Year	Treated Water	Raw Water
2008	2,188	
2009	1,967	
2010	1,908	
2011	2,069	
2012	2,104	
Totals	10,236	

B. Water Accounting Data

- Total amount of water diverted at the point of diversion(s) for the previous five years (in acre-feet) for all water uses:

Year	2008	2009	2010	2011	2012
<i>Month</i>					
January	161	171	164	167	163
February	158	164	145	162	147
March	172	183	175	168	159
April	192	174	164	190	167
May	250	194	184	205	187
June	275	225	196	212	199
July	262	228	201	216	217
August	234	227	228	214	219
September	218	186	171	192	195
October	202	157	179	181	192
November	183	168	163	163	202
December	164	167	163	145	191
Totals	4,478	4,253	4,145	4,226	4,248

2. Wholesale population served and total amount of water diverted for **municipal use** for the previous five years (in acre-feet):

Year	Total Population Served	Total Annual Water Diverted for Municipal Use
2008	19,600	2,470
2009	19,740	2,135
2010	18,147	2,215
2011	18,347	2,215
2012	18,472	2,236

C. Projected Water Demands

If applicable, project and attach water supply demands for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Projected Water Demands

List all current water supply sources and the amounts authorized (in acre feet) with each.

Water Type	Source	Amount Authorized
Surface Water	San Marcos River	4,422
Groundwater		
Other		

B. Treatment and Distribution System (if providing treated water)

1. Design daily capacity of system (MGD): 2.5
2. Storage capacity (MGD):
 - c. Elevated _____
 - d. Ground 0.5
3. Please attach a description of the water system. Include the number of treatment plants, wells, and storage tanks.

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD): n/a
2. Briefly describe the wastewater system(s) of the area serviced by the wholesale public water supplier. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: _____ %
2. Monthly volume treated for previous five years (in 1,000 gallons):

<i>Year</i>	_____	_____	_____	_____	_____
<i>Month</i>	_____	_____	_____	_____	_____
January	_____	_____	_____	_____	_____
February	_____	_____	_____	_____	_____
March	_____	_____	_____	_____	_____
April	_____	_____	_____	_____	_____
May	_____	_____	_____	_____	_____
June	_____	_____	_____	_____	_____
July	_____	_____	_____	_____	_____
August	_____	_____	_____	_____	_____
September	_____	_____	_____	_____	_____
October	_____	_____	_____	_____	_____
November	_____	_____	_____	_____	_____
December	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

V. ADDITIONAL REQUIRED INFORMATION

In addition to the description of the wholesaler’s service area (profile from above), a water conservation plan for a wholesale public water supplier must include, at a minimum, additional information as required by Title 30, Texas Administrative Code, Chapter 288.5. Note: If the water conservation plan does not provide information for each requirement an explanation must be included as to why the requirement is not applicable.

A. Specific, Quantified 5 & 10-Year Targets

The water conservation plan must include specific, quantified five-year and ten-year targets for water savings including, where appropriate, target goals for municipal use in gallons per capita per day for the wholesaler's service area, maximum acceptable unaccounted-for water, and the basis for the development of these goals. Note that the goals established by wholesale water suppliers under this subparagraph are not enforceable.

B. Metering Devices

The water conservation plan must include a description as to which practice(s) and/or device(s) will be utilized to measure and account for the amount of water diverted from the source(s) of supply.

C. Record Management Program

The water conservation plan must include a monitoring and record management program for determining water deliveries, sales, and losses.

D. Metering/Leak-Detection and Repair Program

The water conservation plan must include a program of metering and leak detection and repair for the wholesaler's water storage, delivery, and distribution system.

E. Reservoir Systems Operations Plan

The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plan shall include optimization of water supplies as one of the significant goals of the plan.

F. Contract Requirements for Successive Customer Conservation

The water conservation plan must include a requirement in every water supply contract entered into or renewed after official adoption of the water conservation plan, and including any contract extension, that each successive wholesale customer develop and implement a water conservation plan or water conservation measures using the applicable elements of Title 30 TAC Chapter 288. If the customer intends to resell the water, then the contract between the initial supplier and customer must provide that the contract for the resale of the water must have water conservation requirements so that each successive customer in the resale of the water will be required to implement water conservation measures in accordance with the provisions of this chapter.

G. Enforcement Procedure and Official Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

H. Coordination with the Regional Water Planning Group(s)

The water conservation plan must include documentation of coordination with the regional water planning groups for the service area of the wholesale water supplier in order to ensure consistency with the appropriate approved regional water plans.

Example statement to be included within the water conservation plan:

The service area of the _____ (name of water supplier) is located within the _____ (name of regional water planning area or areas) and _____ (name of water supplier) has provided a copy of this water conservation plan to the _____ (name of regional water planning group or groups).

I. Plan Review and Update

A wholesale water supplier shall review and update its water conservation plan, as appropriate based on an assessment of previous five-year and ten-year targets and any other new or updated information. A wholesale water supplier shall review and update the next revision of its water conservation plan no later than May 1, 2009, and every five years after that date to coincide with the regional water planning group. The revised plan must also include an implementation report.

J. Additional Conservation Strategies

Any combination of the following strategies shall be selected by the water wholesaler, in addition to the minimum requirements of this chapter, if they are necessary in order to achieve the stated water conservation goals of the plan. The commission may require by commission order that any of the following strategies be implemented by the water supplier if the commission determines that the strategies are necessary in order for the conservation plan to be achieved:

1. Conservation-oriented water rates and water rate structures such as uniform or increasing block rate schedules, and/or seasonal rates, but not flat rate or decreasing block rates;
2. A program to assist agricultural customers in the development of conservation, pollution prevention and abatement plans;
3. A program for reuse and/or recycling of wastewater and/or graywater;
4. A cost-share program;
5. A technical assistance and outreach program;
6. A program for purchase and direct distribution of water conservation equipment; and
7. Any other water conservation practice, method, or technique which the wholesaler shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

Best Management Practices

The Texas Water Developmental Board's (TWDB) Report 362 is the Water Conservation Best Management Practices (BMP) guide. The BMP Guide is a voluntary list of management practices that water users may implement in addition to the required components of Title 30, Texas Administrative Code, Chapter 288. The Best Management Practices Guide broken out by sector, including Agriculture, Commercial, and Institutional, Industrial, Municipal and Wholesale along with any new or revised BMP's can be found at the following link on the Texas Water Developments Board's website: <http://www.twdb.state.tx.us/conservation/bmps/index.asp>

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Texas Commission on Environmental Quality

PROFILE AND WATER CONSERVATION PLAN REQUIREMENTS FOR WHOLESALE PUBLIC WATER SUPPLIERS

This form is provided to assist wholesale public water suppliers in water conservation plan development. If you need assistance in completing this form or in developing your plan, please contact the conservation staff of the Resource Protection Team in the Water Availability Division at (512) 239-4691.

Name: Guadalupe-Blanco River Authority

Address: 933 E Court St.

Telephone Number: (830) -3795822 Fax: (830) -4010991


Water Right No.(s): 18-2074E

Regional Water Planning Group: Region L

Form Completed by: Charlie Hickman

Title: Engineer

Person responsible for implementing conservation program: William E. West, Jr. Phone: (830) -3795822

Signature:  Date: 4/29/2014

NOTE: If the plan does not provide information for each requirement, include an explanation of why the requirement is not applicable.

PROFILE

I. WHOLESALE SERVICE AREA POPULATION AND CUSTOMER DATA

A. Population and Service Area Data

1. Service area size (in square miles): 7,292
(Please attach a copy of service-area map)
2. Current population of service area: 655,060*

3. Current population served for:

- a. Water 655,060*
- b. Wastewater 0

4. Population served for previous five years:

Year	Population
2012	655,060
2011	642,306
2010	624,049
2009	601,356
2008	585,154

5. Projected population for service area in the following decades:

Year	Population
2020	819,760
2030	1,107,806
2040	1,212,540
2050	1,625,607
2060	1,866,024

6. List source or method for the calculation of current and projected population size.

Current population data taken from Texas Association of Counties data and US Census data. TWDB population projections approved for the 2016 state water plan were used.

*2013 population data was not available so the 2012 population was used for the current population estimate.

B. Customers Data

List (or attach) the names of all wholesale customers, amount of annual contract, and amount of annual use for each customer for the previous year:

	Wholesale Customer	Contracted Amount (acre-feet)	Previous Year Amount of Water Delivered (acre-feet)
1.	(See Attached)	89,664	45,627
2.			
3.			
4.			
5.			

II. WATER USE DATA FOR SERVICE AREA

A. Water Delivery

Indicate if the water provided under wholesale contracts is treated or raw water and the annual amounts for the previous five years (in acre feet):

Year	Treated Water	Raw Water
2013		45,627
2012		43,048
2011		44,596
2010		34,864
2009		43,113
Totals		211,248

B. Water Accounting Data

- Total amount of water diverted at the point of diversion(s) for the previous five years (in acre-feet) for all water uses:

Year	2013	2012	2011	2010	2009
<i>Month</i>					
January	3,316	3,315	2,345	2,843	3,069
February	2,876	3,048	2,338	2,613	2,807
March	3,508	2,640	2,739	2,743	2,972
April	3,616	2,805	3,035	2,535	3,250
May	3,829	3,022	3,960	3,077	4,353
June	4,143	3,527	4,150	3,060	4,577
July	4,411	4,062	4,789	3,165	5,490
August	4,889	4,790	5,218	3,543	4,496
September	4,174	4,125	4,842	2,749	3,739
October	3,712	4,035	4,004	3,074	3,370
November	3,581	3,904	3,617	2,571	2,375
December	3,573	3,776	3,558	2,890	2,616
Totals	45,627	43,048	44,596	34,864	43,113

2. Wholesale population served and total amount of water diverted for **municipal use** for the previous five years (in acre-feet):

Year	Total Population Served	Total Annual Water Diverted for Municipal Use
2013	655,060*	45,627
2012	655,060	43,048
2011	642,306	44,596
2010	624,049	34,864
2009	601,356	43,113

C. Projected Water Demands

If applicable, project and attach water supply demands for the next ten years using information such as population trends, historical water use, and economic growth in the service area over the next ten years and any additional water supply requirements from such growth.

III. WATER SUPPLY SYSTEM DATA

A. Projected Water Demands

List all current water supply sources and the amounts authorized (in acre feet) with each.

Water Type	Source	Amount Authorized
Surface Water	Canyon Reservoir	90,000
Groundwater		
Other		

B. Treatment and Distribution System (if providing treated water)

1. Design daily capacity of system (MGD):

2. Storage capacity (MGD):
 - c. Elevated _____
 - d. Ground _____

3. Please attach a description of the water system. Include the number of treatment plants, wells, and storage tanks.

IV. WASTEWATER SYSTEM DATA

A. Wastewater System Data (if applicable)

1. Design capacity of wastewater treatment plant(s) (MGD):
2. Briefly describe the wastewater system(s) of the area serviced by the wholesale public water supplier. Describe how treated wastewater is disposed. Where applicable, identify treatment plant(s) with the TCEQ name and number, the operator, owner, and the receiving stream if wastewater is discharged.

B. Wastewater Data for Service Area (if applicable)

1. Percent of water service area served by wastewater system: _____ %
2. Monthly volume treated for previous five years (in 1,000 gallons):

<i>Year</i>	_____	_____	_____	_____	_____
<i>Month</i>	_____	_____	_____	_____	_____
January	_____	_____	_____	_____	_____
February	_____	_____	_____	_____	_____
March	_____	_____	_____	_____	_____
April	_____	_____	_____	_____	_____
May	_____	_____	_____	_____	_____
June	_____	_____	_____	_____	_____
July	_____	_____	_____	_____	_____
August	_____	_____	_____	_____	_____
September	_____	_____	_____	_____	_____
October	_____	_____	_____	_____	_____
November	_____	_____	_____	_____	_____
December	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

V. ADDITIONAL REQUIRED INFORMATION

In addition to the description of the wholesaler’s service area (profile from above), a water conservation plan for a wholesale public water supplier must include, at a minimum, additional information as required by Title 30, Texas Administrative Code, Chapter 288.5. Note: If the water conservation plan does not provide information for each requirement an explanation must be included as to why the requirement is not applicable.

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The water conservation plan must include specific, quantified five-year and ten-year targets for water savings including, where appropriate, target goals for municipal use in gallons per capita per day for the wholesaler's service area, maximum acceptable unaccounted-for water, and the basis for the development of these goals. Note that the goals established by wholesale water suppliers under this subparagraph are not enforceable.

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The water conservation plan must include a description as to which practice(s) and/or device(s) will be utilized to measure and account for the amount of water diverted from the source(s) of supply.

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The water conservation plan must include a reservoir systems operations plan, if applicable, providing for the coordinated operation of reservoirs owned by the applicant within a common watershed or river basin. The reservoir systems operations plan shall include optimization of water supplies as one of the significant goals of the plan.

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G. Enforcement Procedure and Official Adoption

The water conservation plan must include a means for implementation and enforcement, which shall be evidenced by a copy of the ordinance, rule, resolution, or tariff, indicating official adoption of the water conservation plan by the water supplier; and a description of the authority by which the water supplier will implement and enforce the conservation plan.

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Example statement to be included within the water conservation plan:

The service area of the _____ (name of water supplier) is located within the _____ (name of regional water planning area or areas) and _____ (name of water supplier) has provided a copy of this water conservation plan to the _____ (name of regional water planning group or groups).

I. Plan Review and Update

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3. A program for reuse and/or recycling of wastewater and/or graywater;
4. A cost-share program;
5. A technical assistance and outreach program;
6. A program for purchase and direct distribution of water conservation equipment; and
7. Any other water conservation practice, method, or technique which the wholesaler shows to be appropriate for achieving the stated goal or goals of the water conservation plan.

Best Management Practices

The Texas Water Developmental Board's (TWDB) Report 362 is the Water Conservation Best Management Practices (BMP) guide. The BMP Guide is a voluntary list of management practices that water users may implement in addition to the required components of Title 30, Texas Administrative Code, Chapter 288. The Best Management Practices Guide broken out by sector, including Agriculture, Commercial, and Institutional, Industrial, Municipal and Wholesale along with any new or revised BMP's can be found at the following link on the Texas Water Developments Board's website: <http://www.twdb.state.tx.us/conservation/bmps/index.asp>

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December 2013 Canyon Contracts

Customer	Purpose	AF/YR Commit.	Exp Dt	Div Rate	County
Springs Hill WSC I	Mun 010	1850	123150	500 GPM	Guad
Canyon Lake WSC	Mun 010	2000	123144	4200 GPM	Comal
Canyon Lake WSC II	Mun 010	2000	123150	4200 GPM	Comal
Canyon Lake WSC III	Mun 010	2000	123150	6945 GPM	Comal
Green Valley SUD	Mun 010	1000	123140	1200 GPM	Guad
WW Sports	Mun 010	1	123114	60 GPM	Comal
Gonzales Co. WSC	Mun 010	350	030139	600 GPM	Gonz
Rebecca Crk. MUD	Mun 010	130	123137	600 GPM	Comal
Calhoun County RWSC	Mun 010	73	Indef.	898 GPM	Calhoun
City of Port Lavaca	Mun 010	1500	011016	2 MGD	Calhoun
POC Improvement Dist	Mun 010	125	071940	725 GPM	Calhoun
Yacht Club	Mun 010	10	123116	6 GPM	Comal
CRWA (Dunlap)				3000 GPM	
City of Marion	Mun 010	100	123139		Guad
City of Cibolo	Mun 010	1350	123139		Guad
Green Valley SUD	Mun 010	1800	Varies		Various
Springs Hill WSC	Mun 010	1925	123139		Guad
East Central WSC	Mun 010	1400	Varies		Various
SAWS	Mun 010	4000	123118		Bexar
NBU	Mun 010	9720	010150	6000 GPM	Comal
City of Seguin	Mun 010	1000	083117	10327 PM	Guad
Crystal Clear	Mun 010	800	111232	600 GPM	Guad
Dittmar, Gary	Mun 010	5	N/A	2800 GPM	Guad
Dittmar, Ray	Mun 010	5	N/A	1200 GPM	Guad
Springs Hill WSC II	Mun 010	1000	123150	10327 GPM	Guad
City of Blanco	Mun 010	600	123150	375 GPM	Comal
HH Ranch Properties	Mun 010	250	123144	600 GPM	Comal
Boerne	Mun 010	3611	123137		Kendall
Fair Oaks Ranch	Mun 010	1850	123137		Bexar
SAWS	Mun 010	4000	123137		Bexar
Cordillera Ranch	Mun 010	1500	123137		Comal
Kendall & Tapatio	Mun 010	750	123137		Kendall
DH Invest.-Johnson Ranch	Mun 010	900	123137		Comal
Lerin Hills	Mun 010	750			Kendall
Comal Trace	Mun 010	100			Comal
SJWTX-Bulverde	Mun 010	400	123140		Com/Ken/Bex
SJWTX-Park Village	Mun 010	322	123137		Com/Ken/Bex
Bremer Ranch LTD	Mun 010	100	123143		Comal
Jacquelyn Couser	Mun 010	100	123143		Comal
San Marcos	Mun 010	10000	070147	6,000 GPM	Comal/Hays
Kyle	Mun 010	5443	123138	1,842 GPM	Hays/Caldwell
CRWA	Mun 010	2038	123139	1390 GPM	Hays
Buda	Mun 010	1680	123142	694 GPM	Hays
GoForth WSC	Mun 010	1050	123139	650 GPM	Guad
Sunfield MUD	Mun 010	3136	123150	2776 GPM	Guad
Monarch	Mun 010	560	123137	350 GPM	Guad
SUBTOTAL Municipal		73,284			
Bill Holland	Dom 011	1	123120	20 GPM	Comal
Maricopa Lodge	Dom 011	2	123114	15 GPM	Comal
Debra Salge	Dom 011	1	123114	20 GPM	Comal
Peter Kleck	Dom 011	1	123114	40 GPM	Comal
Don Johnson	Dom 011	1	123114	20 GPM	Comal
George O'Donnell	Dom 011	1	123116	26 GPM	Comal
Michael Walton	Dom 011	1	123114	30 GPM	Comal

Customer	Purpose	AF/YR Commit.	Exp Dt	Div Rate	County
Thomas Livengood	Dom 011	1	123114	26 GPM	Comal
SUBTOTAL Domestic		9			
CMC Steel	Ind 020	700	Indef.	1000 GPM	Guad
Acme Brick	Ind 020	25	123130	100 GPM	Guad
Ineos USA LLC (BP Chem)	Ind 020	1100	022115	10250 GPM	Calhoun
Coletto Creek Power	Ind 020	4000	090125	16000 GPM	Victoria
UCC/DOW	Ind 020	100	123116	24000 GPM	Calhoun
Seadrift Coke L. P	Ind 020	334	071518	1550 GPM	Calhoun
Temple Inland (St. Gyp)	Ind 020	258	123113	125 GPM	Guad
Comal County Fair Assoc	Ind 020	1	123129	200 GPM	Comal
Comal Rd. Dept.	Ind 020	3	123114	2000 GPM	Comal
GPP (Panda Energy)	Ind 020	6840	123121	6600 GPM	Guad
Guadalupe County	Ind 020	2	123122	150 GPM	Guadalupe
Hays Energy LP (ANP)	Ind 020	2464	123125	1528 GPM	Comal
SUBTOTAL Industrial		15,827			
Jack DuBose	Irr 030	5	123122	50 GPM	Gonz
Ind. Golf Assn.	Irr 030	2	123114	250 GPM	Gonz
Comal ISD	Irr 030	2	123114	13 GPM	Comal
Terry Zurovec	Irr 030	4	123114	250 GPM	Guad
Eddie Goldbeck	Irr 030	1	123114	70 GPM	Comal
Golf Club of Seguin	Irr 030	25	123122	200 GPM	Guad
Southbank Property Own	Irr 030	1	123114	60 GPM	Guad
Foresight Golf Partners	Irr 030	290	123130	2000 GPM	Guad
Javier Martinez	Irr 030	1	123114	12 GPM	Comal
Maldonado Nursery	Irr 030	6	123115	100 GPM	Guad
Stephen Edlund	Irr 030	1	123114		
Comal Cty-Hidden Valley	Irr 030	20	123120	250 GPM	Comal
Golf Associates	Irr 030	10	123130	2000 GPM	Guad
Larry Aniol	Irr 030	1	123114	500 GPM	Comal
William Waggener	Irr 030	1	123114	20 GPM	Comal
Tom Smith	Irr 030	1	123114		Comal
Kenneth Speck	Irr 030	1	123114		Comal
Bill Biegel	Irr 030	1	123114		Comal
John Sanders	Irr 030	2	123114		Comal
Jeff Bearden	Irr 030	1	123114		Comal
Karen Baker	Irr 030	1	123114		Comal
Daniel Hawk	Irr 030	1	123114		Comal
Donald Cook	Irr 030	3	123114		Comal
Robert Fleming	Irr 030	1	123114		Comal
Samir Sayegh	Irr 030	1	123114		Comal
Edward Maser	Irr 030	1	123114		Comal
William Latham	Irr 030	1	123114		Comal
Wayne Gibson - Gardos	Irr 030	2	123114		Comal
William Mattison	Irr 030	1	123114		Comal
Daniel Gayle	Irr 030	1	123114		Comal
Mark & Kris Burken	Irr 030	1	123114		Comal
DL Stafford Real Estate LP	Irr 030	2	123114		Comal
SUBTOTAL Irrigation		389			
UPSTREAM DIVERSION CONTRACTS					
Kerrville	Irr 030	26	123120	750 GPM	Kerr
River Crossing Golf Club LTD	Irr 030	117	123129	900 GPM	Comal
Tom Fatjo	Irr 030	10.67	123140	100 GPM	Kerr
Sylvia Sieker	Irr 030	1	123135	.03 GPM	Kerr
SUBTOTAL Upstream Diversion		154.67			
TOTALS		89,663.67			

APPENDIX 4

Wastewater System Data

GBRA WASTEWATER DISCHARGE PERMITS

WWTP	TPDES/ TLAP No.	Permit Expiration Date	Design Capacity (interim/final)	Receiving Stream	Area Served
Lockhart WWTF No. 1	10210-001	Feb 1, 2015	1.1 MGD	Town Creek to Plum Creek	City of Lockhart (50%)
Lockhart WWTP No. 2	10210-002	Feb 1, 2015	1.5 MGD	Plum Creek	City of Lockhart (50%)
City of Buda WWTF (currently in final phase)	11060-001	Feb 1, 2015	1.5 MGD	Porter Creek to Plum Creek	City of Buda
Canyon Park Estates WWTP	11496-001	Feb 1, 2015	0.18/0.26 MGD	Canyon Reservoir	Silverleaf Condominiums/Hancock, TX
Dunlap WWTP	11378-001	Feb 1, 2015	0.7/0.95 MGD	Guadalupe River	River Bend, Bandit and Southbank Subdivisions, southeast of New Braunfels, Comal Co., TX
Northcliffe WWTP	11751-001	Feb 1, 2020	0.3 MGD	No discharge	Northcliffe Subdivision/Schertz, TX
Springs Hill WWTP	11427-001	Feb 1, 2017	0.3 MGD	Guadalupe River	Nob Hill and Springs Hill Area, South of Seguin, TX
Crestview WWTP	13954-001	Feb 1, 2017	0.03 MGD	Chocolate Bayou	Crestview Sub- division/Calhoun Co., TX
Cordillera Ranch	14385-001	Feb 1, 2019	0.064/0.128/0.19 2 MGD	No discharge	Cordillera Ranch Subdivision
A&M Heep WWTF	14377-001	Feb 1, 2017	0.25/0.5/0.99 MGD	Brushy Creek to Plum Creek	Sunfield Subdivision
Castletop Capital Hays ABC WWTF	14431-001	Feb 1, 2015	0.162/0.486 MGD	Brushy Creek to Plum Creek	Shadow Creek Subdivision
Gerdes Land Application	04438	July 9, 2018			
Luling WTP Land Application	730021	May 23, 2017			
Port Lavaca WTP Land Application	730106	Nov 8, 2015			

APPENDIX 5



Region L Municipal Population Projections

2011 Region L Plan Population Projections for GBRA Service Area

	Census		Projections					
	1990	2000	2010	2020	2030	2040	2050	2060
Caldwell	26,392	32,194	45,958	59,722	71,459	83,250	95,103	106,575
Calhoun	19,053	20,647	23,556	26,610	29,964	33,046	34,642	36,049
Comal	51,832	78,021	108,219	146,868	190,873	233,964	278,626	326,655
DeWitt	18,840	20,013	20,460	20,964	21,251	21,341	21,021	20,648
Gonzales	17,205	18,628	19,872	21,227	22,260	23,003	23,219	23,151
Guadalupe	64,873	89,023	114,878	146,511	180,725	214,912	252,857	293,736
Hays (Part*)	51,478	72,499	120,199	172,674	213,908	255,183	304,337	342,746
Kendall	14,589	23,743	35,720	50,283	65,752	78,690	89,312	99,698
Refugio	7,976	7,828	8,217	8,505	8,609	8,799	8,915	8,877
Victoria	74,361	74,361	93,073	102,487	110,221	116,368	121,416	125,865
TOTAL	346,599	436,957	590,152	755,851	915,022	1,068,556	1,229,448	1,384,000

2011 Region L Plan Municipal Demand Projections for GBRA Service Area

	Census		Projections					
	1990	2000	2010	2020	2030	2040	2050	2060
Caldwell	4,931	4,643	6,306	7,898	9,222	10,555	11,926	13,328
Calhoun	3,916	2,705	2,948	3,222	3,556	3,870	4,007	4,171
Comal	10,415	14,055	18,771	24,753	31,598	38,304	45,318	53,018
DeWitt	3,556	3,065	3,064	3,071	3,039	2,982	2,889	2,839
Gonzales	3,832	3,828	4,108	4,404	4,624	4,765	4,794	4,774
Guadalupe	9,627	13,850	17,113	21,167	25,595	29,907	34,980	40,553
Hays (Part*)	9,805	10,926	17,278	24,409	29,964	35,414	42,121	47,474
Kendall	2,130	3,262	4,649	6,370	8,142	9,610	10,888	12,139
Refugio	1,227	1,191	1,249	1,287	1,282	1,299	1,312	1,302
Victoria	11,545	13,664	14,590	15,614	16,378	16,884	17,435	18,034
TOTAL	60,984	71,189	90,076	112,195	133,400	153,590	175,670	197,632

2011 Region L Plan Municipal Per-Capita Use Projections for GBRA Service Area

	Use		Projections					
	1990	2000	2010	2020	2030	2040	2050	2060
Caldwell	167	129	122	118	115	113	112	112
Calhoun	183	117	112	108	106	105	103	103
Comal	179	161	155	150	148	146	145	145
DeWitt	169	137	134	131	128	125	123	123
Gonzales	199	183	185	185	185	185	184	184
Guadalupe	132	139	133	129	126	124	124	123
Hays (Part*)	170	135	128	126	125	124	124	124
Kendall	130	123	116	113	111	109	109	109
Refugio	137	136	136	135	133	132	131	131
Victoria	139	164	140	136	133	130	128	128
TOTAL	157	145	136	133	130	128	128	127

*Includes only that part of Hays County within the Guadalupe River Basin

APPENDIX 6



GBRA Water Conservation Plan Guidelines

GBRA GUIDELINES
WATER CONSERVATION GUIDELINES

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FORWARD

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

The guidelines for water conservation are promulgated pursuant to this GBRA policy under the authority granted to the GBRA under the Texas Water Code, Section 11.037.

Each person, association of persons, corporation, and district authorized by law to carry out irrigation powers that is conserving or supplying water for any of the purposes authorized by Chapter 11, Texas Water Code may make and publish reasonable guidelines relating to water conservation, as defined by Subsection (8) (B), Section 11.002, Texas Water Code.

The many benefits of water conservation include:

- Extends available water supplies and reduces the risk of shortage during periods of extreme drought;
- Reduces wastewater flows;
- Provides a larger utility customer base over which to spread capital and other costs
- Improves the reliability and quality of water utility service;
- Reduces water and wastewater utility operating costs;
- Reduces customer costs for water service;
- Improves the performance of wastewater treatment systems; and
- Enhances environmental and recreation values.

GBRA intends to pursue an aggressive role in promoting efficient water use and the beneficial reuse of reclaimed water. By adopting these guidelines, GBRA's commitment to conserving water is affirmed.

GUIDELINES FOR WATER CONSERVATION

ARTICLE 1. PURPOSE

- 1.0 The purpose of these guidelines is to extend existing surface and groundwater supplies through conservation and beneficial reuse and thereby to assure an adequate supply of clean water within the GBRA 10-county district. These guidelines apply to all GBRA municipal, industrial and irrigation water sale contracts (specifically excluding water service agreements or contracts between GBRA and downstream irrigation districts or irrigation companies), all water and wastewater utility service agreements and all GBRA facilities.

ARTICLE 2. DEFINITIONS

- 2.1 Acre-foot of water: Enough water to cover one acre of land one foot deep. One acre foot of water is equal to 325,851 gallons of water.
- 2.2 Applicant: A person, association of persons, or other entity who has submitted a water conservation plan to GBRA, and who has provided all information required by these guidelines.
- 2.3 Beneficial use: Use of the amount of water which is economically necessary for a purpose authorized by law, when reasonable intelligence and reasonable diligence are used in applying the water to that purpose.
- 2.4 Customer: A person, association of persons, or other entity to whom a water sale contract has been issued.
- 2.5 Domestic use: Use of water by an individual or a household used for drinking, washing, or culinary purposes; for irrigation of lawns, or of a family garden and/or orchard when the produce is not sold; for watering of domestic animals; and for water recreation for which no consideration is given or received. If the water is diverted, it must be diverted solely through the efforts of the user.
- 2.6 Drought of record: The drought which occurred during the critical drought period. That critical drought period is the period of time during which the reservoir system was last full and refilled, and the storage content was at its minimum value. The current drought-of-record occurred during the period from 1946-1957.
- 2.7 Firm water: A supply of water that is available even during a repeat of the conditions of the historic drought of record.
- 2.8 Industrial Water Sale Contract: Contracts for uses of water associated with the operation of some industrial or mining process. The industrial use of water is defined as water used in processes designed to convert materials of a lower order of value into forms having greater usability and commercial value, including commercial feedlot operations,

commercial fish production, and the development of power by means other than hydroelectric. The use of water for mining purposes, including hydraulic use, drilling, washing sand and gravel, and oil field re-pressuring also falls under industrial water sale contracts.

- 2.9 Interruptible water: A supply of water that is not defined as firm water. Such supplies are diverted under a contract or resolution approved by the GBRA Board and is usually run-or-river water.
- 2.10 Irrigation Water Sale Contract: A contract for uses of water that entail direct applications of raw water. Irrigation uses may include, but are not limited to, the following: agricultural production, water applied to golf courses, athletic fields and other landscaped areas.
- 2.11 Non-potable water: Water that is not suitable for direct human consumption.
- 2.12 Municipal Water Sale Contract: A contract for raw water which is to be treated by the Purchaser to a potable quality and supplied to users by a centralized water supply system. Municipal use is defined as the use of treated water for domestic purposes, fighting fires, sprinkling streets, flushing sewers and drains, watering parks and parkways, and recreational purposes, including public and private swimming pools, the use of treated water in industrial and commercial enterprises supplied by a municipal distribution system without special construction to meet its demands, and for the watering of lawns and family gardens. Municipal use also includes the application of municipal sewage effluent upon land sites, pursuant to a Texas Water Code, Chapter 26, permit, where:
- a) the primary purpose of the application is the treatment and/or necessary disposal of such effluent;
 - b) the application site is a park, parkway, golf course, or other landscaped area owned by the owner of the permitted sewerage system; or
 - c) the effluent applied to such site is generated within an area for which the commission has adopted a no-discharge rule.
- 2.13 Potable Water: Water that is suitable for direct human consumption.
- 2.14 Primary Customer: A customer who diverts water directly from a river or stream, Canyon Reservoir, or a GBRA irrigation canal and delivers all or a part of that water to a secondary customer.
- 2.15 Secondary Customer: A water user who does not divert water directly from a river or stream, Canyon Reservoir or a GBRA irrigation canal, but who receives water from a primary customer.
- 2.16 Wastewater Effluent: Water discharged after the treatment of domestic or industrial sewage.

- 2.17 Water Conservation: Those practices, techniques, and technologies that reduce the consumption of water, reduce the waste of water, improve efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.
- 2.18 Water Sale Contract: A contractual agreement between GBRA and a Purchaser for the sale of raw water under GBRA's Certificates of Adjudication or permits.
- 2.19 Water Customer: A person, association of persons, or other entity to whom a water sale contract has been issued.

ARTICLE 3. AUTHORITY

- 3.0 These guidelines are promulgated in accordance with Section 11.037(b), of the Texas Water Code, the GBRA Act, and GBRA Board Resolution dated October 30, 1998.

ARTICLE 4. PROCESSING OF WATER CONSERVATION PLANS

- 4.1 Preparation of the Water Conservation Plan. The applicant shall submit to the GBRA for review and approval a water conservation plan. This plan shall be prepared in accordance with Article 5.0 of these rules. Prior to submittal of the plan, the applicant (or applicant's representative) is encouraged to discuss the scope and content of the plan with GBRA staff. GBRA staff shall review and approve all water conservation plans. In considering approval of a water conservation plan, the staff shall consider the best management practices, the best available techniques and technologies, the financial capability of the applicant, the term of the contract, lease, or easement and other such factors. The Applicant shall implement the water conservation plan as approved.
- 4.2 Review and Approval of Water Conservation Plan. GBRA shall conduct a review of the plan for administrative completeness. If the plan is not determined to be administratively complete, GBRA staff shall notify the applicant and shall detail the deficiencies. The applicant shall have thirty (30) working days to file appropriate additional information to correct such deficiencies. If such information is not provided within said time period, then the plan shall be considered withdrawn.

After a plan has been determined to be administratively complete, GBRA staff shall conduct a technical review as necessary and appropriate. The technical review period is the period of time beginning with the determination that the plan is administratively complete and continuing for a period not to exceed thirty (30) calendar days. After the appropriate technical review has been completed, the applicant shall be notified regarding whether the plan has been approved or rejected.

Unless GBRA staff is able to establish good cause for exceeding the above-mentioned time limitations for either, approval or rejection of a plan, failure of GBRA to make such a determination shall result in said plan being deemed approved.

- 4.3 Appeal of Rejection of Plan. If an Applicant believes that its water conservation plan was improperly returned, or that the reasons cited for rejection of the plan were not consistent with these rules, the applicant may appeal the decision. Any appeal must be made in writing and directed to the GBRA General Manager or his designee. The General Manager or his designee shall promptly review any such appeal and shall either agree with the staff's decision to return and/or reject the plan or shall approve the plan.
- 4.4 GBRA Board Approval. All applicable water sale contracts, affecting GBRA lands and GBRA water and wastewater utility service agreements will not be brought to the Board of Directors for approval until a water conservation plan has first been approved by GBRA staff or the General Manager or his designee in accordance with Section 4.3.

ARTICLE 5. WATER CONSERVATION PLAN REQUIREMENTS

- 5.0 The water conservation plan shall effectively address all appropriate methods for reducing water consumption and water waste, methods for improving water use efficiency and methods for increasing the beneficial reuse and recycling of water. The plan shall include a long-term water conservation plan and a drought contingency or emergency water management plan. Applicant shall explain reasons for not including a particular measure in the conservation plan.

The required information may be given in either narrative or outline format.

- 5.1 Water Sale Contracts.

- 5.1.1 Municipal Water Sale Contracts.

- (a) Water and Wastewater Utility Profile.

A profile of an applicant's water and wastewater utility system should be developed in order to identify the goals and emphasis of the plan. This profile shall include, at a minimum, the following:

- (1) Service area population: current population and estimated population at build-out or at the end of the contract term.
- (2) Water Utility Data.
 - (a) Number of water service connections, by use sector if available (residential, industrial, commercial, public);
 - (b) Percent of connections metered;

- (c) Monthly water consumption for previous two (2) years (by use sector, if available);
 - (d) Average daily use for previous two (2) years;
 - (e) Peak day demand for previous two (2) years;
 - (f) Percent of water use unaccounted for; and
 - (g) Description of system: peak daily water production and distribution capacity; number of plants, wells, and storage tanks; system constraints; and planned capital improvement projects.
- (3) Wastewater Utility Data (if the customer also operates a wastewater system).
 - (a) Average monthly wastewater flows for previous two (2) years;
 - (b) Peak monthly wastewater flows for previous two (2) years;
 - (c) Percent of water service connections using private sewage on-site facilities (i.e., septic systems);
 - (d) Description of wastewater system, system constraints; and planned capital improvement projects;
- (4) Financial Data
 - (a) Current and projected (if available) water rates;
 - (b) Current and projected (if available) wastewater rates; and
 - (c) Connection and/or impact fees.
- (b) Long-range Conservation Plan

A water conservation plan specifies and explains the actions that an applicant will take to implement a water conservation program. The implementation of the water conservation plan is considered to be the water conservation program.

- (1) The long-range plan shall, at a minimum, include:
 - (a) An evaluation of the customer's water and wastewater system and customer water use characteristics to identify water conservation opportunities and set water conservation goals (e.g., reduced peak water demand, reduced wastewater flows).
 - (b) Education and public information programs. Applicants should implement a program of continuing public education and information to inform and/or remind their customers about ways to save water. At a minimum, GBRA water customers are required to distribute published information on water conservation to their retail customers once a year and provide such information to new retail customers when they apply for service. Customers should also conduct or participate in at least one other type of annual

educational water conservation activity. Assistance with, the implementation of a public education program is available from the GBRA.

(c) Universal metering and meter repair and replacement. All water users should be metered, including public facilities. For new multifamily dwellings that are easily metered individually (such as duplexes and fourplexes), each living unit should be metered separately. A regularly scheduled maintenance program of meter repair and replacement will need to be established in accordance with the following time intervals:

- (1) Production (master) meters - test once a year;
- (2) Meters larger than 1" - test once a year;
- (3) Meters 1" or smaller - test once every 10 years.

(d) Water utility distribution system leak detection and repair. A leak detection audit should be conducted at regular intervals. If records indicate that unaccounted for water losses are greater than fifteen (15%) percent from the quantity diverted, meters should be inspected. After inspection, if unaccounted for water is still significant, the utility should initiate a full-scale leak detection and repair program. Sources of unaccounted for water include leaks in mains and services, defective hydrants, abandoned services, unmetered water used for fire fighting or other municipal uses, inaccurate or leaking meters, illegal hook-ups, and unauthorized use of fire hydrants.

(e) Water rates. Utilities should adopt a water rate structure that encourages water conservation. Such a rate usually takes the form of an increasing block rate, a seasonal load rate or an excess use rate. At a minimum the applicant should adopt a uniform rate structure. Rate structures in which the unit cost of water decreases as consumption increases and flat rates are not usually acceptable.

(2) The long-range plan may also include other measures that the customer deems appropriate. These may include, but are not limited to, measures such as:

- (a) codes and ordinances which require the use of water-conserving technologies;
- (b) measurement and control of excessive pressure in the distribution system;
- (c) ordinances to promote efficiency and avoid waste;
- (d) commercial and residential audits for indoor and landscape water uses-;

- (e) plumbing fixture replacement and retrofit programs;
 - (f) recycling and reuse of reclaimed wastewater and/or gray water; and
 - (g) other measures as may be applicable.
- (c) Drought Contingency or Emergency Water Management Procedures. This plan shall include the following:
 - (1) definition of trigger conditions signaling the start of an emergency period;
 - (2) demand management measures (i.e. time of day or day of week water use restrictions);
 - (3) measures to educate and inform the public concerning the plan;
 - (4) means of implementation and enforcement;
 - (5) termination procedures ending the emergency period.

5.1.2 Industrial Water Sale Contracts.

- (a) Water Use Profile. This profile shall include:
 - (1) Monthly use over previous two (2) year period; and
 - (2) Estimated use, by category (processing, cooling, employee-related) at the end of the contract period.
- (b) Water Conservation Measures. A water conservation plan shall include the following measures:
 - (1) Use of water conserving plumbing fixtures (as defined in Article 5.1.1.) in new construction and/or plumbing fixture retrofits where technically and economically feasible;
 - (2) Use of state-of-the-art equipment and/or process modes including, if necessary, justification of any proposed use of less efficient equipment or process modes;
 - (3) Water reuse, where possible, for processing, cooling, landscape irrigation and other non-potable uses;
 - (4) Employee education and awareness.
- (c) Drought Contingency or Emergency Water Management Procedures. Applicant shall comply with the GBRA Drought Contingency Plan as outlined in Article 5.1.4.

5.1.3 Irrigation Water Sale Contracts for Water Customers other than the Calhoun Canal System.

- (a) Water Use Profile. This profile shall include:
 - (1) Monthly water use over previous two (2) year period, if applicable; and
 - (2) A site map showing irrigated areas and the layout of irrigation equipment.

- (b) At a minimum, a water conservation plan shall include the following measures:
 - (1) Irrigation Inspection. Conduct periodic irrigation system inspections and perform necessary adjustments/repairs to eliminate leaks, overspray or clogging.
 - (2) Irrigation testing and scheduling. The irrigation system should be tested for uniformity of spray or flood as well as the application rate. Irrigation testing should be conducted for each area capable of independent control. Maintenance zones shall be identified, and irrigation schedules including frequency and duration should be developed for these zones.
 - (3) Seasonal irrigation scheduling. Irrigation scheduling will be adjusted to reflect changes in seasonal irrigation requirements.
 - (4) Equipment Upgrades. Equipment upgrades should be implemented where technically and economically feasible. Examples of upgrades include automatic controllers, rain shut-off devices, sod moisture monitors, and installation of water conserving irrigation equipment.
 - (5) Leak detection. Irrigation system shall be checked for leaks at least once a year.
 - (6) Maintenance schedule. Maintenance zones shall be established which reflect plant type and level of care. Examples of items to include in the plan are mowing and fertilization frequency, clipping disposal, sod aeration, etc.
 - (7) Employee education and training. Applicant is required to provide and carry out training for landscape maintenance staff in the proper implementation of the applicant's water conservation plan. Applicant can distribute literature, acquire videotapes, and conduct seminars on information relating to this top. Assistance with employee training may be available from the GBRA.

- (c) The plan may also include other measures that the customer deems appropriate. These may include, but are not limited to, measures such as:
 - (1) Integrated Pest Management (IPM). The purpose of an Integrated Pest Management program is to minimize the need for applications of chemical fertilizers and pesticides thereby minimizing the use of water and the

potential runoff of pollutants into water courses. Non-toxic pest control should be attempted where possible. As an attachment to the plan, the applicant must submit a material safety data sheet and a product label for each pesticide, herbicide, fungicide, insecticide, and fertilizer used.

The IPM program should be developed considering crop or plant requirements for water; nutrients, pesticides, or herbicides- sod types and permeability; rainfall frequency, patterns and amounts; runoff containment and controls; and drainage patterns of the irrigated area. The program must address fertilizer types and manufacturers, applications rates and application schedule; pesticides and herbicides to be used and justification for such use- biological pest control measures to be employed (if any); and plant replacement procedures.

- (2) Future conversions. Where feasible, landscape areas should be converted to low maintenance plantings.
 - (3) Beneficial water reuse and recycling. Where appropriate, the applicant should identify and evaluate opportunities for the beneficial reuse and recycling of reclaimed water for irrigation or other non-potable uses. Such reuse and recycling may provide an attractive approach to extending water supplies, reduce demands on the potable water treatment and distribution facilities, and reduce or eliminate wastewater discharges to sensitive surface waters.
- (c) Drought Contingency or Emergency Water Management Procedures. Applicant shall comply with the GBRA Drought Contingency Plan as outlined in Article 5.1.4.
 - (d) Integration of GBRA Water Plans. Applicants are encouraged to develop one plan that incorporates both GBRA water conservation and nonpoint source pollution abatement requirements.

5.1.4 Compliance with the GBRA Drought Contingency Plan

- (a) The GBRA Drought Contingency Plan (DCP), as approved by the Texas Commission on Environmental Quality and modified from time to time, establishes GBRA's policy and procedures for the allocation of GBRA's stored water supply during times of drought. The scope of the DCP is essentially limited to curtailment of GBRA interruptible water supplies as determined by the TCEQ's South Texas Water Master. Firm stored water supplies are subject to curtailment only if it is determined that a drought in effect is worse than the Drought of Record.
- (b) The GBRA DCP specifies actions that are to be taken by GBRA firm stored water customers during drought. These are:

- (1) GBRA will request voluntary water conservation by firm stored water customers where the total storage in Canyon Reservoir is less than elevation 895 M.S.L. or 277,500 acre-feet.
 - (2) GBRA will request that all GBRA firm stored water customers reduce water use by their end users when the combined storage for Canyon Reservoir is at or below Elevation 890 or 245,333 acre-feet.
 - (3) GBRA will request that all GBRA firm water customers reduce water use by their end users when the combined storage of Canyon Reservoir is at or below elevation 885 M.S.L. or 215,615 acre-feet.
 - (4) During a drought determined to be more severe than the Drought of Record, GBRA will curtail and distribute the available supply of firm stored water among all of its firm stored water supply customers on a pro rata basis according to their historic demand for stored water.
- (c) All GBRA firm stored water customers shall include in their required water conservation plan a statement that they will comply with GBRA Drought Contingency Plan. Customers will also specify how they will comply with this plan.

5.2 Water and Wastewater Utility-Service Agreement.

Any retail water or wastewater entity that enters into a water or wastewater utility service agreement with the GBRA shall implement the measures listed in Article 5.1.1

5.3 GBRA Facilities

All new GBRA facilities and additions to existing facilities will include water-conserving designs and facilities.

ARTICLE 6. REPORTING REQUIREMENTS

6.1 Report Schedule

- (a) All GBRA water customers shall periodically report on the progress of their water conservation program. Progress reports will be due to the GBRA every five years, with the next report due on or before January 30, 2014. Progress reports will be reviewed by GBRA staff.
- (b) Water Conservation Plans should be updated periodically to reflect conditions associated with the use of water that have changed since the plan was first adopted. Any amendments to these rules that occurred after the customers plan

was adopted shall be included in the updated plan. GBRA will provide advance notice of any such proposed amendments to these rules.

6.2 Content of Progress Reports

GBRA will develop a report form for customers to complete. This report shall include the following:

- (a) A description of specific measures implemented. These measures will match measures included in customer's water conservation plan.
- (b) Results of conservation measures. Customers should report on any observed change in water use and water demand, economic savings, and public response that occurred as a result of implementing these measures.

A summary of these reports will be developed and made available to all water contract customers.

ARTICLE 7. COMPLIANCE AND ENFORCEMENT

The applicant agrees to commence implementation of the water conservation programs listed in the water conservation plan immediately and agrees to continue these programs for the duration of the contract, lease or easement with GBRA. Failure of the applicant to implement said water conservation plan may result in GBRA taking legal action to require compliance.

APPENDIX 7

**GBRA Board Resolution Adopting Wholesale Water
Conservation Plan**

**RESOLUTION ADOPTING THE
GUADALUPE-BLANCO RIVER AUTHORITY
WHOLESALE WATER CONSERVATION PLAN**

Whereas, the Guadalupe-Blanco River Authority (GBRA) has exercised leadership in promoting, and where appropriate, requiring the conservation of ground and surface waters within GBRA's 10-county statutory district, and

Whereas, GBRA supports and assists local and state initiatives to develop and apply water conservation measures for municipal, industrial and agricultural uses where appropriate. GBRA provides technical assistance, public information and education programs on water conservation, and

Whereas, all water sales contracts contain appropriate conditions requiring conservation measures that are economically feasible, and

Whereas, GBRA's efforts in technical assistance focuses on the development and implementation of local water conservation and drought contingency programs that encourage local initiative and achievement, and

Whereas, GBRA shall support research, regulatory initiatives and legislation that advance conservation in the GBRA 10-county statutory district, and

Whereas, GBRA also shall assist in the research and transfer of technology and information regarding cost effective conservation measures for the benefit of water users within the 10-county statutory district, and

Whereas, GBRA shall integrate, as appropriate, water efficiency measures into the development and implementation of GBRA programs and projects. Such programs and projects shall include but not be limited to: water resources planning and demand forecasting and management; water and wastewater utility service studies, projects and service agreements; water rate design; environmental programs, and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Guadalupe-Blanco River Authority does hereby adopt a Water Conservation Plan for Wholesale Water and directs the General Manager to submit a copy to the Texas Commission on Environmental Quality, to make improvements to the plan on a regular basis as consistent with sound water conservation management, and to administer and enforce the plan as adopted.

Adopted this the 16th day of April 2014.



Oscar H. Fogle, Chair
Board of Directors
Guadalupe-Blanco River Authority

Attest:



Rusty Brockman, Secretary-Treasurer
Board of Directors
Guadalupe-Blanco River Authority

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
GUADALUPE-BLANCO RIVER AUTHORITY

§
§

I, the undersigned Secretary/Treasurer of the Board of Directors of the **GUADALUPE-BLANCO RIVER AUTHORITY ("GBRA")**, hereby certify as follows:

1. The Board of Directors of GBRA convened in REGULAR MEETING ON THE 18TH DAY OF JANUARY, 2012, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Grace G. Kunde, Chair
Oscar H. Fogle, Vice-Chair
Arlene N. Marshall, Secretary/Treasurer
Rusty Brockman
Thomas Mathews II

Myrna P. McLeroy
Frank J. Pagel
Dennis L. Patillo
James "Jim" L. Powers

and all of said persons were present, except the following absentees: Arlene N. Marshall and Rusty Brockman, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$4,400,000 IN PRINCIPAL AMOUNT OF GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012, TO BE PURCHASED BY THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE GENERAL MANAGER OR THE EXECUTIVE MANAGER OF FINANCE AND ADMINISTRATION TO APPROVE ALL FINAL TERMS OF THE BONDS; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AND AUTHORIZING ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

was duly read. It was then duly moved and seconded that said Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: 7 NOES: 0 ABSTENTIONS: 0

2. A true, full, and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in said Board's minutes of said Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said Meeting pertaining to the adoption of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting; and said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 18TH day of January, 2012.

(SEAL)


Secretary/Treasurer, Board of Directors
Guadalupe-Blanco River Authority

RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$4,400,000 IN PRINCIPAL AMOUNT OF GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012, TO BE PURCHASED BY THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE GENERAL MANAGER OR THE EXECUTIVE MANAGER OF FINANCE AND ADMINISTRATION TO APPROVE ALL FINAL TERMS OF THE BONDS; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AND AUTHORIZING ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

DATE OF APPROVAL: JANUARY 18, 2012

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RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$4,400,000 IN PRINCIPAL AMOUNT OF GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012, TO BE PURCHASED BY THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE GENERAL MANAGER OR THE EXECUTIVE MANAGER OF FINANCE AND ADMINISTRATION TO APPROVE ALL FINAL TERMS OF THE BONDS; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AND AUTHORIZING ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

THE STATE OF TEXAS §
GUADALUPE-BLANCO RIVER AUTHORITY §

WHEREAS, GUADALUPE-BLANCO RIVER AUTHORITY ("**GBRA**") is an agency and political subdivision of the State of Texas, being a conservation and reclamation district created and functioning under Article 16, Section 59, of the Texas Constitution, pursuant to the provisions of Chapter 75, Acts of the 43rd Legislature, First Called Session, 1933, as amended; and

WHEREAS, the Board of Directors of GBRA hereby determines that it is necessary and desirable to engage outside professionals to conduct a feasibility study in connection with the construction of a proposed water supply project that would pipe surface water and/or groundwater from the Guadalupe River and from land near Gonzales, Texas to the Luling and/or San Marcos Water Treatment Plants; and

WHEREAS, GBRA filed an application with the **TEXAS WATER DEVELOPMENT BOARD** requesting financial assistance for funding such feasibility study (the "**Project**"); and

WHEREAS, the Texas Water Development Board reviewed such application and approved a commitment to provide financial assistance, from the Water Infrastructure Fund, to GBRA of up to \$4,400,000 from the Texas Water Development Board's *Water Infrastructure Fund* in accordance with Resolution No. 11-107 approved on December 15, 2011 (the "**TWDB Approving Resolution**") for the purpose of funding the Project; and

WHEREAS, in 2011, GBRA issued \$10,745,000 in principal amount of its *Guadalupe-Blanco River Authority General Improvement and Refunding Revenue Bonds, Series 2011*, dated as of March 1, 2011 (the "**Series 2011 Bonds**"); and

WHEREAS, the Series 2011 Bonds are secured by a first lien on and pledge of the "Pledged Revenues," as such term is defined in the resolution which authorized the issuance of the Series 2011 Bonds, which 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 stored water as they are acquired and developed in the "Water Supply System" of GBRA's Water Resources Division"; and

WHEREAS, pursuant to Section 20 of the resolution which authorized the issuance of the Series 2011 Bonds (the "**Series 2011 Bond Resolution**"), GBRA reserved the right, upon satisfaction

of certain conditions set forth therein, to issue and deliver additional obligations which are payable equally and ratably on a parity with the Series 2011 Bonds from a first lien on and pledge of the Pledged Revenues (known therein and herein in as "**Additional Bonds**") "*in any amounts, and for any lawful purpose of GBRA including, but not limited to, acquiring land and water rights, acquiring and constructing new facilities or extensions and improvements to any of GBRA's existing facilities, acquiring equipment, and refunding any Parity Obligations and/or the interest thereon*"; and

WHEREAS, the Executive Manager of Finance and Administration for GBRA, who is the chief financial officer of GBRA within the meaning of Section 20 of the Series 2011 Bond Resolution, has executed a certificate that satisfies the requirements set forth in Section 20(a)(1) and (2) of the Series 2011 Bond Resolution relating to the issuance of Additional Bonds; and

WHEREAS, to date no other obligations have been issued by GBRA which are on a parity with the Series 2011 Bonds; and

WHEREAS, the Board of Directors of GBRA hereby finds and declares a public purpose and deems it advisable and in the best interests of GBRA to issue the Series 2012 Bonds (as defined in Section 2 below) to fund a feasibility study in connection with the construction of a proposed water supply project that would pipe surface water and/or groundwater from the Guadalupe River and from land near Gonzales, Texas to the Luling and/or San Marcos Water Treatment Plants and to pay costs of issuance; and

WHEREAS, the Series 2012 Bonds will be sold to and purchased by the Texas Water Development Board, as further provided in Section 27 hereof; and

WHEREAS, pursuant to the provisions of Section 1371.053(c), Texas Government Code, the Board of Directors now desires to delegate to the General Manager and the Executive Manager of Finance and Administration of GBRA the authority to approve final terms of the Series 2012 Bonds and affect the sale of the Series 2012 Bonds; and

WHEREAS, GBRA has issued four series of contract revenue bonds identified as follows (collectively, the "**Subordinate Lien Raw Water Resources Bonds**"):

- (i) *Guadalupe-Blanco River Authority Combination Contract Revenue, Subordinate Lien Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Series 2004A (IH 35 Treated Water Delivery System Project);*
- (ii) *Guadalupe-Blanco River Authority Combination Contract Revenue, Subordinate Lien Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Taxable Series 2004B (IH 35 Treated Water Delivery System Project);*

- (iii) *Guadalupe-Blanco River Authority Combination Contract Revenue, Subordinate Lien Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Series 2007A (Regional Raw Water Delivery System Expansion Project); and*
- (iv) *Guadalupe-Blanco River Authority Combination Contract Revenue, Subordinate Lien Water Resources Division Revenue, and Surplus Water Project Revenue Bonds, Taxable Series 2007B (Regional Raw Water Delivery System Expansion Project);*

which are secured, in part, with a pledge of the "Subordinate Lien Raw Water Resources Division Revenues" (as such term is defined in the resolutions authorizing the issuance of the Subordinate Lien Raw Water Resources Division Revenue Bonds), which pledge constitutes a subordinate lien on certain revenues of GBRA's Raw Water Resources Division that were pledged to secure the Series 2011 Bonds and that are being pledged to secure the Series 2012 Bonds; and

WHEREAS, the Series 2011 Bonds are considered, and the Series 2012 Bonds will be considered, "*Senior Lien Water Resources Division Obligations*" within the meaning of the resolutions which authorized the issuance of the Subordinate Lien Raw Water Resources Division Bonds (the "***Subordinate Lien Water Resources Division Bond Resolutions***"); and

WHEREAS, GBRA reserved the right in the Subordinate Lien Raw Water Resources Division Bond Resolutions to issue additional Senior Lien Water Resources Division Obligations on parity with the Series 2011 Bonds upon satisfaction of certain requirements set forth in the Subordinate Lien Raw Water Resources Division Bond Resolutions; and

WHEREAS, the chief financial officer of GBRA has informed the Board of Directors that GBRA is able to fully satisfy the conditions set forth in the Subordinate Lien Raw Water Resources Division Bond Resolutions to permit GBRA to issue the Series 2012 Bonds as Senior Lien Water Resources Division Obligations (within the meaning of the Subordinate Lien Raw Water Resources Division Bond Resolutions); and

WHEREAS, the Series 2012 Bonds hereinafter authorized and designated are to be issued and delivered pursuant to Chapter 1371, Texas Government Code; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GUADALUPE-BLANCO RIVER AUTHORITY:

SECTION 1. AMOUNT AND PURPOSE OF THE SERIES 2012 BONDS; DELEGATION OF AUTHORITY TO CERTAIN GBRA OFFICIALS. (a) Authorization to Issue Revenue Bonds. Revenue bonds of GBRA are hereby authorized to be issued and delivered in the aggregate principal amount as designated by the General Manager or Executive Manager of Finance and Administration of GBRA pursuant to the provisions of Section 1(b) of this Resolution

(but in not event to exceed \$4,400,000 in aggregate principal amount) **FOR THE PURPOSE OF FUNDING A FEASIBILITY STUDY IN CONNECTION WITH THE CONSTRUCTION OF A PROPOSED WATER SUPPLY PROJECT THAT WOULD PIPE SURFACE WATER AND/OR GROUNDWATER FROM THE GUADALUPE RIVER AND FROM LAND NEAR GONZALES, TEXAS TO THE LULING AND/OR SAN MARCOS WATER TREATMENT PLANTS AND PAYING COSTS OF ISSUANCE.**

(b) Private Placement with Texas Water Development Board; Delegation of Final Terms. The Series 2012 Bonds shall be sold to the Texas Water Development Board pursuant to private placement sale. As authorized by Section 1371.053, Texas Government Code, the General Manager and the Executive Manager of Finance and Administration of GBRA each is hereby authorized, appointed, and designated as an officer of GBRA authorized to act on behalf of GBRA to effect the sale of the Series 2012 Bonds and to establish the terms and details related to the issuance and sale of the Series 2012 Bonds including the total aggregate principal amount of Series 2012 Bonds to be issued (but in no event to exceed \$4,400,000), the price at which the Series 2012 Bonds will be sold, the aggregate principal amount of each maturity thereof, the due date of each maturity (but in no event later than *August 15, 2032*), the rate of interest to be borne on the principal amount of each such maturity (but in no event to exceed a net effective interest rate for all Series 2012 Bonds of 5.00%), the dates, price and terms upon and at which the Series 2012 Bonds shall be subject to redemption prior to maturity at the option of GBRA, as well as any mandatory sinking fund redemption provisions for any maturity, if any, and all other matters and procedures relating to the issuance, sale and delivery of the Series 2012 Bonds which are not otherwise provided in this Resolution. The General Manager and the Executive Manager of Finance and Administration of GBRA, acting for and on behalf of GBRA, each is further authorized to (i) complete and attach Exhibit A of this Resolution, and (ii) revise and complete the FORM OF BOND set forth in Section 5 of this Ordinance, with the final terms of the Bonds approved pursuant to the authority granted herein.

(c) Determination Required by Section 1201.022(a)(3), Texas Government Code. In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Board of Directors hereby determines that the delegation of the authority to the officers named in Section 1(b) hereof to approve the final terms of the Series 2012 Bonds set forth in this Resolution is, and the decisions made by any such officer pursuant to such delegated authority and incorporated in Exhibit A will be, in GBRA's best interests, and each such officer is hereby authorized to make and include in Exhibit A an appropriate finding to that effect.

(d) Expiration of Delegation Authority. The authority delegated pursuant to Section 1(b) above shall expire on April 30, 2012.

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE SERIES 2012 BONDS. Each bond issued pursuant to and for the purpose described in Section 1 of this Resolution shall be designated **GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BOND, SERIES 2012**, and initially there shall be issued, sold and delivered hereunder one fully registered bond, without interest coupons, dated as of the date determined by the General Manager or Executive Manager for Finance and

Administration and set forth in Exhibit A attached hereto (the "**Initial Series 2012 Bond**"), with bonds issued in replacement thereof being in the denomination of \$5,000 or any integral multiple thereof, and with bonds issued and delivered in substitution for the Initial Series 2012 Bond being numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Series 2012 Bond being payable to the initial purchaser determined by the General Manager or the Executive Manager of Finance and Administration and set forth in Exhibit A), or to the registered assignee or assignees of said bond or any portion or portions thereof (in each case, the "**Registered Owner**"). The term "**Series 2012 Bonds**" as used in this Resolution shall mean and include collectively the Initial Series 2012 Bond initially issued and delivered pursuant to this Resolution and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "**Series 2012 Bond**" shall mean any of the Series 2012 Bonds.

SECTION 3. INTEREST. The Series 2012 Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF SERIES 2012 BOND set forth in this Resolution to their respective dates of maturity at the rates per annum determined by the General Manager or Executive Manager of Finance and Administration of GBRA as set forth in Exhibit A attached hereto. Said interest shall be payable in the manner provided and on the dates stated in the FORM OF SERIES 2012 BOND set forth in this Resolution.

SECTION 4. CHARACTERISTICS OF THE SERIES 2012 BONDS. (a) Registration, Transfer, and Exchange; Authentication. GBRA shall keep or cause to be kept at the designated corporate trust or commercial banking office (initially located in Dallas, Texas) of **REGIONS BANK** (the "**Paying Agent/Registrar**") books or records for the registration of the transfer and exchange of the Series 2012 Bonds (the "**Registration Books**"), and GBRA hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as GBRA and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as Exhibit B is a copy of the Paying Agent/Registrar Agreement between GBRA and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Chair, Vice Chair and Secretary/Treasurer of the Board of Directors of GBRA are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Series 2012 Bond to which payments with respect to the Series 2012 Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Series 2012 Bonds shall be made within three business days after request and presentation thereof. GBRA shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Series 2012 Bond or Series 2012 Bonds shall be paid as provided in the FORM OF

SERIES 2012 BOND set forth in this Resolution. Registration of assignments, transfers and exchanges of Series 2012 Bonds shall be made in the manner provided and with the effect stated in the FORM OF SERIES 2012 BOND set forth in this Resolution. Each substitute Series 2012 Bond shall bear a letter and/or number to distinguish it from each other Series 2012 Bond.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Series 2012 Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Series 2012 Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Series 2012 Bonds and Series 2012 Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of GBRA or any other body or person so as to accomplish the foregoing transfer and exchange of any Series 2012 Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Series 2012 Bonds in the manner prescribed herein, and said Series 2012 Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D of Chapter 1201, Texas Government Code, the duty of transfer and exchange of Series 2012 Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Series 2012 Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Series 2012 Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Series 2012 Bonds and Interest. GBRA hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Series 2012 Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by GBRA and the Paying Agent/Registrar with respect to the Series 2012 Bonds.

(c) In General. The Series 2012 Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Series 2012 Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by GBRA at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Series 2012 Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Series 2012 Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar, and GBRA shall have certain duties and responsibilities with respect to the Series 2012 Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF SERIES 2012 BOND set forth in this Resolution. The Initial Series 2012 Bond is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Series 2012 Bond issued in exchange for the Initial Series 2012 Bond issued under this Resolution the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF SERIES 2012 BOND. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Series 2012 Bond delivered on the closing date (as further

described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF SERIES 2012 BOND below, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Series 2012 Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of GBRA, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. GBRA covenants with the registered owners of the Series 2012 Bonds that at all times while the Series 2012 Bonds are outstanding GBRA will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Series 2012 Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. GBRA reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, GBRA covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Series 2012 Bonds, to the new Paying Agent/Registrar designated and appointed by GBRA. Upon any change in the Paying Agent/Registrar, GBRA promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Series 2012 Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Series 2012 Bonds. The Series 2012 Bonds issued in exchange for the Series 2012 Bonds initially issued to the purchaser specified in Section 27 herein shall be initially issued in the form of a separate single fully registered Series 2012 Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Series 2012 Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("**DTC**"), and except as provided in subsection (i) hereof, all of the outstanding Series 2012 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2012 Bonds registered in the name of Cede & Co., as nominee of DTC, GBRA and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("**DTC Participant**") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2012 Bonds. Without limiting the immediately preceding sentence, GBRA and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or

any DTC Participant with respect to any ownership interest in the Series 2012 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Series 2012 Bonds, as shown on the Registration Books, of any notice with respect to the Series 2012 Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Series 2012 Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Series 2012 Bonds. Notwithstanding any other provision of this Resolution to the contrary, GBRA and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Series 2012 Bond is registered in the Registration Books as the absolute owner of such Series 2012 Bond for the purpose of payment of principal and interest with respect to such Series 2012 Bond, for the purpose of registering transfers with respect to such Series 2012 Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Series 2012 Bonds only to or upon the Resolution of the registered owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge GBRA's obligations with respect to payment of principal of and interest on the Series 2012 Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a certificate evidencing the obligation of GBRA to make payments of principal and interest pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository: Transfers Outside Book-Entry Only Systems. In the event that GBRA determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of GBRA to DTC or that it is in the best interest of the beneficial owners of the Series 2012 Bonds that they be able to obtain certificated Series 2012 Bonds, GBRA shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2012 Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Series 2012 Bonds and transfer one or more separate Series 2012 Bonds to DTC Participants having Series 2012 Bonds credited to their DTC accounts; *provided, however, in no event shall GBRA discontinue the use of DTC as the securities depository for the Series 2012 Bonds and appoint a successor securities depository in accordance with the preceding provisions without prior notice and consent of the Texas Water Development Board for so long as the Texas Water Development Board is the holder of any of the Series 2012 Bonds.* In such event, the Series 2012 Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Series 2012 Bonds shall designate, in accordance with the provisions of this Ordinance. Notwithstanding the foregoing, so long as the Texas Water Development Board is the registered owner of any of the Series 2012 Bonds, the Issuer shall not discontinue the book-entry-only system with DTC without written notice to and consent from the Texas Water Development Board or its authorized representative.

(g) *Payments to Cede & Co.* Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2012 Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Series 2012 Bond and all notices with respect to such Series 2012 Bond shall be made and given, respectively, in the manner provided in the representation letter of GBRA to DTC.

(h) *DTC Letter of Representation.* The officers of GBRA are herein authorized for and on behalf of GBRA and as officers of GBRA to enter into one or more Letters of Representation, if necessary, with DTC establishing the book-entry only system with respect to the Series 2012 Bonds.

(i) *Delivery of Initial Series 2012 Bond.* On the closing date, the Initial Series 2012 Bond, representing the entire principal amount of the Series 2012 Bonds, which shall be payable in stated installments to the initial registered owner named in Section 27 of this Resolution or its designee, executed by manual or facsimile signature of the Chair or Vice Chair and the Secretary/Treasurer of the Board of Directors of GBRA, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Series 2012 Bonds, the Paying Agent/Registrar shall cancel the Initial Series 2012 Bond and deliver to the initial registered owner or its designee one registered definitive Series 2012 Bond for each year of maturity of the Series 2012 Bonds, in the aggregate principal amount of all of the Series 2012 Bonds for such maturity.

SECTION 5. FORM OF SERIES 2012 BONDS. The form of the Series 2012 Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Series 2012 Bonds initially issued and delivered pursuant to this Resolution), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

FORM OF SERIES 2012 BOND

R-__	UNITED STATES OF AMERICA STATE OF TEXAS GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012	PRINCIPAL AMOUNT \$ _____
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<u>INTEREST RATE</u>	<u>DATE OF SERIES</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
____%	_____, 2012	August 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE specified above, the **GUADALUPE-BLANCO RIVER AUTHORITY ("GBRA")**, being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "**Registered Owner**") the Principal Amount set forth above, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, defined below) at the Interest Rate per annum specified above, on _____, 201__, and semiannually on each February 15 and August 15 thereafter to the Maturity Date specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such Principal Amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or redemption prior to maturity at the designated corporate trust or commercial banking office (initially located in Dallas, Texas) of **REGIONS BANK**, which is the "**Paying Agent/Registrar**" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of GBRA required by the resolution authorizing the issuance of the Bonds (the "**Bond Resolution**") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage

prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "**Special Record Date**") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from GBRA. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment to the Paying Agent/Registrar at the designated commercial trust or commercial banking office (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). GBRA covenants with the Registered Owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

NOTWITHSTANDING THE FOREGOING, as long as the Texas Water Development Board is the owner of this Bond, payment of principal on this Bond shall be made by wire transfer to the Texas Water Development Board and at no cost to the Texas Water Development Board.

IF THE DATE FOR ANY PAYMENT DUE on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the designated trust or commercial banking office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND IS ONE OF A SERIES OF BONDS initially dated _____, 2012, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ **FOR THE PURPOSE OF FUNDING A FEASIBILITY STUDY IN CONNECTION WITH THE CONSTRUCTION OF A PROPOSED WATER SUPPLY PROJECT THAT WOULD PIPE SURFACE WATER AND/OR GROUNDWATER FROM THE GUADALUPE RIVER AND FROM LAND NEAR GONZALES, TEXAS TO THE LULING AND/OR SAN MARCOS WATER TREATMENT PLANTS, AND PAYING COSTS OF ISSUANCE.**

ON AUGUST 15, 2022, OR ON ANY DATE THEREAFTER, the Bonds of this Series may be redeemed prior to their scheduled maturities, at the option of GBRA, with funds derived from any available and lawful source, as a whole, or in part (and, if in part, the Bonds shall be redeemed in inverse order of maturity, and if less than all the Bonds of a particular maturity are to be redeemed, the Bonds to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot, provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the redemption price equal to par plus accrued interest to the date fixed for redemption.

AT LEAST 30 DAYS PRIOR to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. The notice may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that GBRA retains the right to rescind such notice at any time prior to the scheduled redemption date if GBRA delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is so rescinded. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is mailed (and not rescinded), and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of GBRA, all as provided in the Bond Resolution.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Resolution, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form

and procedures set forth in the Bond Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by GBRA. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of a Bond (i) during the period commencing with the close of business on any Record Date immediately preceding a principal or interest payment date for such Bond and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of an unredeemed balance of a Bond called for redemption in part.

WHENEVER THE BENEFICIAL OWNERSHIP of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for the Bonds is changed by GBRA, resigns, or otherwise ceases to act as such, GBRA has covenanted in the Bond Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that the Bonds have been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of the Bonds have been performed, existed, and been done in accordance with law; and that the Bonds, together with the outstanding "Previously Issued Parity Obligations" (as defined in the Bond Resolution) are special obligations of GBRA, secured by and payable from an irrevocable lien on and pledge of the "Pledged Revenues," as such term is defined in the Bond Resolution, which 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 stored water as they are acquired and developed in the "Water Supply System" of GBRA's Water Resources Division (but specifically excluding any revenues received from the sale or commitment

of raw water from "run-of-the-river" rights and from any future ground water projects developed by GBRA or in which GBRA has an ownership interest).

GBRA HAS RESERVED THE RIGHT in the Bond Resolution, subject to certain conditions set forth therein, to issue obligations or incur indebtedness from time to time in the future on a parity with the Bonds with respect to the pledge of and lien on the Pledged Revenues which secures the Bonds.

GBRA ALSO HAS RESERVED THE RIGHT TO AMEND the Bond Resolution as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING THE REGISTERED OWNER of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Resolution, agrees to be bound by such terms and provisions, acknowledges that the Bond Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of GBRA, and agrees that the terms and provisions of this Bond and the Bond Resolution constitute a contract between each Registered Owner hereof and GBRA.

IN WITNESS WHEREOF, GBRA has caused this Bond to be signed with the manual or facsimile signature of the Chair or Vice Chair of the Board of Directors of GBRA and countersigned with the manual or facsimile signature of the Secretary/Treasurer of the Board of Directors of GBRA, and has caused the official seal of GBRA to be duly impressed, or placed in facsimile, on this Bond.

(facsimile signature)
Secretary/Treasurer, Board of Directors
Guadalupe-Blanco River Authority

(facsimile signature)
[Vice] Chair, Board of Directors
Guadalupe-Blanco River Authority

(SEAL)

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FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

REGIONS BANK
Dallas, Texas
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

/ _____ / _____
(Assignee's Social Security or Taxpayer Identification) (Print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

INITIAL BOND INSERTIONS

The Initial Bond shall be in the form set forth above except that:

- (A) Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.
- (B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the **GUADALUPE-BLANCO RIVER AUTHORITY ("GBRA")**, being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "**Registered Owner**"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from the date of initial delivery of this Bond (as shown on the records of the Paying Agent/Registrar, defined below) at the respective Interest Rates per annum specified below, payable on _____, 2012, and semiannually on each February 15 and August 15 thereafter to the respective Maturity

Dates specified below. The respective Maturity Dates, Principal Installments and Interest Rates for this Bond are set forth in the following schedule:

MATURITY DATE (_____)	PRINCIPAL INSTALLMENT	INTEREST RATE

[Insert information from Exhibit A hereto]

(C) The Initial Bond shall be numbered "T-1."

SECTION 6. DEFINITIONS. In addition to the capitalized terms which are defined in the recitals or in Section 1 through Section 4 of this Resolution, the following words and terms used in this Resolution shall have the following meanings unless the context or use indicates another meaning or intent.

"Additional Bonds" means the additional parity revenue obligations which GBRA reserves the right to issue and deliver in the future, as provided in Section 20 of this Resolution.

"Board of Directors" or **"Board"** means the governing body of GBRA.

"Fiscal Year" means the twelve-month period commencing on September 1 and ending on the next August 31, or such other period commencing on the date designated by GBRA and ending one year later.

"Holder", "Bondholder" and **"Registered Owner"** each means the registered owner of any Parity Obligation as shown on the Registration Books maintained by the Paying Agent/Registrar.

"Net Revenues" means Raw Water Gross Revenues less Operating Expenses.

"Operating Expenses" means all reasonable and necessary expenses required for the efficient operation and maintenance of the property contained or maintained within, and the functions performed by or within, the Water Supply System of the Water Resource Division, including, without limitation, lease payments, insurance premiums and charges for the accumulation of appropriate reserves for self-insurance, administrative expenses, salaries, labor, fees, utilities, materials, contractual and professional services, keeping the property contained or maintained therein in good condition and working order, making all needed repairs, and providing for all needed periodic and non-recurring items of maintenance.

"Parity Obligations" means, collectively, the Previously Issued Parity Obligations, the Series 2012 Bonds, and any Additional Bonds then outstanding.

"Pledged Revenues" means, collectively (i) the Raw Water Gross Revenues, and (ii) any other revenues of GBRA which, in the future, at the option of GBRA, may be pledged to the payment of the Parity Obligations by resolution duly adopted by the Board.

"Previously Issued Parity Obligations" means the *"Guadalupe-Blanco River Authority General Improvement and Refunding Revenue Bonds, Series 2011"*, dated as of March 1, 2011, issued in the original aggregate principal amount of \$10,745,000.

"Principal and Interest Requirements" means for any Fiscal Year the amount required to pay the interest on and principal of (whether pursuant to a stated maturity or redemption requirements applicable thereto) all Parity Obligations coming due in such Fiscal Year. In calculating Principal and Interest Requirements, the principal and interest coming due in any Fiscal Year on any Parity Obligations which bear interest at a variable rate which cannot be predetermined shall be assumed to be that which would come due if (i) the interest rate on such Parity Obligations for the applicable period was the interest rate that was in effect on the last day of the immediately preceding Fiscal Year (or, if such Parity Obligations were issued during the current Fiscal Year, then the first interest rate in effect for such Parity Obligations) and (ii) the principal amortization schedule would be that which would result in substantially level debt service throughout the remaining term of such Parity Obligations assuming such interest rate. In calculating Principal and Interest Requirements if any such Parity Obligations do not pay current interest during the term to maturity thereof, but rather accrete in value according to a schedule, the principal and interest coming due on any such Parity Obligations shall be calculated as equal to the accreted value at maturity.

"Rating Agency" means one or more nationally recognized credit rating agencies then maintaining a rating on the Parity Obligations at the request of GBRA.

"Raw Water Gross Revenues" means all revenues received by GBRA from the sale or commitment of raw water currently stored in Canyon Reservoir and other sources of firm, dependable supplies of stored water as they are acquired and developed in the Water Supply System of the Water Resources Division (or any successor thereof), such raw water being sold in accordance with various long-term contracts between GBRA and the purchaser thereof. Such term specifically excludes any revenues received from the sale or commitment of raw water from "run-of-the-river" rights and from any future ground water projects developed by GBRA or in which GBRA has an ownership interest.

"Reimbursement Obligation" shall mean any obligation entered into by GBRA in connection with any Reserve Fund Credit Facility pursuant to which GBRA obligates itself to reimburse a financial institution, insurance company or other entity for amounts paid or advanced by such entity pursuant to a Reserve Fund Credit Facility. Reimbursement Obligations may be payable from and

secured by a lien on Pledged Revenues which is on parity with, or subordinate to, the lien on Pledged Revenues which secures the Parity Obligations pursuant to this Resolution.

"Reserve Fund Credit Facility" shall mean a policy of insurance, surety bond, letter of credit or similar instrument or contract which (i) is issued by an insurance company or financial institution whose senior debt securities are rated in the one of the three highest rating categories by the rating agencies which provide a rating, at GBRA's request, on the Parity Obligations, (ii) may not be terminated by the entity providing the facility prior to the final maturity date of the particular series of Parity Obligations for which an account in the Reserve Fund is established pursuant to the resolution authorizing such series of Parity Obligations, and (iii) may be drawn upon demand by GBRA to provide funds to pay Principal and Interest Requirements on such particular series of Parity Obligations in the event moneys on deposit in the Interest and Sinking Fund are insufficient to make such payment.

"Series 2012 Bonds" means the *"Guadalupe-Blanco River Authority General Improvement Revenue Bonds, Series 2012"* authorized by this Resolution.

"Water Resources Division" means the operating division of GBRA currently known as the Water Resources Division.

"Water Supply System of the Water Resources Division" means the separate unit under the Water Resources Division currently known generally as the "Water Supply System" under which most functions and operations related to the collection, storage and sale of raw water from Canyon Reservoir (and, in the future, other sources of firm, dependable supplies of raw water) are performed and accounted for.

SECTION 7. CUMULATIVE EFFECT OF RESOLUTION; SECURITY FOR PARITY OBLIGATIONS. (a) *Cumulative Effect of Resolution.* The Series 2012 Bonds are "Additional Bonds" issued pursuant to applicable sections of the resolution authorizing the issuance of the Previously Issued Parity Obligations, and are in all respects on a parity with the Previously Issued Parity Obligations. Sections 6 through 20 of this Resolution substantially restate, and are supplemental to and cumulative of, Sections 6 through 20 of the resolution authorizing the issuance of the Previously Issued Parity Obligations, so that Sections 6 through 20 of this Resolution are applicable to all Parity Obligations, including any future Additional Bonds, and state all requirements with respect thereto.

(b) *Pledged Revenues.* The Parity Obligations, including the Series 2012 Bonds, are special obligations of GBRA and are secured by the Pledged Revenues. The Pledged Revenues are hereby pledged to the payment of the principal of, premium, if any, and interest on the Parity Obligations as the same shall become due and payable, and the Pledged Revenues are further pledged to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund to the extent hereinafter provided. The Parity Obligations are and will be secured by and payable only from the Pledged Revenues and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed of GBRA or any other revenues of GBRA. GBRA

agrees to pay the principal of, premium, if any, and the interest on the Parity Obligations when due, whether by reason of maturity or redemption.

(c) *Rate Covenant.* So long as any Parity Obligations are Outstanding, GBRA covenants that it will establish, charge and collect raw water charges for the sale or commitment of raw water which shall be sufficient, together with other revenues pledged hereunder, if any, to produce Net Revenues in an amount at least equal to 110% of the average Annual Principal and Interest Requirements for the Outstanding Parity Obligations.

SECTION 8. CREATION OF FUNDS. (a) *Creation of Interest and Sinking Fund.* There has previously been created, and shall continue to be maintained, on the financial records of GBRA (or at an official depository of GBRA), for the pro rata benefit of all Parity Obligations, the **GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS INTEREST AND SINKING FUND**, hereinafter called the "Interest and Sinking Fund."

(b) *Creation of Reserve Fund.* Additionally, there may be created for the benefit only of the registered owners of a particular series of Parity Obligations for which an account is created in the resolution authorizing such series of Parity Obligations, and when created shall be maintained on the financial records of GBRA (or at an official depository of GBRA), for the pro rata benefit of all Parity Obligations of such series for which an account is created, the **GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS RESERVE FUND**, hereinafter called the "*Reserve Fund.*" GBRA may create and establish accounts in the Reserve Fund pursuant to the provisions of any resolution authorizing the issuance of Parity Obligations for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said account shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the registered owners of the particular Parity Obligations for which such account in the Reserve Fund was established. Each such account in the Reserve Fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such account from all other accounts in the Reserve Fund created for the benefit of a particular series of Parity Obligations. All terms relating to the requirements to establish, fund and maintain required balances in an account of the Reserve Fund, including but not limited to the use of any Reserve Fund Credit Facility therein, shall be set forth in the resolution authorizing the issuance of the particular series of Parity Obligations for which such account is established.

(c) *Authority to Create Construction Fund.* There is hereby created and shall be maintained on the financial records of GBRA a project construction fund (a "**Construction Fund**") in connection with the issuance of the Series 2012 Bonds and any series of Additional Bonds issued for the purpose of financing the acquisition, construction, improvement, and equipping of capital projects. Money in the Construction Fund shall be subject to disbursements by GBRA for payment of all costs incurred in carrying out the purpose for which such Parity Obligations are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the projects being financed with proceeds of such Parity Obligations.

SECTION 9. REVENUE FUND; DEPOSIT AND DISTRIBUTION OF RAW WATER GROSS REVENUES. (a) *Revenue Fund; Deposit of Gross Revenues in Revenue Fund.* In accordance with procedures previously established at GBRA, all Raw Water Gross Revenues are deposited, and are hereby directed to be deposited, into a separate fund in the Water Supply System of the Water Resources Division known generally as the "Revenue Fund of the Water Supply System" and herein referred to as the "**Revenue Fund.**"

(b) *Distribution of Gross Revenues in Revenue Fund.* Funds on deposit in the Revenue Fund are hereby pledged to secure payment of the Parity Obligations. The funds on deposit in the Revenue Fund of the Water Supply System shall be transferred therefrom and deposited into the Interest and Sinking Fund and the Reserve Fund in the manner and amounts hereinafter provided, and each of such Funds shall have priority as to such deposits in the order in which they are treated in the following two sections. Any moneys on deposit in the Revenue Fund after making such required deposits to the Interest and Sinking Fund and the Reserve Fund shall next be used to pay all Operating Expenses of the Water Supply System which are not paid from other sources. Thereafter, funds on deposit in the Revenue Fund may be used for any lawful purpose.

SECTION 10. INTEREST AND SINKING FUND. Immediately after the delivery of any series of Parity Obligations, all moneys representing accrued interest, if any, received by GBRA upon the sale and delivery of such Parity Obligations to the initial purchaser thereof, together with all capitalized interest being financed with proceeds of such Parity Obligations, if any, shall be deposited to the credit of the Interest and Sinking Fund. In addition, there shall be transferred from the Revenue Fund and deposited into the Interest and Sinking Fund the following:

(a) on or before the 25th day of each month, commencing with the month immediately following the issuance of any series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the interest scheduled to come due on all outstanding Parity Obligations on the next interest payment date.

(b) on or before the 25th day of each month, commencing with the twelfth (12th) month preceding the first principal payment date for a series of Parity Obligations, or commencing with the month immediately following the issuance of any series of Parity Obligations if delivery of such series of Parity Obligations is made less than twelve months preceding the first principal payment date for such series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the principal scheduled to come due (either at stated maturity or due to mandatory sinking fund redemption) on all outstanding Parity Obligations on the next principal payment date.

(c) on or before any optional redemption date set by GBRA for any Parity Obligations, there shall be deposited into the Interest and Sinking Fund an amount as will be sufficient to pay the principal of, premium, if any, and interest on the Parity Obligations scheduled to be redeemed on such optional redemption date.

The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Obligations when due, and the General Manager and the chief financial officer of GBRA are hereby authorized to cause funds to be transferred from the Interest and Sinking Fund to the Paying Agent/Registrar at the times and in the amounts to pay Principal and Interest Requirements.

SECTION 11. RESERVE FUND. (a) *Use of Funds.* Funds on deposit in an account of the Reserve Fund established for the benefit of a particular series of Parity Obligations shall be used to (i) pay the principal of and interest on such series of Parity Obligations for which such account was created at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose, (ii) pay the principal of or interest on the last maturing Parity Obligations of such series, or (iii) pay Reimbursement Obligations to restore the amount available to be drawn under a Reserve Fund Credit Facility to its original amount. If the amount on deposit in an account of the Reserve Fund for a particular series of Parity Obligations consists of cash and investments and a Reserve Fund Credit Facility, all cash and investments in such account shall be liquidated and withdrawn prior to drawing on the Reserve Fund Credit Facility. If more than one Reserve Fund Credit Facility is maintained in an account of the Reserve Fund, any withdrawals on such Reserve Fund Credit Facilities shall be pro rata.

(b) *Series 2012 Bonds Not Secured with Reserve Fund.* No account is being established in the Reserve Fund for the benefit of the Holders of the Series 2012 Bonds; consequently, no proceeds of the Series 2012 Bonds shall be deposited into the Reserve Fund, no funds shall be deposited into the Reserve Fund (unless otherwise provided by GBRA in a subsequent resolution), and the Holders of the Series 2012 Bonds shall not be entitled to any funds which may be on deposit in the Reserve Fund (unless otherwise provided by GBRA in a subsequent resolution).

(c) *Reserve Fund Requirements to be Set Forth in Additional Bonds Resolution.* In the event GBRA establishes an account in the Reserve Fund for the benefit of the Holders of a particular series of Parity Obligations, all provisions with respect to the funding requirements and other details shall be set forth in the resolution authorizing such series of Parity Obligations.

SECTION 12. DEFICIENCIES IN FUNDS; PAYMENTS FROM OTHER SOURCES.

(a) *Deficiencies in Funds.* If by the last business day of any month GBRA shall fail to deposit into the Interest and Sinking Fund or the Reserve Fund the full amounts required by this Resolution, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Pledged Revenues for the following month or months, if necessary and whichever is the earliest, and such payments shall be in addition to the amounts otherwise required in this Resolution to be paid into said Funds on or before the last business day of each month.

(b) Payment From Other Sources. GBRA may, but shall not be obligated to, advance money other than Pledged Revenues to the payment of the obligations hereunder to the Interest and Sinking Fund and/or the Reserve Fund, but if GBRA does apply money from any of its funds other than Pledged Revenues, GBRA shall be entitled to reimbursement of such money so advanced from Pledged Revenues thereafter received.

SECTION 13. INVESTMENTS. (a) Permitted Investments and Deposit of Earnings. Funds on deposit in any Fund created or maintained by this Resolution or any fund created by a resolution authorizing the issuance of Additional Bonds may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and GBRA's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; provided, however, any such income and profits from investments in (i) an account in the Reserve Fund shall be transferred to the Interest and Sinking Fund if the amount then on deposit in such account of the Reserve Fund equals or exceeds the amount required to be on deposit therein, and (ii) any such income and profits from investments in the Construction Fund may be withdrawn by GBRA and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Bonds. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

(b) Rebate Fund Exception. Notwithstanding the provisions of the preceding paragraph, interest and income derived from any investment of money on deposit in any Fund created or maintained pursuant to this Resolution shall first be transferred to the Rebate Fund established by Section 25(b) of this Resolution at the times and in the amounts required to pay (or provide for the payment of) "Excess Earnings" as defined in Section 148(f) of the Internal Revenue Code of 1986, as amended.

SECTION 14. SECURITY FOR FUNDS. All money on deposit in the Funds for which this Resolution makes provision (except any portions thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds.

SECTION 15. OPERATION AND MAINTENANCE. While any of the Parity Obligations are outstanding GBRA covenants and agrees to keep and cause to be kept the property included within its Water Supply System of the Water Resources Division in good condition, repair, and working order.

SECTION 16. INSURANCE. (a) Requirement to Maintain Insurance. GBRA shall cause to be insured properties contained or maintained within the Water Supply System of the Water Resources Division as would usually be insured by corporations operating like properties, with a

responsible insurance company or companies or risk management fund, against risks, accidents or casualties against which and to the extent insurance is usually carried by corporations operating like properties, including, to the extent reasonably obtainable, fire and extended coverage insurance and public liability and property damage insurance; provided, however, that public liability and property damage insurance need not be carried if legal counsel for GBRA gives a written opinion to the effect that GBRA is not liable for claims which would be protected by such insurance. All insurance premiums shall be paid as an Operating Expense of the expense of operation of the Water Supply System of the Water Resources Division. At any time while any contractor engaged in construction work shall be fully responsible therefor, GBRA shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times.

(b) *Use of Insurance Proceeds.* Upon the occurrence of any loss or damage to property covered by insurance described in subsection (a) above, GBRA shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to GBRA. The proceeds of insurance covering such property shall be used by GBRA for repairing the property damaged or replacing the property destroyed; provided, however, that if GBRA determines that reconstruction or repair of the property damaged is impractical, then GBRA will deposit the insurance proceeds in the Interest and Sinking Fund to be used in payment or redemption of outstanding Parity Obligations. Upon payment in full of the Parity Obligations and all Reimbursement Obligations, any unexpended insurance proceeds shall be deposited into the Revenue Fund of the Water Supply System of the Water Resources Division in amounts reasonably determined by the chief financial officer of GBRA. Unless the insurance proceeds are deposited in the Interest and Sinking Fund as described above, such proceeds shall be deposited in a special and separate trust fund, at an official depository of GBRA, to be designated the Insurance Account, and GBRA covenants that it will begin such reconstruction or repair promptly after such loss or damage shall occur and will continue and properly complete the same as expeditiously as possible and will pay, or cause to be paid, all costs and expenses in connection therewith out of the Insurance Account so that the same shall be completed and the property be free and clear of all mechanic's and other liens or claims. Any insurance proceeds remaining after the completion of and payment for any such reconstruction or repairs shall be deposited in the Interest and Sinking Fund.

SECTION 17. ANNUAL BUDGET; ACCOUNTS AND RECORDS. (a) *Annual Budget.* GBRA covenants that it will prepare an annual budget and take such action as may be necessary promptly to adopt the annual budget and to amend the annual budget.

(b) *Accounts and Records.* GBRA shall keep or cause to be kept proper books of records and accounts in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues, and the Revenue Fund and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Holder.

SECTION 18. AUDITS. After the close of each Fiscal Year while any of the Parity Obligations are outstanding, an audit will be made of the books and accounts relating to the Pledged

Revenues and the Revenue Fund and the Funds created pursuant to this Resolution by an independent certified public accountant. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to GBRA, a copy of such audit for the preceding year shall be mailed to the Paying Agent/Registrar and to any Holders who shall so request in writing. The annual audit reports shall be open to the inspection of the Holders and their agents and representatives at all reasonable times.

SECTION 19. SPECIAL COVENANTS. GBRA further covenants and agrees that:

(a) Encumbrance and Sale. (i) Other than with respect to the Parity Obligations and except as provided in this Resolution, the Pledged Revenues have not been pledged in any manner to the payment of any debt or obligation of GBRA, or otherwise, and while any of the Parity Obligations are outstanding, GBRA will not, except as provided in this Resolution with respect to the issuance of Additional Bonds, additionally encumber the Pledged Revenues unless such encumbrance is made junior and subordinate in all respects to the Parity Obligations and all liens, pledges, and covenants made in connection therewith.

(ii) So long as the Parity Obligations are outstanding, and except as hereinafter specifically permitted in subparagraph (iii) below, GBRA shall not mortgage, encumber, sell, lease, or otherwise dispose of any significant or substantial part of the Water Supply System of the Water Resources Division.

(iii) Notwithstanding the provisions in subparagraph (ii) hereof prohibiting the sale of any substantial part of the Water Supply System of the Water Resources Division, GBRA shall be authorized from time to time to sell any real property or personal property relating to the Water Supply System of the Water Resources Division if such real property or personal property is no longer needed or is no longer useful and the sale thereof will not adversely affect the operation and maintenance thereof. The proceeds from the sale of any personal property shall be used to replace or provide substitutes for the property sold, if, and to the extent, deemed necessary by GBRA, and all such proceeds which are not so used, together with all proceeds from the sale of any real estate relating to the Pledged Revenue System as permitted herein, shall be deposited into the respective Pledged Revenue Fund from which such property was derived.

(b) Liens. GBRA will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or on the Water Supply System of the Water Resources Division, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon the Water Supply System of the Water Resources Division, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be

or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by GBRA.

(c) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Bonds, and in each and every Parity Obligation and pay from the Pledged Revenues the principal of and interest on every Parity Obligation on the dates and in the places and manner prescribed in this Resolution; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Pledged Revenues the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and the owner of the Parity Obligations may require GBRA, its officials, agents, and employees to carry out, respect, or enforce the covenants and obligations of this Resolution, including, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against GBRA, its officials, agents, and employees.

(d) Legal Authority. GBRA is duly authorized under the laws of the State of Texas to issue the Parity Obligations; that all actions on its part for the issuance of the Parity Obligations has been duly and effectively taken, and that the Parity Obligations in the hands of the owners thereof are and will be valid and enforceable special obligations of GBRA in accordance with their terms.

(e) Permits. GBRA will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Water Supply System of the Water Resources Division, and which have been obtained from any governmental agency; and GBRA has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Water Supply System of the Water Resources Division.

(f) No Optional Redemption of Parity Obligations if Reimbursement Obligations are Outstanding. GBRA will not authorize the optional redemption of any Parity Obligations if any Reimbursement Obligations remain outstanding and unpaid to any provider of a Reserve Fund Credit Facility without first receiving the written approval of such provider.

SECTION 20. ADDITIONAL BONDS. (a) GBRA shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue obligations (herein called "**Additional Bonds**") in accordance with law, in any amounts, and for any lawful purpose of GBRA including, but not limited to, acquiring land and water rights, acquiring and constructing new facilities or extensions and improvements to any of GBRA's existing facilities, acquiring equipment, and refunding any Parity Obligations and/or the interest thereon. Such Additional Bonds, if and when authorized, issued, and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with the then outstanding Parity Obligations from a first lien on and pledge of the Pledged Revenues. Such Parity Obligations may be issued in such form and manner as now or hereafter authorized by the laws of the State of Texas for the issuance of evidences of indebtedness or other

instruments, and should new methods or financing techniques be developed that differ from those now available and in normal use, GBRA reserves the right to employ the same in its financing arrangements, provided, however, that the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

(1) *No Default/Compliance with Covenants.* The chief financial officer of GBRA shall have executed a certificate stating (a) that, to the best of his or her knowledge and belief, GBRA is not then in default as to any covenant, obligation or agreement contained in any resolution or other proceeding relating to any obligations of GBRA payable in whole or in part from, and secured by a lien on and pledge of, the Pledged Revenues that would materially affect the security or payment of the Parity Obligations, and (b) either (i) payments into all special funds or accounts created and established for the payment and security of all outstanding Parity Obligations have been made and that the amounts on deposit in such special funds or accounts are the amounts then required to be on deposit therein or (ii) the application of the proceeds of sale of such Parity Obligations then being issued will cure any such deficiency.

(2) *Historical Net Revenues Test.* The chief financial officer of GBRA shall have executed a certificate to the effect that, according to the books and records of GBRA, the Net Revenues for the preceding Fiscal Year, or for a 12 consecutive month period out of the 18 consecutive months immediately preceding the month the resolution authorizing the issuance of such Additional Bonds is adopted, are equal to at least 125% of the average Principal and Interest Requirements for all Parity Obligations (including such Additional Bonds proposed to be issued) which will remain outstanding following delivery of such Additional Bonds. In making the determination of the Net Revenues, the chief financial officer may take into consideration a change in the rates and charges which result in the collection of Pledged Revenues that became effective at least sixty (60) days prior to the last day of the period for which Pledged Revenues are determined and, for purposes of satisfying the above Net Revenues test, make a pro forma determination of the Net Revenues of GBRA for the period of time covered by this certification based on such forecast of additional Pledged Revenues provided by such additional rates and charges being in effect for the entire period covered by the chief financial officer's certificate.

(b) No Additional Bonds bearing interest at a variable rate, paying principal on a date other than *August 15*, or paying interest on any dates other than *February 15* and *August 15*, may be issued without the prior written consent of each provider of a Reserve Fund Credit Facility.

SECTION 21. RESOLUTION A CONTRACT; AMENDMENTS. (a) This Resolution shall constitute a contract with the registered owners of the Parity Obligations, binding on GBRA and its successors and assigns, and shall not be amended or repealed by GBRA as long as any Parity Obligation remains outstanding except as permitted in this Section.

(b) GBRA may, with notice to the provider of each Reserve Fund Credit Facility but without the consent of or notice to any registered owners, amend, change, or modify this Resolution (i) as may be required by the provisions hereof, (ii) as may be required for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change (other than any change described in clauses (i) through (iv) of the first sentence in subsection (c) below) with respect to which GBRA receives written confirmation from each Rating Agency that such amendment would not cause such Rating Agency to withdraw or reduce its then current rating on the Parity Obligations.

(c) In addition, GBRA may, with the written consent of the provider of each Reserve Fund Credit Facility and the registered owners of at least a majority in aggregate principal amount of the Parity Obligations then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the registered owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Parity Obligations, reduce the principal amount thereof or the rate of interest thereof, (ii) give any preference to any Parity Obligation over any other Parity Obligation, (i) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Parity Obligations required for consent to any such amendment, change, modification, or rescission.

(d) Whenever GBRA shall desire to make any amendment or addition to or rescission of this Resolution requiring consent of the provider of each Reserve Fund Credit Facility and/or the registered owners of the Parity Obligations, GBRA shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to (i) the provider of each Reserve Fund Credit Facility, and (ii) the registered owners (if the registered owners of all Parity Obligations or least a majority in aggregate principal amount of the Parity Obligations are required to consent) at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, GBRA shall receive an instrument or instruments in writing executed by the provider of each Reserve Fund Credit Facility and the registered owners of all or a majority (as the case may be) in aggregate principal amount of the Parity Obligations then outstanding affected by any such amendment, addition, or rescission requiring the consent of the registered owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, GBRA may adopt such amendment, addition, or rescission in substantially such form, except as herein provided.

(e) No Registered Owner may thereafter object to the adoption of any amendment, addition, or rescission which is accomplished pursuant to and in accordance with the provisions of this Section, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 22. DEFEASANCE OF SERIES 2012 BONDS. (a) *Defeasance.* Any Series 2012 Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a

"*Defeased Series 2012 Bond*") within the meaning of this Resolution, except to the extent provided in the last sentence of this subsection, when payment of the principal of such Series 2012 Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "*Future Escrow Agreement*") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by GBRA with the Paying Agent/Registrar for the payment of its services until all Defeased Series 2012 Bonds shall have become due and payable. At such time as a Series 2012 Bond shall be deemed to be a Defeased Series 2012 Bond hereunder, as aforesaid, such Series 2012 Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Net Revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Series 2012 Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, GBRA expressly reserves the right to call the Defeased Series 2012 Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Series 2012 Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) *Investment of Funds in Defeasance Securities.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of GBRA be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Series 2012 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to GBRA, or deposited as directed in writing by GBRA. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Series 2012 Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Series 2012 Bonds, with respect to which such money has been so deposited, shall be remitted to GBRA or deposited as directed in writing by GBRA.

(c) *Definition of Defeasance Securities.* The term "*Defeasance Securities*" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm

not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of GBRA adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Series 2012 Bonds.

(d) *Duties of Paying Agent/Registrar.* Until all Defeased Series 2012 Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Series 2012 Bonds the same as if they had not been defeased, and GBRA shall make proper arrangements to provide and pay for such services as required by this Resolution.

(e) *Selection of Series 2012 Bonds to be Defeased.* In the event that GBRA elects to defease less than all of the principal amount of Series 2012 Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Series 2012 Bonds by such random method as it deems fair and appropriate.

(f) *Notice to Texas Water Development Board.* So long as the Texas Water Development Board is the registered owner of any of the Series 2012 Bonds, GBRA shall provide written notice to the Texas Water Development Board of a defeasance of the Series 2012 Bonds pursuant to subsection (a)(ii) of this Section.

SECTION 23. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED SERIES 2012 BONDS. (a) *Replacement Bonds.* In the event any outstanding Series 2012 Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Series 2012 Bond, in replacement for such Series 2012 Bond in the manner hereinafter provided.

(b) *Application for Replacement Bonds.* Application for replacement of damaged, mutilated, lost, stolen, or destroyed Series 2012 Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Series 2012 Bond, the registered owner applying for a replacement bond shall furnish to GBRA and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Series 2012 Bond, the registered owner shall furnish to GBRA and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Series 2012 Bond, as the case may be. In every case of damage or mutilation of a Series 2012 Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Series 2012 Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Series 2012 Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Series 2012 Bond, GBRA may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Series 2012 Bond) instead of issuing a replacement Series 2012 Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Series 2012 Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Series 2012 Bond is lost, stolen, or destroyed shall constitute a contractual obligation of GBRA whether or not the lost, stolen, or destroyed Series 2012 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Series 2012 Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. This Section of this Resolution shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of GBRA or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Series 2012 Bonds in the form and manner and with the effect, as provided in this Resolution for Series 2012 Bonds issued in conversion and exchange for other Series 2012 Bonds.

SECTION 24. CUSTODY, APPROVAL, AND REGISTRATION OF SERIES 2012 BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS. The Chair of the Board of Directors of GBRA is hereby authorized to have control of the Series 2012 Bonds issued hereunder and all necessary records and proceedings pertaining to the Series 2012 Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Series 2012 Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Series 2012 Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Series 2012 Bonds. The approving legal opinion of GBRA's Bond Counsel, and the assigned CUSIP numbers may, at the option of GBRA, be printed on the Series 2012 Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Series 2012 Bonds.

SECTION 25. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE SERIES 2012 BONDS. (a) Covenants. GBRA covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Series 2012 Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, GBRA covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Series 2012 Bonds or the Refunded Obligations or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Series 2012 Bonds or the Refunded Obligations or the projects financed or refinanced therewith are so used, such amounts, whether or not received by GBRA, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Series 2012 Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Series 2012 Bonds or the Refunded Obligations or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Series 2012 Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Series 2012 Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Series 2012 Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Series 2012 Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Series 2012 Bonds, other than investment property acquired with --

(A) proceeds of the Series 2012 Bonds invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of thirty days or less until such proceeds are needed for the purpose for which the Series 2012 Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Series 2012 Bonds;

(7) to otherwise restrict the use of the proceeds of the Series 2012 Bonds or amounts treated as proceeds of the Series 2012 Bonds, as may be necessary, so that the Series 2012 Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2012 Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2012 Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) *Rebate Fund.* In order to facilitate compliance with the above covenant (8), a "**Rebate Fund**" is hereby established by GBRA for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) *Proceeds.* GBRA understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Series 2012 Bonds. It is the understanding of GBRA that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Series 2012 Bonds, GBRA will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2012 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2012 Bonds, GBRA agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Series 2012 Bonds under section 103 of the Code. In furtherance of such intention, GBRA hereby authorizes and directs the Chair and Vice Chair of the Board of Directors and the General Manager and Executive Manager of Finance and Administration of GBRA to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of GBRA, which may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2012 Bonds.

(d) *Allocation of, and Limitation on, Expenditures for the Project.* GBRA covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (collectively referred to herein as the "**Project**") on its books and records in accordance with the requirements of the Code. GBRA recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, GBRA recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Series 2012 Bonds, or (2) the date the Series 2012 Bonds are retired. GBRA agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Series 2012 Bonds. For purposes hereof, GBRA shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) *Disposition of Project.* GBRA covenants that the property constituting the projects financed or refinanced with the proceeds of the Series 2012 Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by GBRA of cash or other compensation, unless GBRA obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2012 Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, GBRA shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

SECTION 26. COMPLIANCE WITH RULE 15c2-12. On the basis of the private placement exception to the continuing disclosure requirements set forth in SEC Rule 15c2-12 (the "**Rule**"), 17 CFR 240.15c2-12, GBRA has not and does not undertake to provide continuing information about its financial condition, results of operation or other data subsequent to the issuance of the Series 2012 Bonds. Notwithstanding the foregoing, GBRA covenants to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by the Rule and determined as if the Texas Water Development Board was a "participating underwriter" with the meaning of the Rule, such continuing disclosure undertaking being for the benefit of the Texas Water Development Board and the beneficial owner of the Series 2012 Bonds if the Texas Water Development Board sells or otherwise transfers any of the Series 2012 Bonds and the beneficial owners of the Texas Water Development Board's bonds if GBRA is an obligated person with respect to the Texas Water Development Board's bonds under the Rule. On that basis, GBRA hereby agrees to provide continuing disclosure as set forth below:

(a) *Definitions.* As used in this Section, the following terms have the meanings ascribed to such terms below:

"**EMMA**" means the Electronic Municipal Market Access system being established by the MSRB.

"**MSRB**" means the Municipal Securities Rulemaking Board.

"**Rule**" means SEC Rule 15c2-12, as amended from time to time.

"**SEC**" means the United States Securities and Exchange Commission.

(b) Annual Reports. GBRA shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2012, financial information and operating data with respect to GBRA of the general type included in the final Official Statement authorized by this Resolution being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as GBRA may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if GBRA commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then GBRA shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If GBRA changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which GBRA otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

(i) GBRA shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Series 2012 Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Bondholders;
3. Series 2012 Bond calls;

4. Release, substitution, or sale of property securing repayment of the Series 2012 Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) GBRA shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Series 2012 Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series 2012 Bonds, or other events affecting the tax-exempt status of the Series 2012 Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes; and
9. Bankruptcy, insolvency, receivership or similar event of an obligated person

(iii) GBRA shall notify the MSRB through EMMA, in a timely manner, of any failure by GBRA to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) *Limitations, Disclaimers, and Amendments.* GBRA shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, GBRA remains an "obligated person" with respect to the Series 2012 Bonds within the meaning of the Rule, except that GBRA in any event will give notice of any deposit made in accordance with Section 22 of this Resolution that causes Series 2012 Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Series 2012 Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. GBRA undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of GBRA's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. GBRA does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2012 Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL GBRA BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2012 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY GBRA, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by GBRA in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of GBRA under federal and state securities laws.

The provisions of this Section may be amended by GBRA from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of GBRA, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Series 2012 Bonds in the primary offering of the Series 2012 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an

amendment) of the outstanding Series 2012 Bonds consent to such amendment or (b) a person that is unaffiliated with GBRA (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2012 Bonds. GBRA may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2012 Bonds in the primary offering of the Series 2012 Bonds. If GBRA so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 27. SALE AND DELIVERY OF SERIES 2012 BONDS. The Series 2012 Bonds are hereby sold and shall be delivered to the **TEXAS WATER DEVELOPMENT BOARD** in accordance with the rules and regulations of the Texas Water Development Board for a total purchase price of par and no accrued interest. The Series 2012 Bonds initially shall be registered in the name of the **TEXAS WATER DEVELOPMENT BOARD**.

SECTION 28. APPROVAL OF ESCROW AGREEMENT; DEPOSIT OF PROCEEDS. Concurrently with the initial delivery of the Series 2012 Bonds, GBRA shall deposit all proceeds of the Series 2012 Bonds into an escrow fund established with **REGIONS BANK** (the "*Escrow Agent*") pursuant to an Escrow Agreement between GBRA and the Escrow Agent, in substantially the form attached hereto as Exhibit D. The Escrow Agreement, which will govern the periodic disbursement of proceeds of the Series 2012 Bonds upon approval of the Texas Water Development Board, is hereby approved in substantially final form, and the Chair, Vice Chair, Secretary/Treasurer, General Manager, and Executive Manager for Finance and Administration each are hereby authorized, for and on behalf of GBRA, to approve any changes in the Escrow Agreement from the form attached hereto and to execute the Escrow Agreement in final form.

SECTION 29. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Chair, Vice Chair and Secretary/Treasurer of the Board of Directors, and the General Manager and the Executive Manager of Finance and Administration of GBRA, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of GBRA all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Series 2012 Bonds, the sale of the Series 2012 Bonds, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Series 2012 Bonds, the Chair, Vice Chair and Secretary/Treasurer of the Board of Directors, the General Manager, the Executive Manager of Finance and Administration and the General Counsel of GBRA, and GBRA's Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the

transactions contemplated and approved by this Resolution and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, (iii) satisfy requirements of the Texas Water Development Board, or (iv) obtain the approval of the Series 2012 Bonds by the Attorney General's office. In case any officer whose signature shall appear on any Series 2012 Bond shall cease to be such officer before the delivery of such Series 2012 Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Executive Manager of Finance and Administration of GBRA is further authorized to pay to the Attorney General of Texas prior to the delivery of the Series 2012 Bonds, for the Attorney General's review of the transcript of proceedings related to the Series 2012 Bonds, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

SECTION 30. INTERESTED PARTIES. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than GBRA and the registered owners of the Series 2012 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of GBRA shall be for the sole and exclusive benefit of GBRA and the registered owners of the Series 2012 Bonds.

SECTION 31. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Series 2012 Bonds and the pledge of the Pledged Revenues granted by GBRA under Section 7 of this Resolution, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Series 2012 Bonds are outstanding and unpaid such that the pledge of the Pledged Revenues granted by GBRA under Section 7 of this Resolution is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Series 2012 Bonds the perfection of the security interest in said pledge, GBRA agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 32. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event GBRA (i) defaults in the payment of the principal, premium, if any, or interest on the Series 2012 Bonds, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund or the Reserve Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Resolution and the continuation thereof for 30 days after GBRA has received written notice of such defaults, the Holders of any of the Series 2012 Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of GBRA and other officers of GBRA to observe and perform any covenant, condition or obligation prescribed in this Resolution. Notwithstanding the foregoing, in the event the Series 2012 Bonds are insured with a municipal bond insurance policy, the provider of such insurance policy shall have the right to direct all remedies upon an event of default, and such provider shall be recognized as the registered owner

of the Series 2012 Bonds for the purposes of exercising all rights and privileges available to the Holders.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

SECTION 33. FINAL ACCOUNTING. In accordance with 31 TAC 375.71(2)(C), GBRA shall render a final accounting to the Texas Water Development Board in reference to the total cost incurred by GBRA for the Project being financed by GBRA with proceeds of the Series 2012 Bonds together with a copy of "as built" plans of the Project. If the Project as finally completed is built at a total cost less than the amount of available funds for building the Project, or if the Executive Administrator of the Texas Water Development Board disapproves construction of any portion of the Project as not being in accordance with the plans and specifications, GBRA agrees to immediately, with filing of the final accounting, return to the Texas Water Development Board the amount of any such excess and/or the cost determined by the Executive Administrator of the Texas Water Development Board relating to the parts of the Project not built in accordance with the plans and specifications, to the nearest multiple of the authorized denominations for the Series 2012 Bonds, upon the surrender and cancellation of a like amount of such Series 2012 Bonds held by the Texas Water Development Board in inverse order of their stated maturities. In determining the amount of available funds for building the Project, GBRA agrees to account for all amounts deposited to the credit of the Construction Fund, including all loan funds extended by the Texas Water Development Board, if any, all other funds available for the Project as described in the project engineer's or fiscal representative's sufficiency of funds statement, and all interest earned by GBRA on money in the Construction Fund.

SECTION 34. COMPLIANCE WITH THE RULES AND REGULATIONS OF THE TEXAS WATER DEVELOPMENT BOARD. As required by 31 TAC 375.71(2)(H), GBRA covenants to comply with the applicable rules and regulations of the Texas Water Development Board and relevant statutes, including subchapter J of Chapter 15, Texas Water Code.

SECTION 35. INCORPORATION OF RECITALS. GBRA hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and GBRA hereby incorporates such recitals as a part of this Resolution.

SECTION 36. SEVERABILITY. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 37. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Resolution shall become effective immediately after its adoption by the Board of Directors.

[The remainder of this page intentionally left blank]

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE GUADALUPE-BLANCO RIVER AUTHORITY AT A REGULAR MEETING HELD ON THE 18TH DAY OF JANUARY, 2012, AT WHICH MEETING A QUORUM WAS PRESENT.

Grace Kunde

Chair, Board of Directors
Guadalupe-Blanco River Authority

ATTEST:

Gleason T. Marshall

Secretary/Treasurer, Board of Directors
Guadalupe-Blanco River Authority

(Seal)

** ** * * *

EXHIBIT A

FORM OF APPROVAL CERTIFICATE

CERTIFICATE APPROVING THE FINAL TERMS OF THE SERIES 2012 BONDS

I, as the _____ of the **GUADALUPE-BLANCO RIVER AUTHORITY ("GBRA")**, pursuant to authority granted by the provisions of Chapter 1371, Texas Government Code, and by the Board of Directors of GBRA in Section 1(b) of a resolution approved by the Board of Directors on January 18, 2012, relating to the issuance of the Series 2012 Bonds defined below (the "**Resolution**"), hereby certify as follows:

1. **Title of Series 2012 Bonds.** This Certificate is given in connection with the issuance by GBRA of the **GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012** (the "**Series 2012 Bonds**") which, pursuant to the Resolution, have been authorized by the Board of Directors.

2. **Capitalized Terms.** All capitalized terms used in this Certificate which are not otherwise defined herein shall have the same meanings as set forth in the Resolution.

3. **Dated Date and Aggregate Principal Amount.** The Series 2012 Bonds shall be dated _____, 2012, and shall be issued in the aggregate principal amount of \$_____.

4. **Maturities, Principal Amounts, and Interest Rates.** The Series 2012 Bonds shall (i) mature on **August 15** in each of the years and in the respective principal amounts, and (ii) bear interest from the date of initial delivery of the Series 2012 Bonds, to their respective date of maturity or prior redemption at the respective interest rates, all as set forth below:

GUADALUPE-BLANCO RIVER AUTHORITY GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2012					
MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE	MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE

5. **Interest Payment Dates.** Interest on the Series 2012 Bonds shall be payable on each February 15 and August 15, commencing on _____ 15, 201__, until stated maturity or redemption.

6. **Optional Redemption.** The Series 2012 Bonds maturing on and after August 15, 20__, may be redeemed prior to their scheduled maturities, at the option of GBRA on August 15, 20__, or on any date thereafter at the redemption price equal to par plus accrued interest to the date fixed for redemption.

7. **Purchase Price.** The Series 2012 Bonds shall be purchased at a price equal to \$_____ (which amount is equal to par and no accrued interest).

8. **Net Effective Interest Rate.** The net effective interest rate for all Series 2012 Bonds is equal to _____%).

9. **DETERMINATION REQUIRED BY SECTION 1201.022(A)(3), TEXAS GOVERNMENT CODE.** In satisfaction of Section 1201.022(a)(3), Texas Government Code, as authorized by Section 1(c) of the Resolution, and upon consultation with GBRA's Financial Advisor, the undersigned hereby determines that the final terms of the Series 2012 Bonds as set forth in this Certificate are in GBRA's best interests.

[The remainder of this page intentionally left blank]

***APPROVED BY THE _____ OF THE GUADALUPE-
BLANCO RIVER AUTHORITY ON THE ____ DAY OF _____, 2012 IN ACCORDANCE
WITH SECTION 1(b) OF THE RESOLUTION.***

GUADALUPE-BLANCO RIVER AUTHORITY

[SIGNATURE PAGE TO "CERTIFICATE APPROVING FINAL TERMS OF THE SERIES 2012 BONDS"]

EXHIBIT B

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

The Paying Agent/Registrar Agreement is omitted at this point as it appears in executed form elsewhere in this Transcript of Proceedings.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 26 of this Resolution.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to GBRA to be provided annually in accordance with such Section are as specified (and included in Appendix A or under the headings of the Official Statement relating to the Previously Issued Parity Bonds referred to) below:

1. The annual audited financial statements of GBRA or the unaudited financial statements of GBRA in the event audited financial statements are not completed within six months after the end of any Fiscal Year.
2. All quantitative financial information and operating data with respect to GBRA of the general type included in the Official Statement under Tables 1 through 8 of the Official Statement relating to the Previously Issued Parity Bonds.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

EXHIBIT D

FORM OF ESCROW AGREEMENT

The Escrow Agreement is omitted at this point as it appears in executed form elsewhere in this Transcript of Proceedings.



Be Our Guest

B&Bs in the Guadalupe River Basin

Guadalupe-Blanco River Authority of Texas
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2014 and 2013



Guadalupe-Blanco River Authority
933 E. Court Street • Seguin, Texas 78155
830 • 379 • 5822

The 2014 Comprehensive Annual Financial Report is published for the clients, customers, employees and friends of GBRA.

Copies of this publication have been distributed in compliance with the State Depository Law and are available for public use throughout Texas at state depository libraries.

For additional information about GBRA,
contact the Communications and Education Department
at (830) 379-5822, (800) 413-5822
or visit our website at <http://www.gbra.org>.

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.gbira.org>

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

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

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

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

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

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

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

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

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**Guadalupe-Blanco River Authority of Texas
Annual Financial Report**

Fiscal Years Ended August 31, 2014 and 2013

**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.**

**The Guadalupe-Blanco River Authority is an Equal Opportunity Employer.
It is the policy of GBRA not to discriminate against any employee or applicant for employment because of
race, age, color, religion, sex, national origin, political affiliation, veteran status or disability.**

Be Our Guest

B&Bs in the Guadalupe River 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



Tommy Mathews, Vice-Chair
Kendall County
Appointed 2011, Gov. Rick Perry



Rusty Brockman, Secretary-Treasurer
Comal County
Appointed 2011, Gov. Rick Perry



Grace G. Kunde, Director
Guadalupe County
Reappointed: 2009, 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.

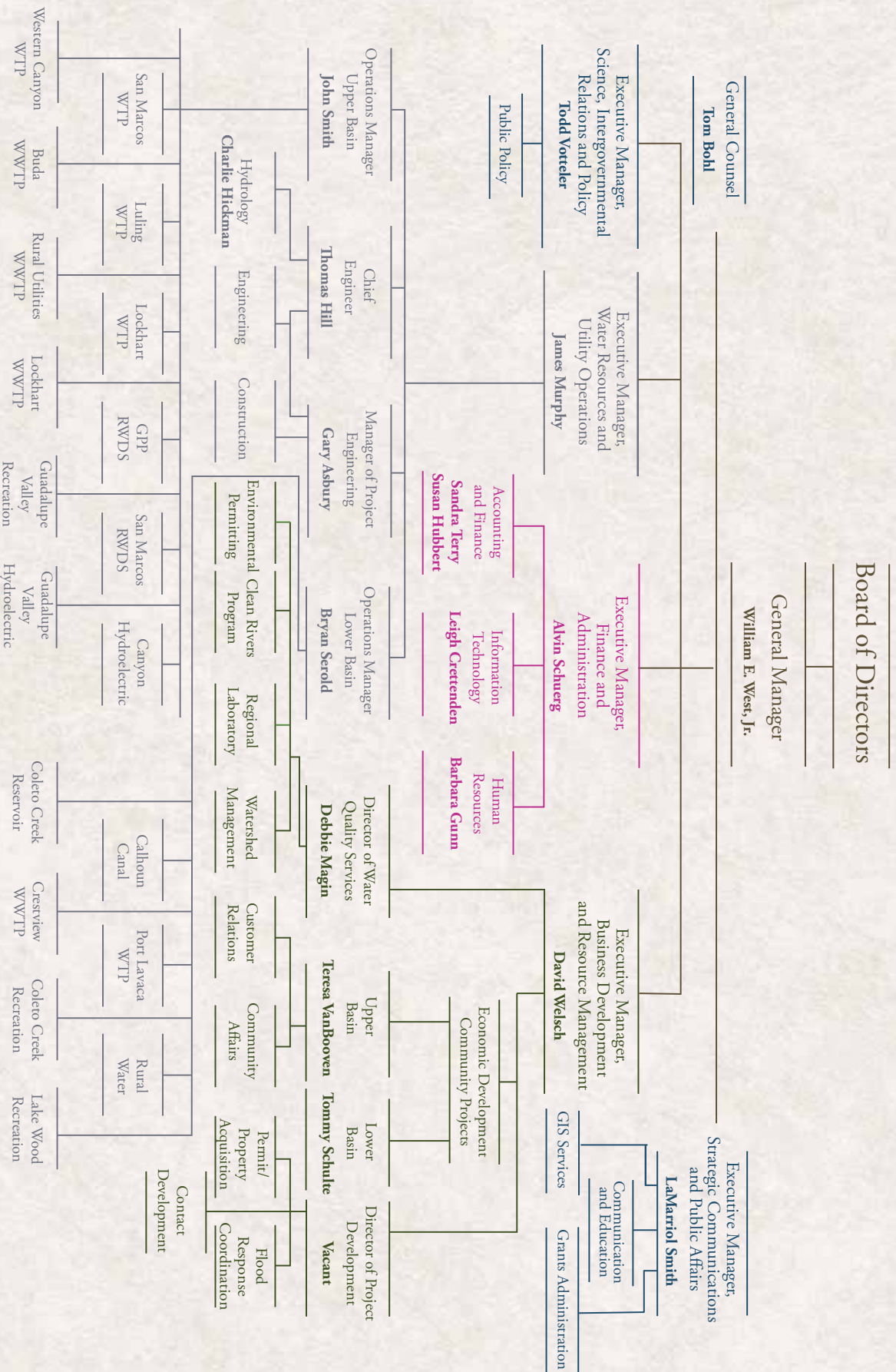
Basin Map



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. Coleta 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

GBRA Operational Chart



GBRA Year in Review

(September 1, 2013 – August 31, 2014)

September 2013

- Almost 200 volunteers dedicated Saturday, Sept. 28, 2013, to “keeping Lockhart beautiful.” Volunteers spent the morning



Photo by Mike McGregor

removing 1,580 pounds of refuse and 840 pounds of recyclable materials from 4.5 stream miles of Plum Creek and its tributaries. In addition to debris removal, participants planted wildflowers at City Park and attended an environmental fair.

- GBRA officials publicly called for recreationalists using the Guadalupe, Blanco, Comal or San Marcos rivers, Canyon Reservoir, Coletto Creek Reservoir (Victoria County), Lake Dunlap (Comal and Guadalupe counties), Lake McQueeney (Guadalupe County), Lake Placid (Guadalupe County), Lake Nolte (Guadalupe County), H-4 or Lake Gonzales and H-5 or Lake Wood (both in Gonzales County) to exercise safe boating especially during the Labor Day weekend of Friday, Aug. 30 – Monday, Sept. 2, 2013. The GBRA joins the Texas Parks and Wildlife Department (TPWD) in recommending water safety and boating.

October 2013

- GBRA officials hosted a public meeting at 6:30 p.m. Thursday, Oct. 10, 2013, at the Belmont Community Center on Hwy 90A West in Belmont to discuss treatment measures for controlling the growth and spread of hydrilla, an invasive species plant in the Guadalupe River below Seguin. Presentations were made by staffs of GBRA and the Texas Parks and Wildlife Department.
- While rain fell throughout most of the Guadalupe River Basin during the Halloween Flood of 2013, Hays, Comal, and Caldwell counties seemed to get more significant amounts of rain. In all, the National Weather Service reported 12.45 inches of rain had fallen in

Wimberley, 11.89 inches near Driftwood, 9.55 inches southeast of Kyle, 7.50 inches west of San Marcos and 7.28 inches east-southeast of Canyon Lake Dam. GBRA staff braved weather conditions to get to work to insure and secure continuous operations at water and wastewater treatment plants and to disseminate river flow information to the public. GBRA’s “situation room” was assembled for manning the call center, coordinating the flow of information, and providing the information to media outlets, Weather Net and the public.

November 2013

- Following a significant flood event that occurred Oct. 31, hydroelectric crews inspecting the dam at Lake McQueeney determined work had to be conducted on the dam. In their assessment, hydroelectric crews found substantial logs and debris in the gates. Crews also determined several seals had to be replaced. The necessary work required Lake McQueeney to remain about a foot low for 30 days.
- GBRA officials announced the hiring of George Thomas “Tom” Bohl, an assistant attorney general for the Environmental Protection Division with the Office of the Attorney General during its November Board of Directors meeting

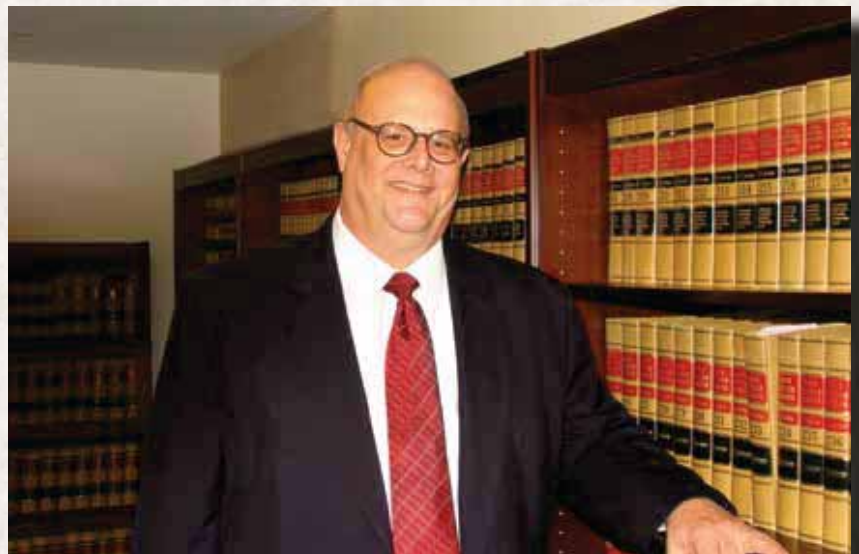


Photo by Connie Rothe

Wednesday, Nov. 20, 2013. Bohl officially began his general counsel duties in January 2014.

December 2013

- At the December meeting in Seguin, the GBRA Board of Directors elected board officers for 2014. Oscar Fogle of Caldwell County was selected to serve a second term as chair, Tommy Mathews of Kendall County was selected as vice-chair, and Rusty Brockman of Comal County was selected as secretary/treasurer.

January 2014

- Maintenance work was performed on the boat ramp at Coletto Creek Park and Reservoir in mid-January, requiring a temporary closure. Crews scheduled the maintenance to take advantage of the low reservoir level and low volume of recreationalists who use the ramp during that time.



Photo by Wilfred Korth

- Kylie Gudgell, laboratory analyst I in GBRA's Regional Laboratory, collected an accolade, the "Outstanding Lab Analyst" Award from the Texas Water Utilities Association in January. The TWUA recognizes an analyst for service in their profession above and beyond what is expected.
- In January, Secretary of the Interior Sally Jewell presented the Department's 2013 Partners in Conservation awards at a ceremony in Washington, D.C. The Secretary honored 20 partnership projects that have demonstrated exemplary natural resource conservation efforts through public-private cooperation. Four partnerships nominated by the U.S. Fish and Wildlife Service involving nearly



Photo by Connie Rothe

60 individuals and organizations located in California, Oregon, Kansas and Texas received awards. In Texas, the 2013 award went to the Edwards Aquifer Recovery Implementation Program.

February 2014

- On Feb. 23, 2014, the San Antonio Express-News ran opposing op-editorials by GBRA General Manager Bill West and San Antonio Water System (SAWS) Chief Executive Officer Robert Puente debating the merits of SAWS' recently filed "bed and banks" permit application with the Texas Commission on Environmental Quality. The opinion articles covered the newspaper's editorial page front and were the subject of much discussion in the water community for weeks thereafter.

March 2014

- As their "Our Day to Shine" project, GBRA volunteers performed repair and renovation work, such as electrical work, refinishing walls, painting, replacing interior lighting and installing new kitchen countertops and appliances, to the Green DeWitt Community Center near Cuero in DeWitt County. About 45 GBRA employees and family members worked on the project.



Photo by Connie Rothe

April 2014

- Hundreds of Seguin citizens walked the grounds of the downtown square with a common interest in celebrating the 2014 Earth Day Festival, which took place Saturday, April 26. Cindy Thomas-Jimenez, GBRA's environmental education administrator, demonstrated how sources of non-point source pollution can enter into the ecosystems of nearby rivers, streams and lakes. Elizabeth Aguilar, GBRA's technical specialist, taught students how to identify larvae using a GBRA macroinvertebrate chart.
- GBRA's Board of Directors held its monthly meeting and a directors' workshop in Cuero, DeWitt County, on Wednesday, April 16, at the Chisholm Trail Heritage Museum.

GBRA Year in Review, continued

- On April 23, GBRA filed a petition in Travis County District Court asking for a declaration that GBRA has the authority to issue bonds for its Lower Basin Project, and a resolution of legal issues that affect the Lower Basin Project, including the SAWS bed and banks permit application.

May 2014

- GBRA officials announced Stage I drought measures for the cities of Luling and Lockhart as part of the “mild water shortage condition” of the GBRA Drought Contingency Plan.



Photo by Anna Beckendorf

- A new outdoor education program open to visitors of all ages kicked off during the last weekend in May at GBRA’s Coletto Creek Park. Developed by Dan and Anna Beckendorf, the program consists of a guided nature walk and a tour of a wildscape garden that Anna planted at the park. During the tour, leaders discuss the use of native plants and their benefits to Texas Wildlife, visit a butterfly garden, and see habitat gardens and pools for lizards and frogs.

June 2014

- The United States Court of Appeals for the Fifth Circuit on Monday, June 30, reversed the judgment of the U.S. District Court for the Southern District of Texas in *The Aransas Project v. Shaw* of which GBRA was a defendant intervener. The Fifth Circuit agreed with the defendants that the plaintiff failed to prove its case that diversions of water for use by Texans had led to multiple deaths of federally protected whooping cranes in the winter of 2008. The Fifth Circuit panel that consisted of Judges Edith Jones, Jerry Smith and Emilio Garza agreed, “We conclude that the district court’s opinion misapplies proximate cause analysis and further, even if proximate cause had been proven, the injunction is an abuse of discretion. The judgment is reversed.”
- Bureau of Reclamation Acting Commissioner Lowell Pimley announced in June that the B.O.R. will provide \$450,000 for GBRA’s “Integrated Water and Power Project (IWPP),” a water feasibility study, which in this case considers the feasibility of developing ocean water desalination as a regional water supply, including the option of co-located power generation facilities.

July 2014

- Lower flows in the Comal Springs caused by the ongoing drought have stopped work projects in New Braunfels associated with the Habitat Conservation Plan (HCP) until officials can ensure no damage is being done to endangered species or their habitats. According to Provision M of U.S. Fish and Wildlife (USFWS) Incidental Take Permit, work near the springs has to stop when flow at Comal Springs reaches 130 cubic feet per second. Activities that disturb habitat or the listed species are no longer covered when flows drop below these levels.
- Internal staff member LaMarriol Smith was promoted to GBRA’s Executive Team as Executive Manager for Strategic Communications and Public Affairs. The position change became effective July 21, 2014. Smith, formerly GBRA’s Chief Strategic Communications and Public Affairs Officer and prior to that Manager for Communications and Education, began work for the authority Feb. 1, 2007. Her overall 28 years of experience includes public affairs, media relations, higher education administration, marketing, project and event management, speechwriting, publications management, website development and social media communications.

August 2014

- GBRA’s Port Lavaca Water Treatment Plant operators began its periodic temporary substitution of chorine as the disinfecting agent in the drinking water treatment process in place of its regularly used chlorine/ammonia compound.
- Voluntary Stage IV drought measures for diversions and use of water were implemented on GBRA’s hydroelectric lakes in Comal, Guadalupe and Gonzales counties. Restrictions also affected lawn watering, outdoor fountain use, vehicle washing and other activities.

Hydro Lakes
STAGE 4
Drought Measures

Applies when average 24 hour spring flow rate from Comal Springs is at or below 100 cfs, but greater than 50 cfs.

Current springflow conditions and full Drought Contingency Plan can be found at:

<http://www.gbra.org>

Be Our Guest

B&Bs in the Guadalupe River Basin

A place to sleep and a morning meal sound like simple provisions for the weary traveler. How hard can it be to provide a clean room and good food?

Innkeepers in our series “Be Our Guest: B&Bs in the Guadalupe River Basin” probably would agree that supplying a bed and a breakfast is not that difficult. And then they would add that they provide much more—things like a taste of local culture, authentic Texas history, and a feeling of being at home, as well as peace and serenity.

Since an intangible cannot be crafted by human hands, how do they do it?

We found that each person comes to the title of innkeeper a bit differently. Some are drawn to the job by the location—on a river, a creek, a series of rolling hills on cherished family land, a historical district.

Some grew up in the hospitality business and have memories of loving the excitement of meeting new people as a child.

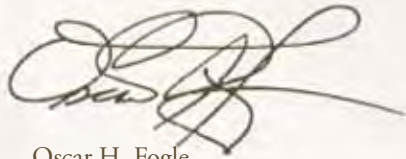
Others enjoy the process of cleaning and decorating every nook and cranny of a home and garden, and then cooking and serving an exquisite meal that surprises everyone.

Those who enjoy saving and restoring old properties from demolition figure into the story, too.

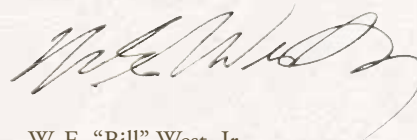
Although the inns featured here have distinct personalities, there are recurring themes among the innkeepers. They love history and architecture, enjoy people, thrive on good food (whether they are cooks or not) and like being their own bosses. Creating unique experiences for the guests feeds their energy.

Also, there is more to their stories than mere business. To them, their work goes beyond numbers on a spreadsheet. As more than one innkeeper said: “We greet people as guests. They leave as our friends.”

Let’s go visiting.



Oscar H. Fogle
Chair, Board of Directors



W. E. “Bill” West, Jr.
General Manager

Cottontail Creek Ranch
3767 South State Highway 46
Seguin
Innkeepers: Sue and Fred Blumberg

One of Sue Blumberg's favorite memories as a hostess was seeing a four-star general iron his shirt in her kitchen. That scene captures the family atmosphere she strives for when she opens her home to others.

The Blumbergs built their dream home in 1996 on land that her husband's family has owned for a century. Sue knew before it was built that she wanted to entertain visitors in the two spacious upstairs bedrooms. She and her husband are frequent travelers and B&B guests. And as a daughter of New Orleans, she embodies hospitality.

Sue thrives on cooking and entertaining. She also likes a tidy home and pays attention to small details and the big picture. "There is no problem keeping our home ready. Guests come and can't get enough of the gardens. The back porch, the front porch—they are peaceful and serene. And the guests begin to do what they are supposed to do, and that is relax."

In addition to serving such breakfast treats as Amaretto Peach French Toast, she also hosts small lunches and dinners for groups, and creates three-course dinners for guests who ask for them in advance. "I give them a choice of meat and prepare a menu around that. The rest of the meal is a surprise." Think Crawfish Bisque as the first course, Filet Mignon au Poivre for the entrée, and Creme Brulee la Louisianne for dessert.

But what to name their home and inn? A cottontail running through a dry creek bed gave her the idea of Cottontail Creek. "It's even got alliteration," said the former English teacher. Her husband liked it. The deal was sealed.



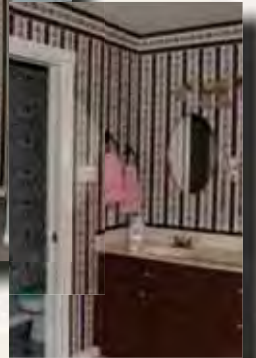
Photos by Connie Rothe





Photos by Connie Rothe

Peace, serenity, Food





Photos by Connie Rothe



Must love rivers



Grace Gardens
516 Cottonseed Run
Martindale
Innkeepers: Lee Williams and James Miller

The Halloween floods that poured through the Hill Country in 2013 took most of Grace Gardens' multi-tiered deck. A small portion remains, unsafe for use, and yet picturesque.

Lee Williams tells the story with the matter-of-factness of someone who lives on a river. Grace Gardens on the San Marcos River is not the place for anger or fear, but a place to meditate and be thankful for nature's majesty.

Even for people who don't go near the river, the inn offers "a place to relax, rejuvenate and refresh," said Williams, a minister who years ago envisioned living in a place like this, a courtyard surrounded by spaces for yoga, seminars and painting.

She and husband James Miller moved out of Austin and into Grace Gardens three years ago, in between times of prolonged drought. Plants and river life awoke the following spring. "It was magical," Williams said.

Guests arriving at this hideaway discover an outdoor emphasis. Seekers of solitude will find numerous meditation places. A gazebo with benches and a grilling area lure river-watchers. Nearby is a lap pool with a tree-covered hot tub.

An artist's studio, which Williams calls a "no-guilt space," is a rustic cabin with a bed, table and chairs. A nearby self-contained cottage is quite small but can hold a rocking chair.

Williams and Miller live on site and manage Grace Gardens themselves, sharing their home with river disciples who want to be out of a city, yet near one. San Marcos is minutes away.

And the name? Says Williams: "I want people to learn about and be aware of the grace that each person brings to this life."



Photo by Connie Rothe

Photo by Barbara Elmore





Photos by Connie Rothe

Belle Oaks Inn
222 St. Peter
Gonzales
Innkeepers: Clinton Hille, Richard Tiller

This Greek Revival home with magnolia trees framing the entrance has been a private home, a dorm for medical staff, and a vacant property. Then two people came along with a love for its imposing columns and spaciousness, and the patience to breathe new life into the 1912 structure.

The results are magical. A time warp envelops guests as they step on the curved front steps of Belle Oaks. The feeling persists indoors.

The house had been boarded shut for 20 years when Clinton Hille and Richard Tiller bought it in 2000. They began renovations, but had not planned to open it as a bed-and-breakfast inn. They made that decision when they realized that renting rooms would help them pay for renovations.

Since 2002, the home has been an inn, and its popularity surprised the owners. "Within a year or so, it turned into a full-time job for Richard," Hille said. "We get travelers from all over the world. It's amazing how people seem to find us; the house sells itself."

Although it was odd at first to have people renting rooms in their home, Hille and Tiller quickly learned that the house's size and guests' attitudes were both an advantage. "A different type of person stays in bed-and-breakfasts. They are appreciative of your home," Hille said.

In 2010, they also opened the 1913-era Boothe House at 706 St. George as an inn, too. "We bought the Boothe House to renovate and resell, but there are few hotel rooms in town and a need for places for people to stay," said Hille.





Photos by Connie Rothe



Greek revival time warp



Photo by Connie Rothe



Photo by Connie Rothe

Photos courtesy Mela Walker



The sound of sawing logs



Photos courtesy Mela Walker



Photo by Connie Rothe



Ridge View Ranch
264 Evening Cloud Lane
Cuero
Innkeeper: Mela Walker

One of the most important activities at Ridge View Ranch is sawing logs.

Or at least that's the sound Mela Walker thinks of when visitors, who have the best of intentions of going places and doing things, fall asleep on her porch. Heads droop, books fall, and she sees guests who are perfectly relaxed.

And that's the point. Visitors stay at Ridge View Ranch for the quiet, the peace and the serenity. "They sit on the porches and enjoy the breeze. They drink their coffee. And before I know it, they are sawing logs."

That's not unusual, but this is: Ridge View Ranch is probably one of very few bed-and-breakfast inns in the state that provides facilities for physically disabled visitors. Walker researched nearby inns and found most were in old homes with stairs and no ramps. "It wasn't easy to gain access to the rooms and they were tiny, because they are old houses. I thought, 'People want to come out in the country and enjoy it.' And they are so appreciative."

Appreciation sometimes translates to honors. For two years in a row, Ridge View Ranch has been selected for the 2014 Best of Cuero Award in the Bed and Breakfast and Inns category by the Cuero Award Program.

The property is also a working ranch where Walker raises cattle and harvests hay. Both parts of the business mesh well, for her and for visitors. One of the favorite ranch pastimes is sitting on the porch and watching cattle, wild turkey and jackrabbits, or fishing in the lakes with poles supplied on a first-come, first-serve basis.

Or sawing logs.



Photos by Connie Kothe



Photo courtesy Mela Walker





Photo by Connie Rothe

Blair House Inn
100 W. Spoke Hill Drive
Wimberley
Innkeepers: Chris and Lois Mahoney

*H*ills, deer, ponds, wild turkey, a family of gray foxes, and Oliver the cat all contribute to the atmosphere of Blair House Inn near Wimberley. Not only is Blair House Inn a place for relaxation at the day spa and pool, or observing nature, it also is a regular cooking school. A veteran chef creates the cuisine and teaches classes.

The country inn is made up of cottages, a spa for massages and facials, and innkeepers who live nearby. They are onsite regularly, except when they make a weekly trip to purchase food and other goods for the following week. When their Ford Explorer returns from shopping, it's packed to the roof.

Both owners do whatever is needed to keep the inn humming. "She is the accountant and I am everything else," Chris Mahoney said. For Lois, who grew up in a family that owned inns, motels and RV parks, operating Blair House Inn is a lifelong dream.

For Chris, with a background in logistics, operations management and insurance, the inn is an enjoyable escape from the corporate world. "I thought it would be fun and rewarding and so far it is proving to be that way," he said. "I like doing for others, giving people a great experience."

They fell in love with the Blair House Inn's panoramic views, peaceful setting, and spacious rooms on their first visit. They knew it was just right, and they work to keep the inn special by paying attention to details.

"We are known as a romantic getaway, and we are specific about our focus. More than 50 percent of our guests are repeat guests," Chris said, "And we don't take that for granted."

Photo courtesy Chris Mahoney





Photo courtesy Chris Mahoney



Photo courtesy Chris Mahoney



Photos by Connie Rothe



Escape to romance



Photos by Connie Kothe

Fit For a prince



Prince Solms Inn
295 E. San Antonio St.
New Braunfels
Innkeepers: Al Buttross, son Michael Buttross

Prince Carl Solms-Braunfels of Germany, a legendary romantic and authentic German prince, died in 1875, about 30 years after he founded this picturesque river city.

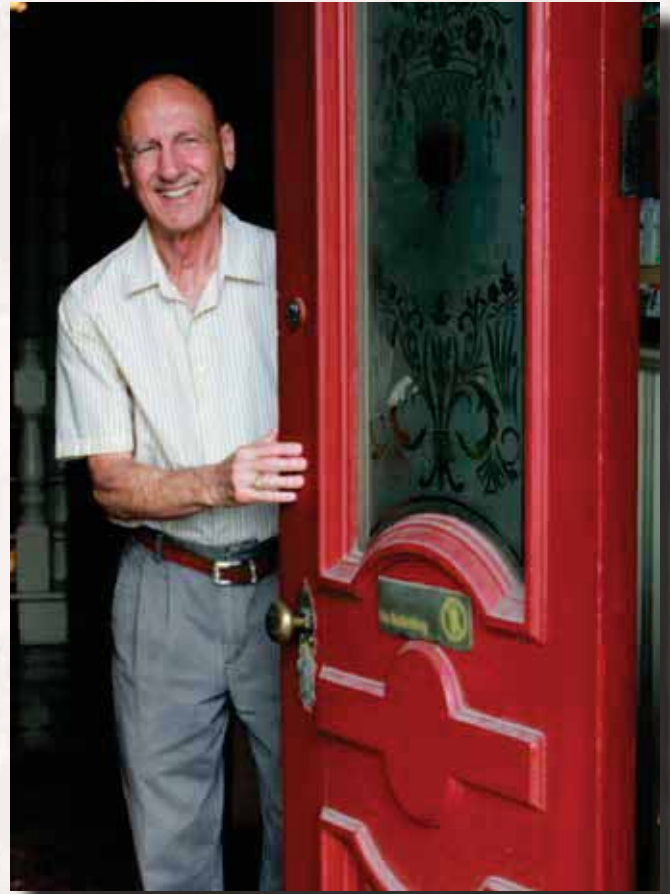
More than 20 years after his death, the inn named for him was built. The year was 1898. At first, owner Emilie Eggeling called it the Comal Hotel after the river and the county. She forecast New Braunfels' potential and wanted a hotel that time would treat kindly. Thus the cellar—now a restaurant and bar—has brick and stone walls 3 feet thick. The first and second floors walls are a mere 18 inches.

In the 1970s, the Comal Hotel became the Prince Solms Inn.

For the last seven years, Al Buttross has been the innkeeper, handyman, and researcher of the property's colorful past. The main inn includes two suites on the first floor and eight on the second floor. The historic Klein House is situated behind the inn. The town's old feed store sits beside it. A carriage house is part of the inn, and Buttross built a small barn in the stable area. He calls it the Stable Cottage.

Buttross enjoys running the inn because the work does not always feel like work. "Frequent guests become friends. We have guests who got married here and had their 50th anniversary here."

And he sees the future that Eggeling forecast more than 100 years ago. "The downtown has blossomed so it has several historic bars and restaurants. We have diversified guests. The parks here are the best anywhere. And New Braunfels is popular for weddings. We do several a weekend. The inn can be real exciting in spring and fall."



Photos by Connie Rothe





Photos by Connie Rothe

The Inn on Main
315 N. Main St.
Victoria
Innkeeper: James Wearden

When this 1875-era house was scheduled for demolition by new owners who wanted to build a business on the property, the Victoria Preservation Society stepped in.

The organization gave the house to James Wearden, who admired it as a great example of early Texas architecture. He moved it a half mile away—a historic home built in 1877 is its neighbor—restored it, and opened it as an inn in 1998.

“It’s an early-Texas style house with wood clapboard siding, dormers and a very classic, symmetrical style,” Wearden said. “It’s a style that came after the early log cabin days. It has a full-width front porch, which was a nice feature in those homes.”

He temporarily took off the top of the one-and-a-half story home for the move to its current location. And then he got to work. “By the time we had gotten the house, it was at least a two-year project to do the restoration. It had been built as a single-family home and possibly was used as a boarding house.”

Wearden has redone more than a dozen properties in the Victoria area over the years, long enough to appreciate the special features of older properties. The Inn on Main has a front porch that’s great for watching parades, solid walls that ensure it isn’t going anywhere, old floors that are no longer commonly seen, and the original interior stairwell. The house offers people a chance to stay in historic surroundings in a historic part of the city.

“It’s wonderful to give people the opportunity to stay in downtown Victoria,” Wearden said, adding, “They always fall in love with the home, and downtown has a charming appeal.”





Photos by Connie Rothe



Early Texas lives on





Photos by Connie Rothe



Past, present, future



Meyer Bed & Breakfast on Cypress Creek
845 High Street
Comfort
Innkeepers: Shane and Teresa Schleyer

The first building a visitor sees when entering the complex that makes up the 34-room Meyer Bed & Breakfast is the homestead, the original home of the Meyer family built in 1869 by Frederick Christian Meyer.

The original owners of this scenic property made history in early Comfort with a stage stop, maternity rooms and a hotel. Current owners Shane and Teresa Schleyer, in their nineteenth year of ownership, are continuing the legend.

After their “jaw-dropping” first visit to view the property, which they visited by chance, the Schleyers put in an offer the next day. Shane Schleyer had a list of reasons: The buildings are treasures for someone who loves history. Walk to the bank of the creek and the land begins to roll, offering an amazing view. This is a nature-lover’s paradise.

The owners continue to work on the properties to inspire awe and bring people back. They have acquired nearby properties and built one cottage to more than triple the number of available rooms. “I used old windows and other accessories and did it in the same style,” Schleyer said.

While preserving history, the owners ensure modern comforts await guests who want them, and that everyone gets a healthy dose of nature. Many of the rooms have fireplaces and jetted hot tubs. Workers keep the grounds manicured. Pecan trees flourish, and deer, turkey and a lone duck hang out in the peaceful setting.

For Schleyer, a veteran of the hospitality business, pleasing guests by offering them something different is its own reward. “There are lots of B&Bs, but ours are unique.”



Photo by Connie Rothe



Photo by Barbara Elmore



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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director/CEO



December 17, 2014

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, 2014, 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 and easily understandable source of information related to GBRA's financial activities for fiscal year 2014. 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 Texas Commission on Environmental Quality 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 (GVEC) for consumption principally within the river basin. The charge for the power delivered to GVEC includes a fixed monthly charge of \$125,000 and an energy charge of 3.14¢ per kilowatt hour of energy produced. GV Hydro 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 rural areas where septic tanks do not provide proper or safe wastewater disposal and the extension of wastewater services from nearby municipalities is not cost effective. The six wastewater plants include Canyon Park, Dunlap, Springs Hill, Northcliffe, Shadow Creek and Sunfield. The most recent of these wastewater treatment plant operations 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 the Buda, Shadow Creek and Sunfield plants using the same personnel provides a cost effective means for GBRA to safely and properly meet their wastewater treatment needs of both the City and two MUDs.

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 1,386 homes and businesses located throughout most of the unincorporated areas of Calhoun County.

The *Coletto Creek Division* operates and maintains the Coletto 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 Coletto 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. Following the United States Civil War, Union General Philip Sheridan reportedly remarked that "If I owned Texas and hell, I would rent Texas and live in hell" Whether Texas deserved such a remark in those days may be debatable but one thing is for sure, Texas certainly does not deserve such a remark today. The opportunities that the State of Texas affords its residents quite literally multiply with each passing year.

According to the Federal Reserve Bank of Dallas, employment in Texas has expanded at twice the pace of the nation as a whole over the last 25 years, surging 60 percent compared to California at 18 percent and New York at 8 percent during that same time period. Furthermore, while some economic centers disparage the Texas employment story as one of growth in "low income" jobs, statistics do not bear that out. Again according to research by the Dallas Fed, the two upper wage quartiles grew over the last decade by 28% and 36% while the remainder of the nation during the same time period experienced only a 0% and 13% growth in these same two wage quartiles. This positive employment history is also reflected in several other economic indices including the unemployment rate in Texas a full one-half percentage point lower than the national average, and the Texas gross domestic product grew by 3.8 percent which is almost double the national growth rate of 2.0 percent during the last year.

Reports and data produced by Texas State Comptroller Susan Combs reveals a similarly positive light on the State. Comptroller Combs states that "job growth, sales tax collections and building permits all signal that the Texas economy continues to outpace the national economy. Past statements from Combs report that the Texas State economy represents one of the world's largest economies outpacing most countries around the globe and is similar to the \$1.4 trillion per year GDP of Spain or Australia. In still another comparison of Texas to the remainder of the United States, the Comptroller indicates that the Texas unemployment rate has been below the national average for 93 consecutive months. As perhaps a final Texas economic boast, the State has once again won the Governor's Cup bestowed by Site Selection magazine for the state with more incoming corporate relocations and/or expansions than any other state and giving Texas a 3 out of 4 winner's record over the last four years.

There are a number of factors which have allowed Texas to recover from the most recent recession, achieve some of the above listed results 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 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.

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, 2013 and 2014, rainfall has been more plentiful and ground moisture has recovered to some 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 with the Alamo Region being the largest and including the counties surrounding the City of San Antonio. The other regions include 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.

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 \$61 billion per year economic impact 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. Still further north in the GBRA District is Hays County and the City of San Marcos which is ranked as the fastest growing city in the United States. It is GBRA's mission and role to assist the area's economy and population growth by providing high quality water and wastewater treatment while also seeking future water supplies in order to better assure the district's continued economic vitality.

MAJOR INITIATIVES

For the Year. GBRA's major initiative for Fiscal Year 2014 and for that matter every year, is 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, future desalination of seawater, future desired conditions for Texas groundwater aquifers, and the proper regulation of the Edwards Aquifer. Because of the Guadalupe River's dependency upon water emanating from the Edwards Aquifer's Comal and San Marcos springs, GBRA helped in recent years to establish a Recovery Implementation Plan (RIP) for the aquifer. During the past year, GBRA continued to work with various stakeholder groups in implementing the provisions of a Habitat Conservation Plan (HCP) which was an outgrowth of the RIP and which was subsequently approved by the United States Fish and Wildlife Service. It will be important for years to come that GBRA diligently monitor the use of water from the Edwards Aquifer to insure that the goals of the HCP are met. 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 2014, it was also planning the development of future supplies. Throughout Fiscal Year 2014, GBRA's staff and consultants were actively exploring future water supply projects including both groundwater and surface water sources as well as desalination of seawater. 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. If such a project can be brought to fruition, it has the potential to add as much as 75,000 – 85,000 acre-feet of water supplies to Guadalupe River basin constituents.

Still another major initiative that GBRA participated in during Fiscal Year 2014 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. 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 and after a hearing by that Court, the trial court decision was reversed in favor of the TCEQ. The State of Texas, TCEQ, and GBRA certainly believe that decision is the correct one for many reasons not the least of which is the fact that the current number of whooping cranes is at its highest level since recovery efforts began fifty years ago.

A list of significant initiatives for Fiscal Year 2014 also must include GBRA's continuing support for four 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 Foundation, and the Gorge Preservation Society.

From an operational perspective, in many respects Fiscal Year 2014 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 allowed for the completion of numerous maintenance and repair projects. However, Fiscal Year 2014 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 and Canyon Reservoir declined from to approximately 899 msl at fiscal year-end which is 10 feet below normal.

For the Future. As noted 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 and the development of "updated" water plans every five years. 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 an updated water plan for this area of Texas. While a new water plan has been completed and approved by the Texas Water Development Board for the current cycle, the regional planning groups continues to update projected future water demands and the water supply projects that are anticipated to meet those demands. The current 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 2014 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, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

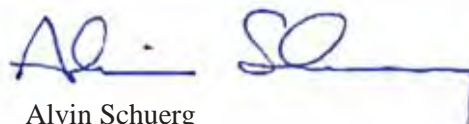
In order to be awarded a Certificate, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. GBRA has received a Certificate for the last 40 consecutive fiscal years (1973-2013). 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



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Guadalupe-Blanco River Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Guadalupe-Blanco River Authority as of and for the years ended August 31, 2014 and 2013, 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, 2014 and 2013, 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 71 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 Guadalupe-Blanco River Authority's basic financial statements. The introductory section, other supplementary schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary 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 supplementary 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 17, 2014, 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.

ABIP, PC

Certified Public Accountants

San Antonio, Texas
December 17, 2014

Management Discussion and Analysis

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 major features of 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 of Resources as well as GBRA's Liabilities and Deferred Inflows of Resources. 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 2014, 2013 and 2012 respectively, Assets and Deferred Outflows of Resources exceeded Liabilities and Deferred Inflows of Resources by \$77,327,958; \$71,706,938; and \$66,883,296. Between August 31, 2012 and August 31, 2014, Net Position amounts have increased \$10,444,662 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 \$3,237,139 in Cash, Cash Equivalents, and Investments during the period. Of this Cash and Investment increase, \$4,758,548 is reflected in the 2012 – 2014 increase in Unrestricted Current Assets while an partial offsetting reduction of \$1,521,409 is embedded in the Other Long Term Assets increase of the same period. Another notable account change is the \$3,571,848 increase in Other Assets. This increase is due in part to supplemental contributions to GBRA’s Defined Benefit Pension Plan that exceed the actuarially recommended plan contributions and are recognized as Net Pension Assets. During the 2012 – 2014 time period, these supplemental contributions have caused an increase in Net Pension Assets of \$1,552,187. A third significant account change is a \$8,158,915 decrease in Long-Term Capital Assets. This reduction is principally the result of annual depreciation. The following table presents a Condensed Statement of Net Position for August 31, 2014, 2013 and 2012:

GUADALUPE-BLANCO RIVER AUTHORITY			
STATEMENT OF NET POSITION			
AUGUST 31, 2014, 2013, AND 2012			
ASSETS	2014	2013	2012
Current Assets			
Unrestricted Assets	\$ 19,238,562	\$ 13,715,301	\$ 15,917,835
Restricted Assets	8,844,443	8,364,650	10,689,823
Long-Term Assets			
Restricted Assets	1,457,881	2,990,160	3,432,878
Capital Assets	173,439,744	178,176,969	181,598,659
Other Assets	18,093,797	18,698,237	13,602,139
Total Assets	<u>221,074,427</u>	<u>221,945,317</u>	<u>225,241,334</u>
DEFERRED OUTFLOWS OF RESOURCES	185,270	1,201,691	770,482
Total Assets and Deferred Outflows of Resources	<u>\$ 221,259,697</u>	<u>\$223,147,008</u>	<u>\$226,011,816</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Payable from Current Assets	\$ 3,970,464	\$ 3,313,251	\$ 3,991,739
Payable from Restricted Assets	6,627,639	7,667,828	7,432,846
Long-Term Liabilities			
Bonds and Loans Payable	126,102,151	134,287,272	139,328,530
Advances for Operations	404,415	402,878	589,733
Total Liabilities	<u>137,104,669</u>	<u>145,671,229</u>	<u>151,342,848</u>
DEFERRED INFLOWS OF RESOURCES	6,827,070	5,768,841	7,785,672
NET POSITION			
Net Investments in Capital Assets	\$ 41,302,982	\$ 36,423,496	\$ 35,853,611
Restricted for Construction	-	-	1,017,064
Restricted for Debt Service	6,874,088	1,154,297	1,163,979
Restricted for Insurance	1,173,475	3,633,411	3,814,269
Unrestricted	<u>27,977,413</u>	<u>30,495,734</u>	<u>25,034,373</u>
Total Net Position	<u>77,327,958</u>	<u>71,706,938</u>	<u>66,883,296</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 221,259,697</u>	<u>\$223,147,008</u>	<u>\$226,011,816</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. The three restricted Net Position 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, 2014, 2013 and 2012:

GUADALUPE-BLANCO RIVER AUTHORITY			
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION			
FISCAL YEARS ENDED AUGUST 31, 2014, AUGUST 31, 2013, AND AUGUST 31, 2012			
REVENUE	2014	2013	2012
Program Revenues			
General Operating	\$ 2,580,205	\$ 2,488,089	\$ 2,436,582
Recreation and Land Use	1,836,589	1,839,323	1,850,043
Hydroelectric Generation	3,083,595	3,626,870	4,066,405
Water Treatment & Distribution	36,132,532	35,651,493	35,010,758
Waste Water Treatment	6,501,512	3,934,363	3,703,918
Interfund Eliminations	(2,577,174)	(2,473,872)	(2,431,049)
Total Revenues	<u>47,557,259</u>	<u>45,066,266</u>	<u>44,636,657</u>
EXPENSES			
Program Expenses			
General Operating	2,593,001	2,318,333	2,069,049
Recreation and Land Use	1,826,699	1,752,428	1,782,927
Hydroelectric Generation	3,905,024	3,745,239	3,787,974
Water Treatment & Distribution	26,515,464	26,613,625	23,898,010
Waste Water Treatment	4,163,947	3,818,534	3,783,035
Interfund Eliminations	(2,577,174)	(2,473,872)	(2,431,049)
Total Expenses	<u>36,426,961</u>	<u>35,774,287</u>	<u>32,889,946</u>
NON OPERATING REVENUES (EXPENSES)			
Grant Income	1,030,613	681,223	563,047
Investment Income	276,151	117,304	146,506
Gain (Loss) on Disposal of Capital Assets	8,981	4,560	(122,715)
Interest Expense	(5,059,003)	(6,711,171)	(6,684,592)
Total Non Operating Revenues (Expenses)	<u>(3,743,258)</u>	<u>(5,908,084)</u>	<u>(6,097,754)</u>
Net Income Before Recognition of Deferrals	7,387,040	3,383,895	5,648,957
Costs (Revenue) to be Recognized in Future Years	<u>(1,526,940)</u>	<u>2,464,710</u>	<u>(886,614)</u>
Income Before Special Items	5,860,100	5,848,605	4,762,343
SPECIAL ITEMS			
Costs for the Whooping Crane Endangered Species Law suit	(239,080)	(1,024,963)	(2,970,725)
Change in Net Position	<u>5,621,020</u>	<u>4,823,642</u>	<u>1,791,618</u>
Net Position September 1, 2013 and 2012 and 2011	71,706,938	66,883,296	65,091,678
Net Position August 31, 2014 and 2013 and 2012	<u>\$ 77,327,958</u>	<u>\$ 71,706,938</u>	<u>\$ 66,883,296</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 2014, 2013, and 2012 increases in Net Position are \$5,621,020; \$4,823,642; and \$1,791,618. The above Changes in Net Position are indicative of strong financial performance and a stable financial position. The components of Net Position 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 especially Fiscal Years 2012 and 2013 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 subsequent was appealed resulting in GBRA incurring over \$2.9M in FY 2012, \$1.0M in FY 2013, and \$.2M in FY 2014 to prepare for the case and to participate in the trials. 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. The Fifth Circuit Court Of Appeals reversed the lower court's decision in favor of the State of Texas and GBRA. GBRA expects these costs to continue to decline and their effect on Changes to Net Position to similarly decline following the favorable ruling.

Contributing to the increase in Net Position was an increase in Program Revenues between FY 2012 and FY 2014 of approximately \$2.9M and an increase in Non-Operating Revenues of approximately \$728,900 for a total increase approximating \$3.6M. This compares to a lower increase in the combined amount of Program Expenses and Interest Expense of \$2.2M during the same period. While various factors caused this result, principal among them was a commitment to increase customer rates when necessary, an aggressive plan to control discretionary spending, and the refunding of long-term to achieve interest savings when feasible.

Included within Program Expenses are required annual contributions into GBRA's Defined Benefit Pension Plan. These contributions have been in the amounts of \$1,013,649; \$1,011,297; and \$993,893 for Fiscal Years 2012, 2013, and 2014 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 almost \$6M over the last six years. As a result of these supplemental contributions and improving equity market conditions, the Pension Plan UAAL has decreased approximately \$4M 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, 2014, 2013, and 2012 respectively, GBRA's total investment in Long-Term Capital Assets net of depreciation were \$173,439,744, \$178,176,969, and \$181,598,659. 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 4.5% or \$8,158,915 during period FY 2012-2014. The principal reason for this asset decrease as previously mentioned is the recognition of annual depreciation costs on these assets with no corresponding large asset acquisition to offset the depreciation.

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, 2012, 2013, and 2014 respectively were \$133,055,000; \$123,620,000; and \$117,000,000. Between Fiscal Years 2012 and 2014, revenue bonds outstanding decreased by \$16,055,000 which represents the annual principal repayment on the existing GBRA bond issues as well as the refunding or replacement of existing bond issues.

GBRA's long-term loans outstanding as of fiscal year end 2012, 2013 and 2014 respectively amounted to \$11,676,246; \$10,934,717; and \$8,024,267. These varying amounts represent the annual principal repayments of the various loans including a lump-sum payment on one loan in GBRA's Rural Utilities Division following the payoff of a \$2.5M Letter of Credit which was collateral from a developer on a wastewater treatment plant expansion. These loan reductions were also 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 Fifth Circuit Court of Appeals reversed the lower court's decision in favor of the State of Texas and GBRA. GBRA believes this is the correct ruling based upon the facts of the case and the growing population of whooping cranes that winter along the Texas Gulf Coast.

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

AUGUST 31, 2014 AND 2013

ASSETS AND DEFERRED OUTFLOWS	2014	2013
CURRENT ASSETS		
Unrestricted Assets		
Cash and Cash Equivalents	\$ 7,842,917	\$ 5,745,176
Investments-Unrestricted	8,483,470	5,822,663
Interest Receivable.....	58,577	66,460
Accounts Receivable-Operating.....	2,376,118	1,538,147
Other Current Assets.....	477,480	542,855
Total Unrestricted Assets.....	<u>19,238,562</u>	<u>13,715,301</u>
Restricted Assets		
Cash and Cash Equivalents	4,174,867	5,311,330
Investments-Restricted	4,630,763	3,012,103
Interest Receivable.....	38,813	41,217
Total Restricted Assets.....	<u>8,844,443</u>	<u>8,364,650</u>
Total Current Assets.....	<u>28,083,005</u>	<u>22,079,951</u>
LONG-TERM ASSETS		
Restricted Assets		
Investments-Restricted	1,457,881	2,990,160
Total Restricted Assets.....	<u>1,457,881</u>	<u>2,990,160</u>
Capital Assets		
Land, Water and Storage Rights.....	35,538,587	35,538,587
Dams, Plants and Equipment.....	210,221,651	209,777,687
Construction In Progress.....	287,503	16,001
Less Accumulated Depreciation.....	(72,607,997)	(67,155,306)
Total Capital Assets.....	<u>173,439,744</u>	<u>178,176,969</u>
Other Assets		
Investments-Unrestricted	7,617,392	9,138,801
Long-Term Loans Receivable	295,432	346,130
Contract Development Costs (Net of Amortization).....	10,590	16,902
Permits and Licenses (Net of Amortization).....	498,375	526,891
Project Development Costs.....	4,111,082	3,663,643
Net Pension Asset.....	5,560,926	5,005,870
Total Other Assets.....	<u>18,093,797</u>	<u>18,698,237</u>
Total Long-Term Assets.....	<u>192,991,422</u>	<u>199,865,366</u>
DEFERRED OUTFLOWS OF RESOURCES.....	<u>185,270</u>	<u>1,201,691</u>
Total Assets and Deferred Outflows of Resources.....	<u>\$ 221,259,697</u>	<u>\$ 223,147,008</u>
 LIABILITIES , DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Current Portion of Long-Term Loans Payable.....	\$ 455,184	\$ 471,198
Interest Payable.....	52,809	56,543
Accounts Payable-Operating.....	3,462,471	2,785,510
Total Current Unrestricted Liabilities.....	<u>3,970,464</u>	<u>3,313,251</u>
Payable from Restricted Assets		
Current Portion of Revenue Bonds.....	5,185,000	6,725,000
Current Portion of Long-Term Loans Payable.....	275,000	270,000
Interest Payable.....	1,167,639	672,828
Total Current Restricted Liabilities.....	<u>6,627,639</u>	<u>7,667,828</u>
Total Current Liabilities.....	<u>10,598,103</u>	<u>10,981,079</u>
LONG-TERM LIABILITIES		
Revenue Bonds Payable.....	123,993,068	130,818,753
Long-Term Loans Payable.....	8,024,267	10,934,717
Less Current Portion.....	132,017,335	141,753,470
Total Bonds and Loans Payable.....	<u>(5,915,184)</u>	<u>(7,466,198)</u>
Total Bonds and Loans Payable.....	<u>126,102,151</u>	<u>134,287,272</u>
Advances for Operations.....	404,415	402,878
Total Long-Term Liabilities.....	<u>126,506,566</u>	<u>134,690,150</u>
Total Liabilities.....	<u>137,104,669</u>	<u>145,671,229</u>
DEFERRED INFLOWS OF RESOURCES.....	<u>6,827,070</u>	<u>5,768,841</u>
NET POSITION		
Net Investments in Capital Assets	41,302,982	36,423,496
Restricted for Insurance.....	1,173,475	1,154,297
Restricted for Debt Service.....	6,874,088	3,633,411
Unrestricted	27,977,413	30,495,734
Total Net Position.....	<u>77,327,958</u>	<u>71,706,938</u>
Total Liabilities, Deferred Inflows of Resources and Net Position.....	<u>\$ 221,259,697</u>	<u>\$ 223,147,008</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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUE		
Power Sales.....	\$ 3,032,418	\$ 3,548,940
Water Sales and Lake Operations.....	34,316,750	34,252,743
Recreation and Land Use.....	766,399	774,504
Waste Water Treatment Services.....	3,830,673	3,649,643
Laboratory Services.....	842,643	800,922
Rental.....	385,493	352,641
Miscellaneous	4,382,883	1,686,873
Total Operating Revenue.....	<u>47,557,259</u>	<u>45,066,266</u>
EXPENSES		
Personnel Operating Costs.....	10,669,145	9,983,897
Operating Supplies and Services.....	14,675,651	14,111,633
Maintenance and Repairs	4,808,404	4,398,941
Depreciation and Amortization.....	6,273,761	7,279,816
Total Operating Expenses.....	<u>36,426,961</u>	<u>35,774,287</u>
Operating Income	11,130,298	9,291,979
NONOPERATING REVENUES (EXPENSES)		
Grant Income.....	1,030,613	681,223
Investment Income.....	276,151	117,304
Gain (Loss) on the Disposal of Capital Assets.....	8,981	4,560
Interest Expense	<u>(5,059,003)</u>	<u>(6,711,171)</u>
Total Nonoperating Revenues (Expenses).....	<u>(3,743,258)</u>	<u>(5,908,084)</u>
Income Before Recognition of Deferrals.....	7,387,040	3,383,895
Costs (Revenue) to be Recognized in Future Years	<u>(1,526,940)</u>	<u>2,464,710</u>
Income Before Special Items.....	5,860,100	5,848,605
SPECIAL ITEMS		
Costs Associated with the Whooping Crane Endangered Species Lawsuit.....	<u>(239,080)</u>	<u>(1,024,963)</u>
Change in Net Position.....	5,621,020	4,823,642
Net Position at September 1, 2013 and 2012.....	71,706,938	66,883,296
Net Position at August 31, 2014 and 2013.....	<u>\$ 77,327,958</u>	<u>\$ 71,706,938</u>

The accompanying notes are an integral part of this statement.

GUADALUPE-BLANCO RIVER AUTHORITY
STATEMENT OF CASH FLOWS

FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers.....	\$ 46,716,577	\$ 45,852,442
Cash Received from Interfund Administrative Charges.....	2,577,174	2,473,872
Cash Paid for Personnel Operating Costs.....	(10,764,791)	(10,115,101)
Cash Paid for Other Operating and Maintenance Costs.....	(18,737,465)	(19,412,867)
Cash Paid for Interfund Administrative Charges.....	(2,481,528)	(2,342,668)
Cash Paid for Supplementary Contribution to Defined Benefit Plan.....	(700,000)	(1,100,000)
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	(239,080)	(1,024,963)
Net Cash Flows From Operating Activities.....	<u>16,370,887</u>	<u>14,330,715</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Net Change in Pension Plan Asset.....	144,944	102,869
Cash Received from Grants.....	1,005,613	681,223
Net Cash Flows Used by Noncapital and Related Activities.....	<u>1,150,557</u>	<u>784,092</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	19,448	41,359
Proceeds from Revenue Bonds and Loans for Capital Assets and Plant Expansion.....	5,090,706	85,241,573
Proceeds from Sale of Capital Assets.....	20,090	13,253
Purchase of Capital Assets.....	(658,713)	(2,215,471)
Cash Paid for Construction in Progress and Project Development.....	(718,941)	(2,131,485)
Interest Paid.....	(4,511,712)	(7,651,227)
Principal Payments on Revenue Bonds.....	(11,842,507)	(88,418,667)
Principal Payments on Loans.....	(3,050,447)	(741,534)
Net Cash Flows Used by Capital and Related Financing Activities.....	<u>(15,652,076)</u>	<u>(15,862,199)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash Received from Investments.....	2,757,671	1,114,141
Investment Income Received.....	286,438	441,081
Cash Paid for Investments.....	(3,952,199)	(2,767,384)
Net Cash Flows Used by Investing Activities.....	<u>(908,090)</u>	<u>(1,212,162)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>961,278</u>	<u>(1,959,554)</u>
CURRENT CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	5,745,176	5,247,350
At End of Year.....	<u>7,842,917</u>	<u>5,745,176</u>
Net Increase.....	<u>2,097,741</u>	<u>497,826</u>
RESTRICTED CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	5,311,330	7,768,710
At End of Year.....	<u>4,174,867</u>	<u>5,311,330</u>
Net Decrease.....	<u>(1,136,463)</u>	<u>(2,457,380)</u>
TOTAL CASH AND CASH EQUIVALENTS:		
At Beginning of Year.....	11,056,506	13,016,060
At End of Year.....	<u>12,017,784</u>	<u>11,056,506</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>\$ 961,278</u>	<u>\$ (1,959,554)</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income.....	\$ 11,130,298	\$ 9,291,979
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities:		
Depreciation and Amortization.....	6,273,754	7,279,816
Supplementary Contributions to the Defined Benefit Plan.....	(700,000)	(1,100,000)
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	(239,080)	(1,024,963)
Net Change in Assets and Liabilities from Operating Activities:		
Operating Accounts Receivable.....	(782,741)	116,457
Other Current Assets.....	66,687	(235,460)
Operating Accounts Payable.....	621,969	2,886
Total Adjustments.....	<u>5,240,589</u>	<u>5,038,736</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	<u>\$ 16,370,887</u>	<u>\$ 14,330,715</u>

NON-CASH TRANSACTIONS SCHEDULE

1. During fiscal year 2014 and 2013, an adjustment of \$47,417 and (\$90,754) respectively, was made to adjust investments to fair value.

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

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.

1. **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.
2. **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.
3. **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.
4. **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.
5. **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.
6. **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.
7. **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

8. **Other Assets.** Included within other assets are contract development 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, 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.
9. **Unbilled Revenue.** Revenue relating to unbilled rural water and waste water treatment services has not been recognized since the amounts are immaterial.
10. **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.
11. **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, 2014 and 2013 amounted to \$495,684 and \$450,684, respectively.
12. **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, 2014 and August 31, 2013, GBRA had no contingencies.
13. **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.
14. **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.
15. **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, 2014 AND 2013

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 \$0 and \$1,239 as of August 31, 2014 and 2013, respectively, for construction in progress 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 Positon". GBRA has no deferred outflows or inflows of resources as they relate to derivatives and service concession agreements.
19. The Authority also adopted the provisions of GASB #65 items previously reported as Assets and Liabilities. The GASB requires that the Debt issuance costs (except for any portion that is a prepayment of insurance) should be recognized as an expense in the period incurred and no longer be reported in statements of net position. The financial statements have been restated to reflect the provisions of GASB #65.

NOTE B - LONG TERM LIABILITIES

GBRA currently has \$125,024,267 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, 2014 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	
				\$8,024,267				\$117,000,000
2015	968,142	237,958	730,184	7,294,083	10,096,234	4,911,234	5,185,000	111,815,000
2016	1,449,021	209,527	1,239,494	6,054,589	10,125,377	4,775,377	5,350,000	106,465,000
2017	641,654	186,018	455,636	5,598,953	9,823,693	4,613,693	5,210,000	101,255,000
2018	638,146	172,103	466,043	5,132,910	9,181,225	4,496,225	4,685,000	96,570,000
2019	639,556	157,775	481,781	4,651,129	9,195,922	4,335,922	4,860,000	91,710,000
2020	610,524	143,398	467,126	4,184,003	9,191,409	4,146,409	5,045,000	86,665,000
2021	606,683	129,104	477,579	3,706,424	9,193,764	3,943,764	5,250,000	81,415,000
2022	577,114	114,668	462,446	3,243,978	9,197,848	3,727,848	5,470,000	75,945,000
2023	547,379	101,628	445,751	2,798,227	9,206,286	3,496,286	5,710,000	70,235,000
2024	548,120	88,531	459,589	2,338,638	9,220,036	3,245,036	5,975,000	64,260,000
2025	548,695	75,011	473,684	1,864,954	8,595,255	2,985,255	5,610,000	58,650,000
2026	549,101	61,056	488,045	1,376,909	8,587,730	2,737,730	5,850,000	52,800,000
2027	240,453	46,664	193,789	1,183,120	8,596,706	2,476,706	6,120,000	46,680,000
2028	235,610	39,625	195,985	987,135	8,290,685	2,200,685	6,090,000	40,590,000
2029	235,683	32,404	203,279	783,856	8,282,306	1,922,306	6,360,000	34,230,000
2030	240,506	24,830	215,676	568,180	7,870,201	1,630,201	6,240,000	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>\$ 9,873,067</u>	<u>\$ 1,848,800</u>	<u>\$ 8,024,267</u>		<u>\$177,390,424</u>	<u>\$ 60,390,424</u>	<u>\$ 117,000,000</u>	

GUADALUPE BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

GBRA had the following changes in long-term liabilities for the fiscal years ended August 31, 2014 and 2013.

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outs tanding 8/31/2012	Retired During FY 2013	Effective Outs tanding 8/31/2013	Retired During FY 2014	Outs tanding 8/31/2014	Amounts Due Within One Year
OBLIGATIONS PAYABLE DIRECTLY BY GBRA										
GUADALUPE VALLEY HYDROELECTRIC DIVISION										
First Lockhart Nat'l Bank Loan, Equipment	11/17/2008	2013	3.9%	\$ 110,000	\$ 29,588	\$ 23,552	\$ 6,036	\$ 6,036	\$ --	\$ --
First Lockhart Nat'l Bank Loan, Equipment	02/17/2011	2014	3.5%	30,000	15,395	10,174	5,221	5,221	--	--
RURAL UTILITIES DIVISION										
Regions Loan, Dunlap Expansion Refunding	03/15/2012	2015	2.3%	3,590,000	3,590,000	215,000	3,375,000	2,484,252	890,748	180,000
Regions Loan, Dunlap Collection System	03/15/2012	2032	3.3%	2,600,000	2,600,000	--	2,600,000	95,000	2,505,000	95,000
Regions Loan, Emergency Generator-032	08/29/2014	2019	3.12%	33,000	--	--	--	--	33,000	6,223
Regions Loan, Emergency Generator-033	08/29/2014	2019	3.12%	37,000	--	--	--	--	37,000	6,977
Regions Loan, Emergency Generator-035	08/29/2014	2019	3.12%	70,000	--	--	--	--	70,000	13,199
WATER RESOURCE DIVISION										
U. S. Government Loan	01/01/1977	2026	2.5%	8,979,862	3,611,209	218,610	3,392,599	224,075	3,168,524	229,677
GE Capital Public Finance Loan, Equipment	03/19/2004	2014	4.8%	467,276	86,704	56,005	30,699	30,699	--	--
JP Morgan Chase Loan, Office Expansion	05/09/2006	2016	4.18%	1,600,000	586,667	160,000	426,667	160,000	266,667	160,000
A. Usery, Water Rights	09/26/2006	2031	4.50%	343,496	283,350	9,749	273,601	10,188	263,413	10,646
Luling Foundation, Water Rights	09/26/2006	2031	4.50%	584,706	482,319	16,596	465,723	17,342	448,381	18,123
Metcalf Bank Loan, Lab Equipment	10/20/2008	2014	5.25%	102,945	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	9,730,000	435,000	9,295,000	450,000	8,845,000	470,000 (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	3,950,000	225,000
Total Obligations Payable Directly by GBRA				\$ 33,693,285	\$ 25,445,248	\$ 1,391,994	\$ 24,053,254	\$ 3,715,521	\$ 20,477,733	\$ 1,414,845
CONTRACT REVENUE BONDS AND LOANS										
WATER RESOURCE DIVISION										
Western Canyon Regional Water Supply Project Revenue Bonds										
2003	04/01/2003	2033	3.0-5.25%	\$ 79,450,000	\$ 68,045,000	\$ 68,045,000	\$ --	\$ --	\$ --	\$ --
IH35 Project Combination Contract Revenue Bonds										
2004A	12/07/2004	2037	3.0-4.13%	15,660,000	14,200,000	14,200,000	--	--	--	--
IH35 Project Combination Contract Revenue Bonds										
2004B	12/07/2004	2037	5.5-5.8%	5,305,000	4,905,000	4,905,000	--	--	--	--
RRWDS Combination Contract Revenue Bonds										
2007A	09/15/2007	2039	5.00%	9,180,000	8,740,000	160,000	8,580,000	170,000	8,410,000	175,000
RRWDS Combination Contract Revenue Bonds										
2007B	09/15/2007	2039	7.10%	5,775,000	5,575,000	75,000	5,500,000	80,000	5,420,000	85,000
RRWDS Contract Rev Ref Bonds, San Marcos										
2010	09/01/2010	2024	2.0-3.25%	\$ 6,895,000	6,060,000	430,000	5,630,000	440,000	5,190,000	445,000 (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	18,425,000	545,000 (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	52,840,000	1,860,000 (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	6,520,000	255,000 (4)
PORT LAVACA WATER TREATMENT PLANT DIVISION										
Frost National Bank, Clearwell										
	03/04/2008	2022	4.00%	400,000	360,998	9,535	351,463	9,929	341,534	10,339
Water Supply Revenue Refunding Bonds										
2011	08/16/2011	2016	2.00%	1,205,000	1,180,000	285,000	895,000	290,000	605,000	300,000 (5)
LULING WATER TREATMENT PLANT DIVISION										
Treated Water Delivery System Contract Revenue Bonds (City of Lockhart)										
2004	05/01/2004	2030	3.0-5.0%	6,370,000	5,235,000	190,000	5,045,000	5,045,000	--	--
Treated Water Delivery System Contract Revenue Refunding Bonds (City of Lockhart)										
2014	01/15/2014	2030	3.45%	4,950,000	--	--	--	--	4,950,000	235,000 (6)
CANYON HYDROELECTRIC DIVISION										
Hydroelectric Project Revenue Refunding Bonds										
2002	04/15/2002	2014	3.5-4.75%	9,705,000	2,025,000	995,000	1,030,000	1,030,000	--	--

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2014 AND 2013

NOTE B – LONG-TERM LIABILITIES (CONTINUED)

Series	Date of Issue	Final Maturity	Effective Interest Rate	Original Amount	Outs tanding 8/31/2012	Re tire d		Re tire d		Amounts	
						During FY 2013	Outs tanding 8/31/2013	During FY 2014	Outs tanding 8/31/2014	Due One Year	Within
LOCKHART WASTEWATER RECLAMATION DIVISION											
Regional Wastewater Treatment System Contract Revenue Refunding Bonds											
2010	09/08/2010	2017	15%-2.5%	4,025,000	2,960,000	550,000	2,410,000	565,000	1,845,000	590,000	(7)
Total Contract Revenue Bonds and Loans				<u>\$ 230,485,000</u>	<u>\$ 119,285,998</u>	<u>\$ 90,349,535</u>	<u>\$ 110,501,463</u>	<u>\$ 10,904,929</u>	<u>\$ 104,546,534</u>	<u>\$ 4,500,339</u>	
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest					<u>\$ 144,731,246</u>		<u>\$ 134,554,717</u>		<u>\$ 125,024,267</u>	<u>\$ 5,915,184</u>	
						8/31/2013			8/31/2014		
Total Bonds and Loans Payable Prior to Defeasance and Accretion of Interest							\$ 134,554,717		\$ 125,024,267		
Less Revenue Bond Discounts and Deferred Defeasance							(755,796)		(482,129)		
Plus Revenue Bond Premiums							7,954,549		7,475,197		
Net Revenue Bonds and Long-Term Loans Payable							141,753,470		132,017,335		
Less Current Portion							(7,466,198)		(5,915,184)		
TOTAL BONDS AND LOANS PAYABLE							<u>\$ 134,287,272</u>		<u>\$ 126,102,151</u>		

INTERDIVISION LOANS ELIMINATED FROM COMBINED BALANCE SHEET

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

	8/31/2013	8/31/2014
Guadalupe Valley Hydroelectric Division	\$ 3,028,307	\$ 4,156,007
Rural Utilities Division	2,177,557	2,177,557
Water Supply Division	1,011,029	811,029
Port Lavaca Division	10,000	--
Canyon Hydroelectric Division	--	41,000
Total Long-term loans payable to the General Division	<u>\$ 6,226,893</u>	<u>\$ 7,185,593</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 \$0.
- 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 2014 Treated Water Delivery System Contract Revenue Refunding Bonds, Series 2014 (City of Lockhart Project). These bonds were issued to retire the Series 2004 bonds. As a result of the refunding, GBRA reduced its total debt service requirements by \$634,189 and produced a net present value savings (economic gain) of \$478,361. Bonds outstanding that are considered defeased as a result of the 2014 refunding are \$0.
- 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 Refunding Bonds (City of Lockhart), Series 2014.

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

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, 2013 and ending August 31, 2014, the Annual Pension Cost for GBRA was \$1,138,837. The actual contributions during the fiscal year were \$1,693,893, the sum of the required contribution of \$993,893 in December 2013, plus a supplemental contributions of \$700,000 in July, 2014. 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 \$5,560,926 as of August 31, 2014.

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-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
31-Aug-14	\$ 993,893	\$ (310,667)	\$ 455,621	\$1,138,837	\$ 1,693,893	149%	\$5,560,926

The Annual Pension Cost for the fiscal year ending August 31, 2014 was based on the results of the actuarial valuation as of January 1, 2013 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, 2012	January 1, 2013	January 1, 2014
Actuarial Cost Method:	Entry age	Entry age	Entry age
Amortization Method:	Level dollar, open	Level dollar, open	Level dollar, open
Amortization Period:	19 years	15 years	12 years
Asset Valuation Method:	5-yr adjusted mkt value	5-yr adjusted mkt value	5-yr adjusted mkt value
Annual Actuarial Assumptions:			
Investment return*	7.75%	7.75%	7.50%
Projected salary increases*	4.0% plus merit**	4.0% plus merit**	3.75% plus merit**
Inflation	4.00%	4.00%	3.75%
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%

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

NOTE C - DEFINED BENEFIT PENSION PLAN

Defined Benefit Pension Plan Funding Progress

Actuarial Valuation Date	Jan 1, 2009	Jan 1, 2010	Jan 1, 2011	Jan 1, 2012	Jan 1, 2013	Jan 1, 2014
Actuarial Value of Assets	\$ 10,916,278	\$ 12,024,270	\$ 16,133,705	\$ 17,888,520	\$ 19,706,816	\$ 22,736,935
Actuarial Accrued Liability (AAL)	\$ 19,872,320	\$ 20,607,270	\$ 21,422,534	\$ 23,358,520	\$ 24,824,979	\$ 27,259,178
Unfunded AAL (UAAL)	\$ 8,956,042	\$ 8,583,000	\$ 5,288,829	\$ 5,470,000	\$ 5,118,163	\$ 4,522,243
Funded Ratio	55%	58%	75%	77%	79%	83%
Covered Payroll	\$ 8,573,185	\$ 8,506,931	\$ 8,447,077	\$ 8,203,042	\$ 7,661,304	\$ 7,423,408
UAAL as a Percentage of Covered Payroll	104%	101%	63%	67%	67%	61%

Fiscal Year Ended	Aug 31, 2009	Aug 31, 2010	Aug 31, 2011	Aug 31, 2012	Aug 31, 2013	Aug 31, 2014
Employer Contributions	\$ 1,264,425	\$ 3,970,248	\$ 1,620,832	\$ 1,013,649	\$ 2,111,297	\$ 1,693,893
Annual Pension Cost (APC)	\$ 764,425	\$ 970,248	\$ 1,014,388	\$ 1,111,354	\$ 1,114,166	\$ 1,138,837
Percentage of APC Contributed	165%	409%	159%	91%	189%	149%

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, 2014, GBRA held \$1,469,005 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	\$ 7,264,257	12.22
Federal National Mortgage Assn.	6,162,720	13.26
U. S. Treasury	7,251,817	9.75
Certificates of Deposit	5,422,691	7.69
Money Market Funds	3,280,853	1.00
Texas Class	163,747	1.00
TexPool	3,192,200	1.00
Total Investments	<u>\$ 32,738,285</u>	8.84

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.

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

NOTE D - CASH, CASH EQUIVALENTS AND INVESTMENTS

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.

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	\$ 13,426,977	39.25%
Government Securities	7,251,817	21.20%
Certificates of Deposit	5,422,691	15.85%
Money Market Funds	3,280,853	9.59%
Public Funds Investment Pools	3,355,947	9.81%
Cash	1,469,005	4.30%
Total	<u>\$ 34,207,290</u>	<u>100.00%</u>

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

NOTE E – CAPITAL ASSETS

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

Classification	ASSETS			Balance August 31, 2014
	Balance August 31, 2013	Additions	Removals	
Land, Water & Storage Rights	\$ 35,538,587	\$ --	\$ --	\$ 35,538,587
Construction in Progress	16,001	324,824	(53,322)	287,503
Total Assets Not Being Depreciated	<u>35,554,588</u>	<u>324,824</u>	<u>(53,322)</u>	<u>35,826,090</u>
Structures & Improvements	190,973,688	37,679	--	191,011,367
Specialized Equipment	7,278,239	29,452	--	7,307,691
Office Buildings & Communications	2,310,551	--	--	2,310,551
Shops & Storerooms	50,173	33,500	--	83,673
Auto & Heavy Equipment	3,878,779	261,102	(190,217)	3,949,664
Office Furniture & Equipment	1,379,128	69,113	(4,951)	1,443,290
Miscellaneous Equipment	3,907,129	227,867	(19,581)	4,115,415
Total Dams, Plants and Equipment	<u>209,777,687</u>	<u>658,713</u>	<u>(214,749)</u>	<u>210,221,651</u>
Total Capital Assets	<u>\$ 245,332,275</u>	<u>\$ 983,537</u>	<u>\$ (268,071)</u>	<u>\$ 246,047,741</u>
Classification	DEPRECIATION			Balance August 31, 2014
	Balance August 31, 2013	Additions	Removals	
Structures & Improvements	\$ (53,100,635)	\$ (4,833,174)	\$ --	\$ (57,933,809)
Specialized Equipment	(6,078,417)	(115,295)	--	(6,193,712)
Office Buildings & Communications	(1,663,762)	(56,616)	--	(1,720,378)
Shops & Storerooms	(47,584)	(1,346)	--	(48,930)
Auto & Heavy Equipment	(2,844,804)	(279,037)	180,809	(2,943,032)
Office Furniture & Equipment	(1,154,105)	(76,525)	4,951	(1,225,679)
Miscellaneous Equipment	(2,265,999)	(293,626)	17,168	(2,542,457)
Total Accumulated Depreciation	<u>\$ (67,155,306)</u>	<u>\$ (5,655,619)</u>	<u>\$ 202,928</u>	<u>\$ (72,607,997)</u>
NET CAPITAL ASSETS	<u>\$ 178,176,969</u>	<u>\$ (4,672,082)</u>	<u>\$ (65,143)</u>	<u>\$ 173,439,744</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2014 AND 2013**

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, 2014 total \$40,890,000 and are as follows:

Series	Date of		Interest Rate	Original Amount	Outstanding 8/31/2013	Outstanding 8/31/2014
	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 (1-3 below):

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, 2014 AND 2013**

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

<u>GENERAL IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 2011 AND GENERAL IMPROVEMENT REVENUE BONDS, SERIES 2012</u>	
2011 Bonds: Average Annual Principal and Interest Requirements, 2015 - 2030	\$ 745,354
2012 Bonds: Average Annual Principal and Interest Requirements, 2015 - 2031	260,117
Total Average Annual Principal and Interest Requirements	<u>\$ 1,005,471</u>
Coverage of Average Requirements by Pledged Revenues	12.12 times
Coverage of Average Requirements by Net Revenues	4.16 times
2011 Bonds: Maximum Principal and Interest Requirements, 2027	\$ 837,750
2012 Bonds: Maximum Principal and Interest Requirements, 2015	262,603
Total Maximum Principal and Interest Requirements	<u>\$ 1,100,353</u>
Coverage of Maximum Requirements by Pledged Revenues	11.07 times
Coverage of Maximum Requirements by Net Revenues	3.80 times
2011 Bonds: Interest and Sinking Fund Balance	\$ 68,121
2012 Bonds: Interest and Sinking Fund Balance	18,802
Total Interest and Sinking Fund Balance as of August 31, 2014	<u>\$ 86,923</u>
Pledged Revenues for the Fiscal Year Ended August 31, 2014	\$ 12,182,862 ⁽¹⁾
Net Revenues for Fiscal Year Ended August 31, 2014	\$ 4,182,898 ⁽²⁾

(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, 2014 AND 2013

NOTE H – CONTINUING DISCLOSURE REQUIREMENTS (CONTINUED)

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

	Fiscal Year Ended August 31				
	2014	2013	2012	2011	2010
Revenue					
Raw Water Sales ⁽¹⁾	\$ 12,182,862	\$ 11,887,664	\$ 10,683,436	\$ 9,749,248	\$ 9,222,437
Recreation and Land Use	152,747	143,236	131,506	115,840	92,813
Rental Income	256,069	254,643	253,903	255,420	258,330
Miscellaneous	1,014,314	561,726	846,607	851,715	464,324
Total Operating Revenue	\$ 13,605,992	\$ 12,847,269	\$ 11,915,452	\$ 10,972,223	\$ 10,037,904
Expense					
Operating Expenses ⁽²⁾⁽³⁾	\$ 8,221,164	\$ 6,927,170	\$ 8,783,873	\$ 8,017,997	\$ 6,578,495
Maintenance and Repairs ⁽²⁾	484,806	529,404	407,335	513,501	439,259
Administrative and General	717,124	685,537	642,150	591,839	541,448
Total Operating Expense	\$ 9,423,094	\$ 8,142,111	\$ 9,833,358	\$ 9,123,337	\$ 7,559,202
Net Revenue	\$ 4,182,898	\$ 4,705,158	\$ 2,082,094	\$ 1,848,886	\$ 2,478,702
Less Debt Service for Senior Lien Bonds ⁽⁴⁾					
General Imp & Ref Rev Bonds, 2011	\$ 815,457	\$ 817,857	\$ 819,657	\$ 738,505	\$ 286,635
General Imp Rev Bonds, 2012	262,603	262,603	13,683	--	--
Total Debt for Senior Lien Bonds	\$ 1,078,060	\$ 1,080,460	\$ 833,340	\$ 738,505	\$ 286,635
Subordinate Revenues Available	\$ 3,104,838	\$ 3,624,698	\$ 1,248,754	\$ 1,110,381	\$ 2,192,067

(1) Pledged Revenues.

(2) Operating and maintenance & repair expenses have been restated from the amounts previously reported for FY2010-2012 to remove expenses associated with the raw water pipelines.

(3) 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.

(4) 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, 2014		August 31, 2013		August 31, 2012		August 31, 2011		August 31, 2010	
	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total	Acre-Feet	% of Total
Municipal	72,479	79.90%	72,279	81.67%	70,271	81.04%	65,135	79.84%	62,159	79.08%
Domestic	8	0.01%	9	0.01%	13	0.01%	16	0.02%	17	0.02%
Industrial	17,838	19.66%	15,827	17.88%	15,830	18.26%	15,826	19.40%	15,827	20.13%
Irrigation	393	0.43%	389	0.44%	597	0.69%	602	0.74%	608	0.77%
Contracted	90,718	100.00%	88,504	100.00%	86,711	100.00%	81,579	100.00%	78,611	100.00%

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

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 94.78% 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, 2014 are shown below:

Customer	Type	Total AF/YR	Revenue ⁽²⁾	Contract Information		
				Contract Date	Expiration Date	Renewal Option
Municipal & Retail						
Canyon Regional Water Authority	Regional Water Authority		\$ 1,504,453	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	1,215,000	01/26/1989	01/25/2050	20 Yrs
City of Seguin	City	1,000	125,000	09/01/2012	08/31/2017	---
Canyon Lake WSC	Water Supply Corporation	2,000	200,000	10/01/1994	12/31/2044	(1)
Canyon Lake WSC II	Water Supply Corporation	2,000	200,000	08/27/2001	12/31/2050	(1)
Canyon Lake WSC III	Water Supply Corporation	2,000	200,000	09/29/2006	12/31/2050	(1)
SHWSC I	Water Supply Corporation	1,850	178,125	06/26/1967	12/31/2050	(1)
SHWSC II	Water Supply Corporation	1,000	178,125	06/01/2000	12/31/2050	(1)
Green Valley SUD	Special Utility District	1,000	125,000	12/01/2008	12/31/2040	(1)
Regional RWDS Project						
City of San Marcos	City	10,000	1,250,000	10/01/1989	07/01/2047	(1)
City of Kyle	City	5,443	680,375	05/20/2005	12/31/2038	20 Yrs
City of Buda	City	1,680	210,000	04/09/2002	12/31/2042	(1)
CRWA --Hays Project	Regional Water Authority	2,038	254,750	06/04/2003	12/31/2039	(1)
GoForth SUD	Special Utility District	1,363	167,447	03/01/2004	12/31/2039	(1)
Sunfield MUD	Municipal Utility District	2,822	355,401	09/01/2005	12/31/2050	---
Monarch	Utility Company	560	70,000	01/01/2008	12/31/2037	---
GBRA Western Canyon						
Boerne	City	3,611	451,375	02/22/2000	12/31/2037	40 Yrs (2x20 Yrs)
Fair Oaks Ranch	City	1,850	231,250	02/10/2000	12/31/2037	40 Yrs (2x20 Yrs)
SAWS	City	4,000 ⁽³⁾	1,224,337	03/17/2000	12/31/2037	40 Yrs (2x20 Yrs)
Cordillera Ranch	Housing Development	1,500	187,500	10/11/2001	12/31/2037	40 Yrs (2x20 Yrs)
Kendall & Tapatio	Housing Development	750	93,750	03/18/2002	12/31/2037	40 Yrs (2x20 Yrs)
Johnson Ranch	Housing Development	900	112,500	03/28/2003	12/31/2037	40 Yrs (2x20 Yrs)
Lerin Hills	Housing Development	750	93,750	09/18/2009	12/31/2036	40 Yrs (2x20 Yrs)
GBRA-Comal Trace	River Authority	50	10,914	---	---	---
SJ WTX-Bulverde	Water Supply Corporation	400	200,000	02/06/2009	12/31/2040	10 Yrs
SJ WTX-Park Village	Water Supply Corporation	322	40,250	03/24/2009	12/31/2040	10 Yrs
Total Major Municipal Customers		69,184	\$ 9,559,302			
Industrial						
Guadalupe Power Partners	Electric Generation	6,840	\$ 855,000	03/17/1999	12/31/2021	30 Yrs (6x5 Yrs)
Coleto Creek Power LP	Electric Generation	6,000	687,500	09/01/1975	09/01/2025	(1)
Hays Energy Limited Partners	Electric Generation	2,464	308,000	06/25/1999	12/31/2025	(1)
Ineos USA LLC	Chemical Company	1,100	137,500	02/11/1980	02/21/2015	40 Yrs (15 Yrs + (5x5 Yrs))
Total Major Industrial Customers		16,404	\$ 1,988,000			
Total Major Customers		85,588	\$ 11,547,302			
Total Firm Water Sales		90,718	\$ 12,182,862			
Major Customers as a Percentage of Total		94.35%	94.78%			

(1) Contract does not provide for specific renewal options

(2) Includes Out-of-District Charges

(3) Includes returnable and additional water charges

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2014 AND 2013

NOTE H - CONTINUING DISCLOSURE REQUIREMENTS (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, 2014 AND 2013

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

	Current (Acre-Feet)	% of Total	Ultimate (Acre-Feet)	% of Total
In District				
City of Boerne	975	7.95%	3,611	21.49%
City of Fair Oaks	942	7.68%	1,850	11.01%
GBRA - Cordillera	300	2.45%	1,500	8.93%
Johnson Ranch MUD	180	1.47%	900	5.36%
GBRA - Comal Trace	50	0.40%	100	0.60%
Canyon Lake WSC	722	5.89%	722	4.30%
Lerin Hills MUD	225	1.83%	750	4.46%
Tapatio/Kendall County Utility	200	1.63%	750	4.46%
Future Participants	--	0.00%	2,617	15.58%
Total In District	3,594		12,800	
Out of District				
SAWS (Initial & Returnable)	8,672	70.70%	4,000	23.81%
Total Out of District	8,672		4,000	
Total	12,266	100.00%	16,800	100.00%

WESTERN CANYON REGIONAL WSP - SOURCES OF PLEDGED REVENUES

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

	Fiscal Year Ended August 31				
	2014	2013	2012	2011	2010
Western Canyon O&M Revenue	\$ 3,460,286	\$ 3,368,656	\$ 3,373,591	\$ 3,355,942	\$ 3,376,289
Western Canyon Debt Service Revenue	5,306,500	5,791,241	5,837,670	5,799,640	5,821,226
	<u>\$ 8,766,786</u>	<u>\$ 9,159,897</u>	<u>\$ 9,211,261</u>	<u>\$ 9,155,582</u>	<u>\$ 9,197,515</u>
Operating Expenses	\$ 2,371,701	\$ 2,461,320	\$ 2,729,471	\$ 2,509,538	\$ 2,427,578
Maintenance & Repair	360,449	328,632	280,870	289,188	246,309
Administrative & General	148,256	150,666	148,472	136,934	127,274
Total Operating & Maintenance Expenses	<u>\$ 2,880,406</u>	<u>\$ 2,940,618</u>	<u>\$ 3,158,813</u>	<u>\$ 2,935,660</u>	<u>\$ 2,801,161</u>
Net Revenue	<u>\$ 5,886,380</u>	<u>\$ 6,219,279</u>	<u>\$ 6,052,448</u>	<u>\$ 6,219,922</u>	<u>\$ 6,396,354</u>
Debt Service	\$ 4,835,965	\$ 4,835,965	\$ 5,320,675	\$ 5,322,125	\$ 5,319,525
Debt Service Coverage Factor	1.2172	1.2860	1.1375	1.1687	1.2024

GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013

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 ⁽¹⁾		
	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
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%
2014	463,762,000	5,390	75.13%	77,509,000	1,388	12.56%	76,004,000	1,680	12.31%

(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.	\$50.00 (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,				
	2014	2013	2012	2011	2010
<u>Revenues:</u>					
Water Sales and Lake Operations	\$ 1,700,693	\$ 1,649,342	\$ 1,625,723	\$ 1,568,055	\$ 1,620,238
Miscellaneous	10,965	2,079	1,226	5	1
Total	<u>1,711,658</u>	<u>1,651,421</u>	<u>1,626,949</u>	<u>1,568,060</u>	<u>1,620,239</u>
<u>Expenses:</u> ⁽¹⁾					
Personnel Operating Costs	\$ 478,754	\$ 464,377	\$ 449,999	\$ 416,538	\$ 429,220
Operating Supplies and Services	535,886	538,039	524,724	586,862	611,106
Maintenance and Repairs	181,997	142,972	156,094	116,260	130,727
Administrative and General	126,594	125,861	119,196	108,765	106,328
Total	<u>1,323,231</u>	<u>1,271,249</u>	<u>1,250,013</u>	<u>1,228,425</u>	<u>1,277,381</u>
Net Income Available for Debt Service	<u>\$ 388,427</u>	<u>\$ 380,172</u>	<u>\$ 376,936</u>	<u>\$ 339,635</u>	<u>\$ 342,858</u>
Outstanding Average Annual Debt Service Coverage	\$ 308,575	\$ 307,383	\$ 306,975	\$ 254,868	\$ 314,638
	1.26	1.24	1.23	1.33	1.09

(1) Excludes depreciation expense

GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2014 AND 2013

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

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35 TREATED WATER DELIVERY SYSTEM PROJECT)

	Fiscal Year Ended August 31							
	2014		2013		2012		2011	
	Debt		Debt		Debt		Debt	
Debt Service Component of Gross Contract Revenues	MGD	Payments	MGD	Payments	MGD	Payments	MGD	Payments
From City of Buda, Texas	1.50	\$ 167,523	1.50	\$ 167,566	1.50	\$ 189,493	1.50	\$ 165,969
From City of Kyle, Texas	4.86	542,774	4.86	542,915	4.86	605,657	4.86	438,159
From GoForth Special Utility District *	1.38	146,695	1.26	126,459	1.24	123,082	1.24	156,011
From Sunfield Municipal Utilities District *	3.56	405,014	3.68	425,393	3.70	523,754	3.70	663,877
From Monarch	0.50	55,841	0.50	55,856	0.50	65,469	0.50	82,985
Total Debt Service Commitment & Revenues	11.80	\$1,317,847	11.80	\$1,318,189	11.80	\$1,507,455	11.80	\$1,507,001
Annual Debt Service Requirements		\$1,203,356		\$ 982,835		\$1,371,470		\$1,371,045
Debt Service Coverage Factor		1.0951		1.3412		1.0992		1.0992

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

IH35 TREATED WATER DELIVERY SYSTEM - HISTORICAL OPERATING STATEMENT

CONTRACT REVENUE REFUNDING BONDS, SERIES 2013 (IH35 TREATED WATER DELIVERY SYSTEM PROJECT)

	2014	2013	2012	2011
IH35 O&M Transmission Revenue	\$ 307,053	\$ 303,164	\$ 326,809	\$ 236,806
IH35 Debt Revenue	1,317,847	1,318,189	1,507,455	1,507,001
IH35 Interest Earnings	8,273	16,695	20,977	65,329
Total Revenue	\$ 1,633,173	\$ 1,638,048	\$ 1,855,241	\$ 1,809,136
IH35 Operating Expenses	\$ 207,227	\$ 203,279	\$ 180,359	\$ 171,252
IH35 Maintenance & Repair Expenses	41,021	63,606	37,684	18,062
IH 35 Administrative & General Expenses	9,239	9,239	7,884	6,966
Total Expenses	\$ 257,487	\$ 276,124	\$ 225,927	\$ 196,280
Net Revenue	\$ 1,375,686	\$ 1,361,924	\$ 1,629,314	\$ 1,612,856
Debt Service	\$ 1,203,356	\$ 982,835	\$ 1,371,470	\$ 1,371,045
Debt Service Coverage	1.143	1.386	1.188	1.176

**GUADALUPE-BLANCO RIVER AUTHORITY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 AUGUST 31, 2014 AND 2013**

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. The Fifth Circuit Court of Appeals reversed the lower court's decision in favor of the State of Texas and GBRA.

NOTE K- PRIOR PERIOD ADJUSTMENT

GBRA adopted the provisions of GASB # 65 *Items Previously reported as Assets and Liabilities*. The GASB requires that the Debt issuance costs (except for any portion that is a prepayment of insurance) should be recognized as an expense in the period incurred and no longer be reported in statements of net position. The financial statements have been restated to reflect the provisions of GASB #65, and as result, debt issuance costs from the FY 2012 bond issues are written-off as a priorperiod adjustment. Debt issuance costs for contract revenue bonds will be recovered over time under the terms of the respective contracts and have been reclassified as deferred Outflows of Resources.

The effect on beginning net position is as follows:

August 31, 2012 as previously reported	\$ 67,164,118
Write--off FY 2012 bond issue costs	<u>(280,822)</u>
August 31, 2012 as restated	<u>\$ 66,883,296</u>

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GUADALUPE-BLANCO RIVER AUTHORITY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
AUGUST 31, 2014 AND 2013

NOTE L - 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, 2014 is as follows:

	Water Sales	Port Lavaca Water Plant	Luling Water Plant	Lockhart WWTP	Total
REVENUES, EXPENSES AND CHANGES IN NET POSITION					
Operating Revenue	\$ 22,616,812	\$ 1,711,659	\$ 1,333,763	\$ 1,676,061	\$ 27,338,295
Operating Expenses	(14,702,625)	(1,323,231)	(895,691)	(1,053,635)	(17,975,182)
Depreciation and Amortization Exp	(3,993,989)	(202,248)	(302,414)	(206,481)	(4,705,132)
Operating Income	3,920,198	186,180	135,658	415,945	4,657,981
Nonoperating Revenue (Expenses)	(3,334,852)	(27,369)	(224,439)	(43,783)	(3,630,443)
Costs to be Recovered (Deferred Rev)	(571,994)	(206,324)	320,244	(359,837)	(817,911)
Change in Net Position	\$ 13,352	\$ (47,513)	\$ 231,463	\$ 12,325	\$ 209,627
NET POSITION ACTIVITIES					
Current Assets	\$ 15,731,462	\$ 609,005	\$ 721,866	\$ 811,493	\$ 17,873,826
Capital Assets	135,714,031	2,552,100	5,007,095	2,818,894	146,092,120
Other Assets	9,996,472	27,837	105,076	15,578	10,144,963
Total Assets	161,441,965	3,188,942	5,834,037	3,645,965	174,110,909
Deferred Outflow of Resources	15,709		169,561		185,270
Total Assets and Deferred Outflows of Resources	\$ 161,457,674	\$ 3,188,942	\$ 6,003,598	\$ 3,645,965	\$ 174,296,179
Current Liabilities	\$ 7,758,274	\$ 617,728	\$ 494,839	\$ 1,041,651	\$ 9,912,492
Long Term Liabilities	116,269,678	664,445	4,741,737	1,285,412	122,961,272
Total Liabilities	124,027,952	1,282,173	5,236,576	2,327,063	132,873,764
Deferred Inflows of Resources	--	228,301	--	755,210	
Invested in Capital Assets Net of Related Debt	14,965,907	1,605,566	(52,261)	973,894	17,493,106
Restricted	6,567,488	235,335	157,361	347,506	7,307,690
Unrestricted	15,896,327	(162,433)	661,922	(757,708)	15,638,108
Total Net Position	37,429,722	1,678,468	767,022	563,692	\$ 40,438,904
Total Liabilities, Deferred Outflows and Net Position	\$ 161,457,674	\$ 3,188,942	\$ 6,003,598	\$ 3,645,965	\$ 174,296,179
Revenue Bonds Payable	\$ 116,601,136	\$ 605,000	\$ 4,941,932	\$ 1,845,000	\$ 123,993,068
Loans Payable	4,146,988	341,534	--	--	4,488,522
Interfund Balances:					
Accounts Receivable	1,034,555	168,548	110,000	150,150	1,463,253
Accounts Payable	1,306,648	169,879	52,794	94,379	1,623,700
CASH FLOW ACTIVITIES					
Cash Flows					
Operating Activities	\$ 11,734,090	\$ 384,250	\$ 450,812	\$ 778,336	\$ 13,347,488
Capital & Related Financing Activities	(9,439,303)	(383,345)	(453,294)	(610,044)	(10,885,986)
Noncapital Financing Activities	918,110	(10,000)	--	--	908,110
Investing Activities	(2,541,211)	(3,294)	(15,536)	12,696	(2,547,345)
	\$ 671,686	\$ (12,389)	\$ (18,018)	\$ 180,988	\$ 822,267
Current Cash and Cash Equivalents					
At Beginning of Year	\$ 2,536,577	\$ 45,294	\$ 209,801	\$ 93,785	\$ 2,885,457
At End of Year	4,149,458	32,433	187,922	260,768	4,630,581
Net Increase (Decrease)	\$ 1,612,881	\$ (12,861)	\$ (21,879)	\$ 166,983	\$ 1,745,124
Restricted Cash and Cash Equivalents					
At Beginning of Year	\$ 3,675,147	\$ 5,012	\$ --	\$ 333,890	\$ 4,014,049
At End of Year	2,733,952	5,484	3,861	347,895	3,091,192
Net Increase (Decrease)	(941,195)	472	3,861	14,005	(922,857)
	\$ 671,686	\$ (12,389)	\$ (18,018)	\$ 180,988	\$ 822,267



Required Supplemental Information



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GUADALUPE-BLANCO RIVER AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION
 AUGUST 31, 2014

DEFINED BENEFIT PENSION PLAN-SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Jan 1, 2009	Jan 1, 2010	Jan 1, 2011	Jan 1, 2012	Jan 1, 2013	Jan 1, 2014
Actuarial Value of Assets	\$ 10,916,278	\$ 12,024,270	\$ 16,133,705	\$ 17,888,520	\$ 19,706,816	\$ 22,736,935
Actuarial Accrued Liability (AAL)	\$ 19,872,320	\$ 20,607,270	\$ 21,422,534	\$ 23,358,520	\$ 24,824,979	\$ 27,259,178
Unfunded AAL (UAAL)	\$ 8,956,042	\$ 8,583,000	\$ 5,288,829	\$ 5,470,000	\$ 5,118,163	\$ 4,522,243
Funded Ratio	55%	58%	75%	77%	79%	83%
Covered Payroll	\$ 8,573,185	\$ 8,506,931	\$ 8,447,077	\$ 8,203,042	\$ 7,661,304	\$ 7,423,408
UAAL as a Percentage of Covered Payroll	104%	101%	63%	67%	67%	61%

Fiscal Year End Date	Aug 31, 2009	Aug 31, 2010	Aug 31, 2011	Aug 31, 2012	Aug 31, 2013	Aug 31, 2014
Employer Contributions	\$ 1,264,425	\$ 3,970,248	\$ 1,620,832	\$ 1,013,649	\$ 2,111,297	\$ 1,693,893
Annual Required Contribution (ARC)	\$ 764,425	\$ 970,248	\$ 1,020,832	\$ 1,013,649	\$ 1,011,297	\$ 993,893
Annual Pension Cost (APC)	\$ 764,425	\$ 970,248	\$ 1,014,388	\$ 1,111,354	\$ 1,114,166	\$ 1,138,837
Percentage of APC Contributed	165%	409%	160%	91%	189%	149%



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Other Supplemental Information

COMBINING STATEMENT OF NET POSITION

AUGUST 31, 2014

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Unrestricted Assets					
Cash and Cash Equivalents.....	\$ 1,460,632	\$ 9,046	\$ 166,709	\$ 5,468,513	\$ 32,433
Investments-Unrestricted.....	1,909,856	--	--	6,115,909	--
Interest Receivable.....	10,131	--	--	42,082	9
Accounts Receivable-Operating.....	449	137,142	438,791	1,242,173	150,653
Accounts Receivable-Interfund.....	3,431,826	216,045	111,564	2,037,921	168,548
Other Current Assets.....	14,463	97,093	19,336	242,920	49,201
Total Current Assets.....	6,827,357	459,326	736,400	15,149,518	400,844
Restricted Assets					
Cash and Cash Equivalents.....	559,961	5,815	512,328	3,035,108	5,484
Investments.....	631,980	--	534,837	2,710,728	202,014
Interest Receivable.....	8,883	--	5,297	23,407	663
Total Restricted Assets.....	1,200,824	5,815	1,052,462	5,769,243	208,161
Total Current Assets.....	8,028,181	465,141	1,788,862	20,918,761	609,005
LONG-TERM ASSETS					
Restricted Assets					
Investments.....	250,500	--	358,001	821,543	27,837
Total Restricted Assets.....	250,500	--	358,001	821,543	27,837
Capital Assets					
Land, Water and Storage Rights.....	1,035,561	2,248,822	235,957	30,901,067	41,424
Dams, Plants and Equipment.....	2,084,356	11,534,891	13,305,025	145,104,416	7,041,646
Construction In Progress.....	--	--	121,874	8,510	--
Less Accumulated Depreciation.....	(1,676,955)	(7,397,398)	(4,262,158)	(37,379,594)	(4,530,970)
Total Capital Assets.....	1,442,962	6,386,315	9,400,698	138,634,399	2,552,100
Other Assets					
Investments-Unrestricted.....	2,019,620	--	--	5,339,676	--
Long-Term Loans Receivable.....	156,250	--	139,182	--	--
Contract Development Costs (Net of Amortization).....	--	--	--	--	--
Permits and Licenses (Net of Amortization).....	--	--	--	--	--
Project Development Costs.....	--	--	--	4,111,082	--
Net Pension Asset.....	5,560,926	--	--	--	--
Interfund Loans Receivable.....	7,185,593	--	--	--	--
Total Other Assets.....	14,922,389	--	139,182	9,450,758	--
Total Long-Term Assets.....	16,615,851	6,386,315	9,897,881	148,906,700	2,579,937
DEFERRED OUTFLOWS OF RESOURCES					
Total Assets and Deferred Outflows.....	\$ 24,644,032	\$ 6,851,456	\$ 11,686,743	\$ 169,841,170	\$ 3,188,942
LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
CURRENT LIABILITIES					
Payable from Unrestricted Assets					
Current Portion of Long-Term Loans Payable.....	\$ --	\$ --	\$ 26,399	\$ 418,446	\$ 10,339
Interest Payable.....	--	--	--	52,809	--
Accounts Payable-Operating.....	978,729	195,310	138,708	1,141,523	135,493
Accounts Payable-Interfund.....	2,777,015	326,920	324,795	2,458,228	169,879
Total Current Unrestricted Liabilities.....	3,755,744	522,230	489,902	4,071,006	315,711
Payable from Restricted Assets					
Current Portion of Debt.....	--	--	275,000	4,060,000	300,000
Interest Payable.....	--	--	43,739	1,107,652	2,017
Total Current Restricted Liabilities.....	--	--	318,739	5,167,652	302,017
Total Current Liabilities.....	3,755,744	522,230	808,641	9,238,658	617,728
LONG-TERM LIABILITIES					
Revenue Bonds Payable.....	--	--	--	116,601,136	605,000
Long-Term Loans Payable.....	--	--	3,535,745	4,146,988	341,534
Interfund Loans Payable.....	--	4,156,007	2,177,557	811,029	--
Less Current Portion.....	--	4,156,007	5,713,302	121,559,153	946,534
Total Bonds and Loans Payable.....	--	4,156,007	5,411,903	117,080,707	636,195
Advances for Operations.....	--	--	13,975	64,830	28,250
Total Long-Term Liabilities.....	--	4,156,007	5,425,878	117,145,537	664,445
Total Liabilities.....	3,755,744	4,678,237	6,234,519	126,384,195	1,282,173
DEFERRED INFLOWS OF RESOURCES.....					
	--	--	--	--	228,301
NET POSITION					
Net Investments in Capital Assets.....	1,442,962	6,386,316	5,864,950	17,886,275	1,605,566
Restricted for Insurance.....	1,173,475	--	--	--	--
Restricted for Debt Service.....	--	--	--	6,133,886	235,335
Unrestricted.....	18,271,851	(4,213,097)	(412,726)	19,436,814	(162,433)
Total Net Position.....	20,888,288	2,173,219	5,452,224	43,456,975	1,678,468
Total Liabilities, Deferred Inflows and Net Position.....	\$ 24,644,032	\$ 6,851,456	\$ 11,686,743	\$ 169,841,170	\$ 3,188,942

See accompanying independent auditors' report.

Calhoun County Rural Water Supply Division	Coleta Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	2014 Eliminations	2014 Total
\$ 151,632	\$ 22,411	\$ 187,922	\$ 52,838	\$ 290,781	\$ --	\$ 7,842,917
206,783	--	250,922	--	--	--	8,483,470
2,403	--	3,859	16	77	--	58,577
98,550	8,202	2,437	236,791	60,930	--	2,376,118
86,431	139,866	110,000	38,000	200,858	(6,541,059)	--
5,789	9,710	9,218	10,727	19,023	--	477,480
551,588	180,189	564,358	338,372	571,669	(6,541,059)	19,238,562
--	--	3,861	52,310	--	--	4,174,867
--	--	153,500	50,198	347,506	--	4,630,763
--	--	147	27	389	--	38,813
--	--	157,508	102,535	347,895	--	8,844,443
551,588	180,189	721,866	440,907	919,564	(6,541,059)	28,083,005
--	--	--	--	--	--	1,457,881
--	--	--	--	--	--	1,457,881
51,396	--	875,292	12,187	136,881	--	35,538,587
2,608,719	2,062,745	7,184,943	12,553,881	6,741,029	--	210,221,651
39,696	--	117,423	--	--	--	287,503
(1,790,043)	(1,734,129)	(3,170,563)	(7,215,374)	(3,450,813)	--	(72,607,997)
909,768	328,616	5,007,095	5,350,694	3,427,097	--	173,439,744
153,020	--	105,076	--	--	--	7,617,392
--	--	--	--	--	--	295,432
--	--	--	6,678	3,912	--	10,590
--	--	--	498,375	--	--	498,375
--	--	--	--	--	--	4,111,082
--	--	--	--	--	--	5,560,926
--	--	--	--	--	(7,185,593)	--
153,020	--	105,076	505,053	3,912	(7,185,593)	18,093,797
1,062,788	328,616	5,112,171	5,855,747	3,431,009	(7,185,593)	192,991,422
--	--	169,561	--	--	--	185,270
\$ 1,614,376	\$ 508,805	\$ 6,003,598	\$ 6,296,654	\$ 4,350,573	\$ (13,726,652)	\$ 221,259,697
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 455,184
--	--	--	--	--	--	52,809
90,490	115,090	192,814	34,048	440,266	--	3,462,471
119,617	148,551	52,794	46,346	116,914	(6,541,059)	--
210,107	263,641	245,608	80,394	557,180	(6,541,059)	3,970,464
--	--	235,000	--	590,000	--	5,460,000
--	--	14,231	--	--	--	1,167,639
--	--	249,231	--	590,000	--	6,627,639
210,107	263,641	494,839	80,394	1,147,180	(6,541,059)	10,598,103
--	--	4,941,932	--	1,845,000	--	123,993,068
--	--	--	--	--	--	8,024,267
--	--	--	41,000	--	(7,185,593)	--
--	--	4,941,932	41,000	1,845,000	(7,185,593)	132,017,335
--	--	(235,000)	--	(590,000)	--	(5,915,184)
--	--	4,706,932	41,000	1,255,000	(7,185,593)	126,102,151
--	--	34,805	232,143	30,412	--	404,415
--	--	4,741,737	273,143	1,285,412	(7,185,593)	126,506,566
210,107	263,641	5,236,576	353,537	2,432,592	(13,726,652)	137,104,669
--	--	--	5,843,559	755,210	--	6,827,070
909,768	328,616	(52,261)	5,350,693	1,580,097	--	41,302,982
--	--	--	--	--	--	1,173,475
--	--	157,361	--	347,506	--	6,874,088
494,501	(83,452)	661,922	(5,251,135)	(764,832)	--	27,977,413
1,404,269	245,164	767,022	99,558	1,162,771	--	77,327,958
\$ 1,614,376	\$ 508,805	\$ 6,003,598	\$ 6,296,654	\$ 4,350,573	\$ (13,726,652)	\$ 221,259,697

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

FISCAL YEAR ENDED AUGUST 31, 2014

	General Division	Guadalupe Valley Hydroelectric Division	Rural Utilities Division	Water Resource Division	Port Lavaca Water Treatment Plant Division
REVENUE					
Power Sales.....	\$ --	\$ 2,079,942	\$ --	\$ --	\$ --
Water Sales and Lake Operations.....	--	--	--	28,764,399	1,700,693
Recreation and Land Use.....	--	--	--	152,747	--
Waste Water Treatment Services.....	--	--	1,824,095	738,848	--
Laboratory Services.....	--	--	--	842,643	--
Rental.....	--	14,112	--	262,453	--
Administrative and General.....	2,577,174	--	--	--	--
Miscellaneous.....	3,031	37,065	2,590,981	1,154,280	10,966
Total Operating Revenue.....	<u>2,580,205</u>	<u>2,131,119</u>	<u>4,415,076</u>	<u>31,915,370</u>	<u>1,711,659</u>
EXPENSES					
Personnel Operating Costs.....	1,136,593	1,154,376	598,481	5,495,196	474,132
Operating Supplies and Services.....	1,067,145	365,598	552,408	10,088,517	540,508
Maintenance and Repairs.....	279,678	1,135,187	317,818	1,812,197	181,997
Administrative and General.....	--	392,756	158,691	1,358,703	126,594
Depreciation and Amortization	109,585	314,464	444,354	4,233,841	202,248
Total Operating Expenses	<u>2,593,001</u>	<u>3,362,381</u>	<u>2,071,752</u>	<u>22,988,454</u>	<u>1,525,479</u>
Operating Income (Loss).....	(12,796)	(1,231,262)	2,343,324	8,926,916	186,180
NONOPERATING REVENUES (EXPENSES)					
Grant Income.....	--	25,750	--	1,004,863	--
Investment Income.....	43,492	4	124,566	95,878	735
Gain (Loss) on Disposal of Capital Assets.....	3,431	5,435	(1,433)	--	--
Interest Expense.....	--	(24)	(129,366)	(4,353,815)	(28,104)
Total Nonoperating Revenues (Expenses).....	<u>46,923</u>	<u>31,165</u>	<u>(6,233)</u>	<u>(3,253,074)</u>	<u>(27,369)</u>
Income (Loss) Before Recognition of Deferrals.....	34,127	(1,200,097)	2,337,091	5,673,842	158,811
Costs (Revenue) to be Recognized in Future Years	--	--	--	(571,994)	(206,324)
Income (Loss) Before Special Items.....	<u>34,127</u>	<u>(1,200,097)</u>	<u>2,337,091</u>	<u>5,101,848</u>	<u>(47,513)</u>
SPECIAL ITEMS					
Costs Associated with Whooping Crane Endangered Species Lawsuit.....	--	--	--	(239,080)	--
Change in Net Position.....	<u>34,127</u>	<u>(1,200,097)</u>	<u>2,337,091</u>	<u>4,862,768</u>	<u>(47,513)</u>
Net Position at September 1, 2013.....	20,854,161	3,373,316	3,115,133	38,594,207	1,725,981
Net Position at August 31, 2014	<u>\$ 20,888,288</u>	<u>\$ 2,173,219</u>	<u>\$ 5,452,224</u>	<u>\$ 43,456,975</u>	<u>\$ 1,678,468</u>

Calhoun County Rural Water Supply Division	Coletto Creek Division	Luling Water Treatment Plant Division	Canyon Hydroelectric Division	Lockhart Division	Eliminations	Total
\$ --	\$ --	\$ --	\$ 952,476	\$ --	\$ --	\$ 3,032,418
850,656	1,081,532	1,333,763	--	585,707	--	34,316,750
--	613,652	--	--	--	--	766,399
50,973	--	--	--	1,216,757	--	3,830,673
--	--	--	--	--	--	842,643
--	108,928	--	--	--	--	385,493
--	--	--	--	--	(2,577,174)	--
94,779	32,477	--	--	459,304	--	4,382,883
996,408	1,836,589	1,333,763	952,476	2,261,768	(2,577,174)	47,557,259
318,478	750,842	340,488	100,591	395,614	(95,646)	10,669,145
420,561	514,434	388,705	57,954	679,821	--	14,675,651
117,887	376,406	78,280	45,357	463,597	--	4,808,404
82,845	146,151	88,218	27,162	100,408	(2,481,528)	--
64,924	38,866	302,414	311,579	251,486	--	6,273,761
1,004,695	1,826,699	1,198,105	542,643	1,890,926	(2,577,174)	36,426,961
(8,287)	9,890	135,658	409,833	370,842	--	11,130,298
--	--	--	--	--	--	1,030,613
3,552	25	4,596	1,946	1,357	--	276,151
--	840	--	--	708	--	8,981
--	--	(229,035)	(272,909)	(45,750)	--	(5,059,003)
3,552	865	(224,439)	(270,963)	(43,685)	--	(3,743,258)
(4,735)	10,755	(88,781)	138,870	327,157	--	7,387,040
--	13	320,244	(709,042)	(359,837)	--	(1,526,940)
(4,735)	10,768	231,463	(570,172)	(32,680)	--	5,860,100
--	--	--	--	--	--	(239,080)
(4,735)	10,768	231,463	(570,172)	(32,680)	--	5,621,020
1,409,004	234,396	535,559	669,730	1,195,451	--	71,706,938
\$ 1,404,269	\$ 245,164	\$ 767,022	\$ 99,558	\$ 1,162,771	\$ --	\$ 77,327,958

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

FISCAL YEAR ENDED AUGUST 31, 2014

	Guadalupe			
	General	Valley	Rural	Water
	Division	Hydroelectric	Utilities	Resource
	Division	Division	Division	Division
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers.....	\$ --	\$ 2,145,523	\$ 4,308,794	\$ 31,296,038
Cash Received from Interfund Administrative Charges.....	2,577,174	--	--	--
Cash Paid for Personnel Operating Costs.....	(1,136,593)	(1,154,376)	(598,481)	(5,495,196)
Cash Paid for Other Operating and Maintenance Costs.....	(1,149,817)	(1,623,527)	(850,736)	(11,474,490)
Cash Paid for Interfund Administrative Charges.....	--	(392,756)	(158,691)	(1,358,703)
Supplementary Contribution to Defined Benefit Plan.....	(700,000)	--	--	--
Costs Associated with Whooping Crane Endangered Species Lawsuit and Bond Refundings.....	--	--	--	(239,080)
Net Cash Flows From (Used by) Operating Activities.....	(409,236)	(1,025,136)	2,700,886	12,728,569
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund Operating Loans Received.....	--	1,127,700	--	--
Interfund Operating Loans Made	(1,351,200)	--	--	--
Principal Payments Made on Interfund Operating Loans.....	--	--	--	(200,000)
Principal Payments Received on Interfund Operating Loans.....	392,500	--	--	--
Net Change in Pension Plan Asset.....	144,944	--	--	--
Cash Received from Grants	--	25,750	--	979,863
Net Cash Flows From (Used by) Noncapital Financing Activities.....	(813,756)	1,153,450	--	779,863
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Advances from Customers, Developers, and Other Governmental Units.....	--	--	19,448	--
Proceeds from Revenue and Loans for Capital Assets and Plant Expansions.....	--	--	140,000	--
Proceeds from Sale of Capital Assets.....	3,430	12,957	459	--
Purchase of Capital Assets.....	(122,328)	(124,095)	(79,226)	(208,507)
Cash Paid for Construction in Progress.....	--	--	(121,874)	(8,510)
Cash Paid for Project Development.....	--	--	--	(447,439)
Interest Paid.....	--	(24)	(155,257)	(3,817,253)
Principal Payments on Revenue Bonds.....	--	--	--	(5,092,855)
Principal Payments on Loans.....	--	(11,257)	(2,579,252)	(450,009)
Net Cash Flows Used by Capital and Related Financing Activities.....	(118,898)	(122,419)	(2,775,702)	(10,024,573)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Cash Received from Investments	573,483	--	120,718	1,895,343
Investment Income Received.....	52,209	4	126,813	91,945
Cash Paid for Investments	381,238	--	(108,562)	(3,988,354)
Net Cash Flows From (Used by) Investing Activities.....	1,006,930	4	138,969	(2,001,066)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ (334,960)	\$ 5,899	\$ 64,153	\$ 1,482,793
CURRENT CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	1,704,338	1,496	53,329	3,256,693
At End of Year.....	1,460,632	9,046	166,709	5,468,513
Net Increase (Decrease).....	(243,706)	7,550	113,380	2,211,820
RESTRICTED CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	651,215	7,466	561,555	3,764,135
At End of Year.....	559,961	5,815	512,328	3,035,108
Net Increase (Decrease).....	(91,254)	(1,651)	(49,227)	(729,027)
TOTAL CASH AND CASH EQUIVALENTS:				
At Beginning of Year.....	2,355,553	8,962	614,884	7,020,828
At End of Year.....	2,020,593	14,861	679,037	8,503,621
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	\$ (334,960)	\$ 5,899	\$ 64,153	\$ 1,482,793
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS				
FROM OPERATING ACTIVITIES:				
Operating Income (Loss).....	\$ (12,796)	\$ (1,231,262)	\$ 2,343,324	\$ 8,926,916
Adjustments to Reconcile Operating Income to Net Cash Flows				
From Operating Activities:				
Depreciation and Amortization.....	109,585	314,464	444,354	4,233,836
Supplementary Contribution to Defined Benefit Plan.....	(700,000)	--	--	--
Costs Associated with Whooping Crane Endangered Species Lawsuit	--	--	--	(239,080)
Net Change in Assets and Liabilities From Operating Activities:				
Operating Accounts Receivable.....	85,135	14,404	(106,713)	(648,976)
Other Current Assets.....	1,288	1,122	1,140	69,261
Operating Accounts Payable.....	107,552	(123,864)	18,781	386,612
Total Adjustments.....	(396,440)	206,126	357,562	3,801,653
NET CASH FLOWS FROM OPERATING ACTIVITIES.....	\$ (409,236)	\$ (1,025,136)	\$ 2,700,886	\$ 12,728,569
NON-CASH TRANSACTIONS SCHEDULE				

1. During fiscal year 2014 and 2013, an adjustment of \$47,417 and (\$90,754) respectively, was made to decrease investments to fair value.

See accompanying independent auditors' report.

Port Lavaca	Calhoun	Luling Water					
Water	County Rural	Coletto	Treatment	Canyon	Lockhart		
Treatment	Water Supply	Creek	Plant	Hydroelectric			
Plant Division	Division	Division	Division	Division	Division	Eliminations	Total
\$ 1,702,456	\$ 994,865	\$ 1,833,321	\$ 1,331,326	\$ 848,340	\$ 2,255,914	\$ --	\$ 46,716,577
--	--	--	--	--	--	--	2,577,174
(474,132)	(318,478)	(750,842)	(340,488)	(100,591)	(395,614)	--	(10,764,791)
(717,480)	(467,918)	(896,785)	(451,808)	(55,926)	(1,048,978)	--	(18,737,465)
(126,594)	(82,845)	(146,151)	(88,218)	(27,162)	(100,408)	--	(2,481,528)
--	--	--	--	--	--	--	(700,000)
--	--	--	--	--	--	--	(239,080)
<u>384,250</u>	<u>125,624</u>	<u>39,543</u>	<u>450,812</u>	<u>664,661</u>	<u>710,914</u>	--	<u>16,370,887</u>
56,000	--	72,500	--	41,000	54,000	(1,351,200)	--
--	--	--	--	--	--	1,351,200	--
(66,000)	--	(72,500)	--	--	(54,000)	392,500	--
--	--	--	--	--	--	(392,500)	--
--	--	--	--	--	--	--	144,944
--	--	--	--	--	--	--	<u>1,005,613</u>
(10,000)	--	--	--	41,000	--	--	1,150,557
--	--	--	--	--	--	--	19,448
--	--	--	4,950,000	--	706	--	5,090,706
--	--	3,244	--	--	--	--	20,090
(54,346)	(6,650)	(57,774)	(5,787)	--	--	--	(658,713)
--	(23,695)	--	(117,423)	--	--	--	(271,502)
--	--	--	--	--	--	--	(447,439)
(29,070)	--	--	(235,432)	(228,926)	(45,750)	--	(4,511,712)
(290,000)	--	--	(5,044,652)	(850,000)	(565,000)	--	(11,842,507)
(9,929)	--	--	--	--	--	--	(3,050,447)
(383,345)	(30,345)	(54,530)	(453,294)	(1,078,926)	(610,044)	--	(15,652,076)
1,580	46,667	--	94,924	--	24,956	--	2,757,671
811	4,684	28	6,263	2,325	1,356	--	286,438
(5,685)	(100,210)	--	(116,723)	(287)	(13,616)	--	(3,952,199)
(3,294)	(48,859)	28	(15,536)	2,038	12,696	--	(908,090)
<u>\$ (12,389)</u>	<u>\$ 46,420</u>	<u>\$ (14,959)</u>	<u>\$ (18,018)</u>	<u>\$ (371,227)</u>	<u>\$ 113,566</u>	<u>\$ --</u>	<u>\$ 961,278</u>
<u>45,294</u>	<u>105,212</u>	<u>37,370</u>	<u>209,801</u>	<u>154,428</u>	<u>177,215</u>	--	<u>5,745,176</u>
<u>32,433</u>	<u>151,632</u>	<u>22,411</u>	<u>187,922</u>	<u>52,838</u>	<u>290,781</u>	--	<u>7,842,917</u>
<u>(12,861)</u>	<u>46,420</u>	<u>(14,959)</u>	<u>(21,879)</u>	<u>(101,590)</u>	<u>113,566</u>	--	<u>2,097,741</u>
<u>5,012</u>	--	--	--	<u>321,947</u>	--	--	<u>5,311,330</u>
<u>5,484</u>	--	--	<u>3,861</u>	<u>52,310</u>	--	--	<u>4,174,867</u>
<u>472</u>	--	--	<u>3,861</u>	<u>(269,637)</u>	--	--	<u>(1,136,463)</u>
<u>50,306</u>	<u>105,212</u>	<u>37,370</u>	<u>209,801</u>	<u>476,375</u>	<u>177,215</u>	--	<u>11,056,506</u>
<u>37,917</u>	<u>151,632</u>	<u>22,411</u>	<u>191,783</u>	<u>105,148</u>	<u>290,781</u>	--	<u>12,017,784</u>
<u>\$ (12,389)</u>	<u>\$ 46,420</u>	<u>\$ (14,959)</u>	<u>\$ (18,018)</u>	<u>\$ (371,227)</u>	<u>\$ 113,566</u>	<u>\$ --</u>	<u>\$ 961,278</u>
\$ 186,180	\$ (8,287)	\$ 9,890	\$ 135,658	\$ 409,833	\$ 370,842	\$ --	\$ 11,130,298
202,248	64,924	38,866	302,414	311,577	251,486	--	6,273,754
--	--	--	--	--	--	--	(700,000)
--	--	--	--	--	--	--	(239,080)
(13,383)	3,026	(3,807)	(2,437)	(104,136)	(5,854)	--	(782,741)
(5,546)	1,005	(26)	(944)	1,495	(2,108)	--	66,687
14,751	64,956	(5,380)	16,121	45,892	96,548	--	621,969
<u>198,070</u>	<u>133,911</u>	<u>29,653</u>	<u>315,154</u>	<u>254,828</u>	<u>340,072</u>	--	<u>5,240,589</u>
<u>\$ 384,250</u>	<u>\$ 125,624</u>	<u>\$ 39,543</u>	<u>\$ 450,812</u>	<u>\$ 664,661</u>	<u>\$ 710,914</u>	<u>\$ --</u>	<u>\$ 16,370,887</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

REGIONS BANK, DUNLAP WASTEWATER TREATMENT EXPANSION & COLLECTION SYSTEM

YR END	TAXABLE LOAN			TAX-EXEMPT LOAN			TOTAL
	AUG 31	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
							REQUIREMENTS
2015	\$ 180,000	\$ 19,015	\$ 199,015	\$ 95,000	\$ 82,081	\$ 177,081	\$ 376,096
2016	710,748	8,501	719,249	100,000	78,824	178,824	898,073
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>\$ 890,748</u>	<u>\$ 27,516</u>	<u>\$ 918,264</u>	<u>\$ 2,505,000</u>	<u>\$ 878,011</u>	<u>\$ 3,383,011</u>	<u>\$ 4,301,275</u>

**REGIONS BANK, RURAL UTILITIES DIVISION LOAN
EMERGENCY GENERATORS**

YR END	CANYON PARK WWTP			DUNLAP WWTP			SPRINGS HILL WTP		
	AUG 31	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST
2015	\$ 6,223	\$ 914	\$ 7,137	\$ 6,977	\$ 1,024	\$ 8,001	\$ 13,199	\$ 1,938	\$ 15,137
2016	6,379	757	7,136	7,152	849	8,001	13,531	1,606	15,137
2017	6,586	550	7,136	7,384	617	8,001	13,970	1,168	15,138
2018	6,797	339	7,136	7,621	380	8,001	14,418	719	15,137
2019	7,015	121	7,136	7,866	136	8,002	14,882	256	15,138
	<u>\$ 33,000</u>	<u>\$ 2,681</u>	<u>\$ 35,681</u>	<u>\$ 37,000</u>	<u>\$ 3,006</u>	<u>\$ 40,006</u>	<u>\$ 70,000</u>	<u>\$ 5,687</u>	<u>\$ 75,687</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

U.S. GOVERNMENT LOAN, CANYON DAM AND RESERVOIR

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 3,168,524</u>	<u>\$ 538,156</u>	<u>\$ 3,706,680</u>

REGAN CHASE BANK, GENERAL IMPROVEMENT OFFICE EXPANSION

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2015	\$ 160,000	\$ 8,081	\$ 168,081
2016	106,667	1,672	108,339
	<u>\$ 266,667</u>	<u>\$ 9,753</u>	<u>\$ 276,420</u>

WATER RESOURCE WATER RIGHT PURCHASE AMORTIZATION SCHEDULE

YR END AUG 31	LULING FOUNDATION			ABNER USSERY			TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
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>\$ 448,381</u>	<u>\$ 202,714</u>	<u>\$ 651,095</u>	<u>\$ 263,413</u>	<u>\$ 119,087</u>	<u>\$ 382,500</u>	<u>\$ 1,033,595</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	
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>\$ 5,795,000</u>	<u>\$ 2,151,698</u>	<u>\$ 7,946,698</u>	<u>\$ 3,050,000</u>	<u>\$ 928,971</u>	<u>\$ 3,978,971</u>	<u>\$ 11,925,669</u>

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

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 3,950,000</u>	<u>\$ 471,995</u>	<u>\$ 4,421,995</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
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>\$ 18,425,000</u>	<u>\$ 9,124,669</u>	<u>\$ 27,549,669</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	
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>\$ 52,840,000</u>	<u>\$ 29,395,068</u>	<u>\$ 82,235,068</u>	<u>\$ 6,520,000</u>	<u>\$ 3,142,904</u>	<u>\$ 9,662,904</u>	<u>\$ 91,897,972</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	
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>\$ 8,410,000</u>	<u>\$ 6,508,250</u>	<u>\$ 14,918,250</u>	<u>\$ 5,420,000</u>	<u>\$ 6,278,168</u>	<u>\$ 11,698,168</u>	<u>\$ 26,616,418</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

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

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 5,190,000</u>	<u>\$ 822,842</u>	<u>\$ 6,012,842</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

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
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>\$ 341,534</u>	<u>\$ 62,193</u>	<u>\$ 403,727</u>

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

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2015	\$ 300,000	\$ 9,100	\$ 309,100
2016	305,000	3,050	308,050
	<u>\$ 605,000</u>	<u>\$ 12,150</u>	<u>\$ 617,150</u>

**GUADALUPE-BLANCO RIVER AUTHORITY
AMORTIZATION SCHEDULES**

**ED WATER DELIVERY SYSTEM CONTRACT REVENUE REFUNDING BONDS, SERIES 2010
CITY OF LOCKHART PROJECT**

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2015	\$ 235,000	\$ 166,721	\$ 401,721
2016	245,000	158,441	403,441
2017	255,000	149,816	404,816
2018	260,000	140,933	400,933
2019	275,000	131,704	406,704
2020	280,000	122,130	402,130
2021	290,000	112,298	402,298
2022	300,000	102,120	402,120
2023	310,000	91,598	401,598
2024	320,000	80,730	400,730
2025	335,000	69,431	404,431
2026	345,000	57,701	402,701
2027	355,000	45,626	400,626
2028	370,000	33,120	403,120
2029	380,000	20,183	400,183
2030	395,000	6,814	401,814
	<u>\$ 4,950,000</u>	<u>\$ 1,489,366</u>	<u>\$ 6,439,366</u>

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

YR END AUG 31	PRINCIPAL	INTEREST	TOTAL
2015	\$ 590,000	\$ 34,200	\$ 624,200
2016	615,000	22,150	637,150
2017	640,000	8,000	648,000
	<u>\$ 1,845,000</u>	<u>\$ 64,350</u>	<u>\$ 1,909,350</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 Position By Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Primary government					
Invested in capital assets, net of related debt	\$ 41,302,982	\$ 36,423,496	\$ 35,853,611	\$ 40,790,810	\$ 43,235,437
Restricted	8,047,563	4,787,708	5,995,312	5,386,547	6,521,324
Unrestricted	<u>27,977,413</u>	<u>30,776,556</u>	<u>25,315,195</u>	<u>18,914,321</u>	<u>15,143,773</u>
Total primary government net position	<u>\$ 77,327,958</u>	<u>\$ 71,987,760</u>	<u>\$ 67,164,118</u>	<u>\$ 65,091,678</u>	<u>\$ 64,900,534</u>

	Fiscal Year				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Primary government					
Invested in capital assets, net of related debt	\$ 40,582,695	\$ 38,715,589	\$ 36,361,304	\$ 38,506,620	\$ 41,278,632
Restricted	10,715,810	7,978,016	6,221,215	3,649,302	3,712,823
Unrestricted	<u>10,656,309</u>	<u>11,365,266</u>	<u>10,843,049</u>	<u>7,698,500</u>	<u>2,751,204</u>
Total primary government net position	<u>\$ 61,954,814</u>	<u>\$ 58,058,871</u>	<u>\$ 53,425,568</u>	<u>\$ 49,854,422</u>	<u>\$ 47,742,659</u>

Guadalupe Blanco River Authority
Changes in Net Position
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>
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
2014	47,577,259	36,666,041	10,891,218	(3,743,258)	7,147,960	-	(1,526,940)	5,621,020

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
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
2014	-	3,032,418	34,316,750	1,151,892	3,830,673	842,643	4,382,883	47,557,259

**Operating Expenses
Last Ten Fiscal Years**

Year	Personnel Operating Costs	Operating Supplies and Services	Maintenance and Repairs	Depreciation and Amortization	Special Items (a) (b)	Total
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	13,291,466	4,071,712	5,847,241	2,970,725	35,860,671
2013	9,983,897	14,111,633	4,398,941	7,279,816	1,024,963	36,799,250
2014	10,669,145	14,675,651	4,808,404	6,273,761	239,080	36,666,041

(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 through FY 2014 include costs associated with the Whooping Crane Endangered Species Lawsuit.

**Nonoperating Revenue and Expenses
Last Ten Fiscal Years**

Year	Interest Expense	Investment Income	Grants	Gain (Loss) on Disposal of Capital Assets	Total
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)
2014	(5,059,003)	276,151	1,030,613	8,981	(3,743,258)

List of Principal Customers

Guadalupe Valley Electric Cooperative
 New Braunfels Utilities
 Coletto Creek Park Customers
 Lake Wood Recreational Park Customers
 Nolte Island Park Customers
 Regional Laboratory Customers
 Calhoun County Rice Farmers

City of Buda
 City of Lockhart
 City of Schertz
 City of Seguin
 Cordillera Ranch
 North Hays County MUD #1
 Sunfield Municipal Utility District #4
 Johnson Ranch 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
 Coletto 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 System
 Springs Hill Water Supply Corporation
 Sunfield Municipal Utility District #4



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
 Goforth Special Utility District
 Port O'Connor Municipal Utility District
 San Antonio Water System
 Sunfield Municipal Utility District #4

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 the 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:

Budget-to-Actual Operations:	Principal Customers	County
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
Coletto Creek Reservoir	Coletto 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

Unit of Service Operations:	Principal Customers	County
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
Coletto Creek Recreation	Recreational Customers	Victoria/Goliad

Guadalupe Blanco River Authority
Debt By Type
Last Ten Fiscal Years

Year	Net Obligations Payable Directly By GBRA		Net Obligations Payable From Revenue Contracts (a)		Pollution Control (b)
	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>	<u>Loans</u>	<u>Bonds</u>
2005	\$ 4,085,000	\$ 5,971,257	\$ 136,187,350	\$ 2,902,781	\$ -
2006	3,980,000	11,431,676	132,894,615	2,834,899	-
2007	3,870,000	11,685,249	128,891,929	2,761,382	-
2008	3,755,000	11,076,109	139,522,039	395,467	-
2009	3,630,000	10,845,301	134,602,007	387,356	-
2010	3,500,000	9,981,619	129,899,199	378,910	-
2011	10,122,346	9,362,340	124,789,055	370,115	-
2012	14,108,088	11,337,160	119,930,725	360,998	-
2013	13,453,831	10,583,254	117,364,922	351,463	-
2014	12,784,574	7,682,733	111,208,494	341,534	-

(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 of 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.

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

**Pollution Control and
Industrial Development Bonds**

Year	
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
2014	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.

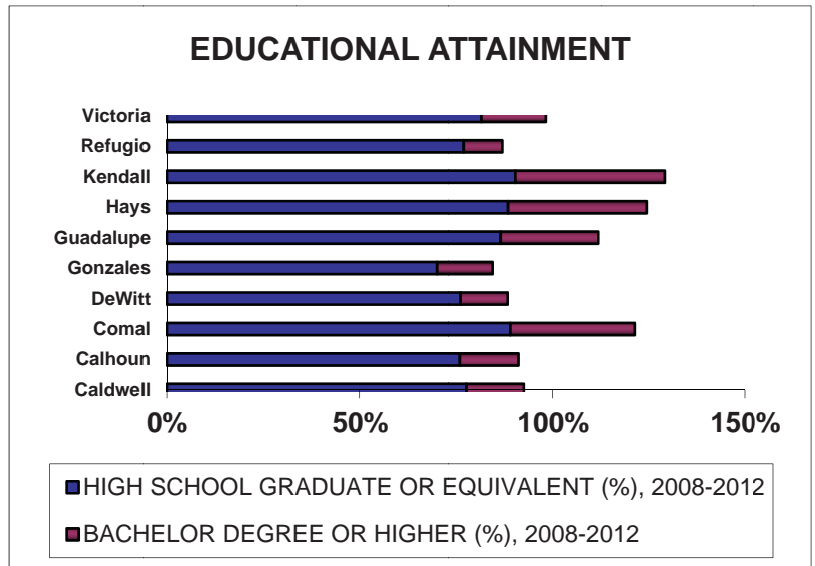
GBRA District Demographics

GBRA’s service area is geographically part of south central Texas. It stretches from the Hill Country through the I-35 Corridor and on to 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.

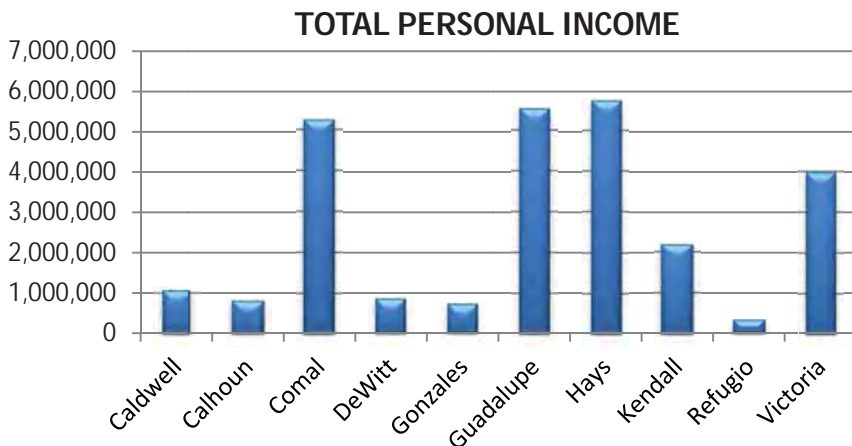
GBRA provides a variety of services to rural water corporations, electric cooperatives, industries and individuals within this ten-county district. The array of services includes water sales and distribution, water treatment, wastewater treatment, hydroelectric generation, laboratory analysis and recreation 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 and the Eagle Ford Shale oil boom. Indicative of the population boom is the fact that the cities of Austin and San Antonio are both listed in the top ten of cities which have grown the most during the last ten years. The graphs below and on the following page portray the population and economic base within GBRA’s ten-county district.

COUNTY	HIGH SCHOOL GRADUATE OR EQUIV.	BACHELOR DEGREE OR HIGHER
Caldwell	75%	14%
Calhoun	75%	14%
Comal	89%	32%
DeWitt	74%	12%
Gonzales	67%	15%
Guadalupe	84%	24%
Hays	82%	32%
Kendall	91%	37%
Refugio	72%	11%
Victoria	80%	17%



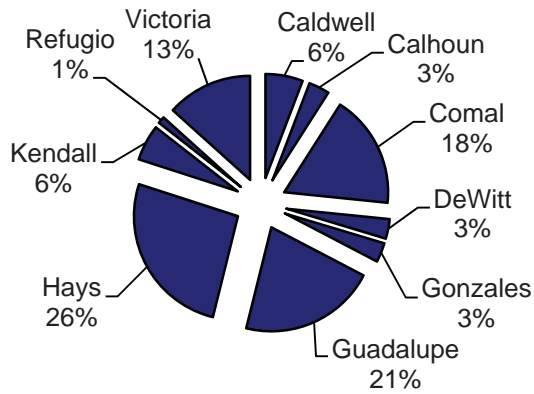
SOURCE: U.S. Census Bureau, 5yr Estimate



SOURCE: Bureau of Economic Analysis 2012

COUNTY	TOTAL PERSONAL INCOME
Hays	5,741,395
Guadalupe	5,534,047
Comal	5,248,803
Victoria	3,984,098
Kendall	2,183,357
Caldwell	1,068,564
Dewitt	830,066
Calhoun	760,130
Gonzales	678,555
Refugio	324,986

DISTRICT POPULATION BY COUNTY



SOURCE: U.S. Census Bureau, Estimate 2013

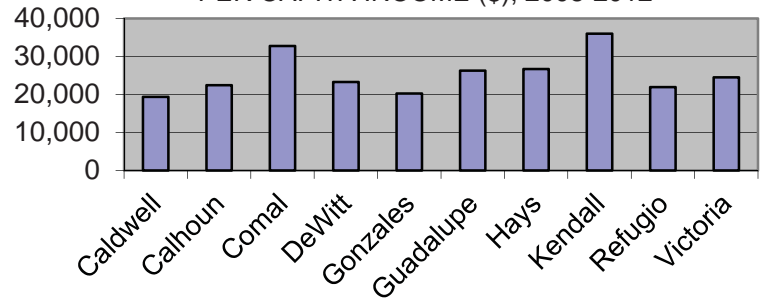
COUNTY POPULATION

COUNTY	POPULATION
Hays	176,026
Guadalupe	143,183
Comal	118,480
Victoria	90,028
Caldwell	39,232
Kendall	37,766
Calhoun	21,806
DeWitt	20,503
Gonzales	20,312
Refugio	7,305

COUNTY PER CAPITA INCOME

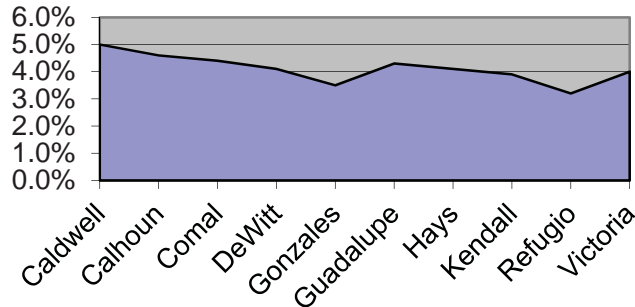
COUNTY	PER CAPITA INCOME
Kendall	35,991
Comal	32,736
Hays	26,662
Guadalupe	26,233
Victoria	24,473
DeWitt	23,281
Calhoun	22,439
Refugio	21,936
Gonzales	20,225
Caldwell	19,368

PER CAPITA INCOME (\$), 2008-2012



SOURCE: U.S. Census Bureau, 5yr Estimate

UNEMPLOYMENT RATE



SOURCE: US Dept. of Labor, Bureau of Labor Statistics as of April 2014

UNEMPLOYMENT RATE

COUNTY	RATE
Comal	4.4%
Caldwell	5.0%
Guadalupe	4.3%
Calhoun	4.6%
Victoria	4.0%
Hays	4.1%
Kendall	3.9%
Gonzales	3.5%
DeWitt	4.1%
Refugio	3.2%
Texas	5.1%
U.S.	6.1%

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

Division	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General	35.5	35.5	36	38	40	40	41	39	40	39.5
Guadalupe Valley Electric	25	25	25	25	25	25	25	26	26	26
Rural Utilities	5	6	6	7	7	7	7	7	7	7
Water Resources	45.5	45	45	46	51	48	49	49	49.5	51.5
Western Canyon	7	7	8	9	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	5
Victoria Regional WWRS	21	21	21	21	21	19	9	-	-	-
Coletto 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	11	11	11	11	11	11	11	11	11	11
Total	185	185.5	187	192	199	194	186	176	177.5	180

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**

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

FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
75,006,000	87,252,000	71,381,000	91,070,000	92,377,000	81,818,000	75,749,000
--	--	--	--	--	--	--
525,871,000	554,970,000	542,137,000	613,240,000	579,122,000	548,963,000	537,896,000
734,704,000	677,043,000	634,399,000	675,179,000	664,541,000	684,728,000	630,906,000
673,172,000	739,501,000	630,210,000	752,918,000	721,578,000	666,194,000	617,275,000
2,404,842,000	2,773,635,000	2,685,046,000	3,209,012,000	3,324,085,000	3,449,001,000	3,643,600,000
3,648,193,000	3,669,842,000	3,722,663,000	3,446,937,000	3,640,904,000	3,663,286,000	3,587,600,000
243,800,000	273,300,000	339,800,000	331,430,000	376,050,000	363,970,000	479,600,000
2,191,534	2,184,018	3,059,616	2,291,900	2,709,621	2,085,000	1,719,866
447,100,000	380,250,000	465,830,000	429,580,000	453,960,000	395,550,000	413,360,000
168,630,000	168,400,000	239,600,000	195,800,000	186,300,000	186,300,000	199,500,000
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	54,790,000
--	--	2,560,000	9,970,000	19,020,000	23,210,000	43,610,000
2,809	2,153	2,177	2,249	1,917	2,306	1,532
1,157,790,000	1,146,655,000	998,991,000	900,513,000	498,819,000	680,145,000	816,222,100
3,274,240,000	2,908,782,000	3,280,168,000	3,336,852,000	4,093,251,000	4,281,180,000	4,295,695,000
66,914,600	25,726,200	71,633,300	42,126,000	31,405,400	23,444,900	18,469,500
19,026,827	2,415,841	17,716,632	7,566,158	--	--	1,599
17	9	18	19	27	30	23
285	252	254	259	309	320	290
2,635	2,995	3,204	4,266	4,914	5,403	4,932
14,594	12,941	12,393	13,133	14,368	14,983	14,697
662	725	717	766	985	1,072	1,009
2,567	2,739	2,776	2,588	2,851	3,080	3,855
16,851	15,139	14,465	16,331	17,503	18,377	16,825

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

Year	Guadalupe			Port Lavaca	Calhoun	Victoria	Luling			Lockhart	Total	
	General	Valley	Rural	Water	County	Regional	Water	Canyon	Hydro			
Division	Division	Division	Resource	Treatment	Rural Water	Wastewater	Coleta	Treatment	Plant	Plant	Division	
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
2014	122,328	124,095	79,226	208,507	54,346	6,651	-	57,774	5,787	-	-	\$ 658,714

Schedule of Capital Asset Additions by Classification
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Land, Water, & Storage Rights	\$ 1,088,461	\$ -	\$ 6,718,880	\$ 99,723	\$ 433,650	\$ -	\$ 7,000,000	\$ 90,058	\$ 151,757	\$ -
Structures & Improve	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	71,179
Specialized Equip	68,966	60,202	110,451	69,706	142,709	63,522	41,246	4,777	42,542	29,452
Auto & Heavy Equip	213,367	195,622	238,477	193,219	248,342	205,812	229,186	190,060	312,585	261,102
Office Furniture & Equip	108,694	94,745	102,270	54,612	121,309	23,902	89,353	29,423	58,612	69,113
Miscellaneous Equip	443,314	95,561	1,099,896	131,337	169,314	326,797	171,895	188,165	246,919	227,867
Total	\$ 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	\$ 658,713

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 Guadalupe-Blanco River Authority, as of and for the years ended August 31, 2014 and 2013, 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 17, 2014.

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, PC

Certified Public Accountants

San Antonio, Texas
December 17, 2014