

May 8, 2018

Mr. Ken Levine  
Director  
Sunset Advisory Commission  
P.O. Box 13066  
Austin, Texas 78711

Re: Sunset Review of the Guadalupe-Blanco River Authority

Mr. Levine:

On behalf of the Guadalupe-Blanco River Authority (GBRA) Board of Directors, management, and staff, thank you for the opportunity to continue to participate in the review process and comment on the issues identified in the Sunset Staff Report. As noted in the report, GBRA and the communities we serve are in a state of transition driven by growing populations, economies, and environmental demands on our region's natural resources. GBRA welcomes this review as a resource to help enhance a greater understanding of our mission, services, and expectations of employees, customers, and community stakeholders. We appreciate the professionalism of your staff during the initial phase of the review, and agree with the issues and recommendations identified in the Sunset Staff Report.

GBRA management and staff are working to proactively implement the sunset recommendations, and will continue to make organizational enhancements to advance how GBRA presents our business and operations in a more consistent, transparent, and communicative manner. Following are the positions and comments related to the three issues specific to GBRA and the applicable recommendations in Cross Issue 6.

**Issue 1: GBRA's Aging Infrastructure and Inadequate Asset Management Put Some Utility Operations at Risk.**

GBRA agrees with recommendations 1.1 and 1.2; and concur that a centralized asset management and capital improvement plan, coupled with an improved communications program will assist in informing customers and stakeholders about various projects and impacts affecting their utility, service, or area. Additionally, GBRA has begun implementing a coordinated asset management plan involving all operations and initiated a capital improvement plan as part of the 2018 fiscal year budget. All of GBRA's operations were developed in response to population growth and the demand for utilities. Each have unique contracts for services and different rate structures based on the agreements dating to the 1960's with a customer or customers. These operations have a proven record of meeting the water and wastewater utility needs of our customers for almost 50 years. Nevertheless, this decentralized growth led to most infrastructure maintenance to be planned for on a facility-level basis, which led to inconsistent communication relaying maintenance needs and justifying the associated rate increases.

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**GBRA**

**Guadalupe-Blanco River Authority**  
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Due to the wide-range of operations GBRA provides, often community stakeholders incorrectly assume GBRA is a taxing entity that can support all of the authority's different functions and operations through a tax assessment or a single utility rate. Through improved planning and communication, inclusive of a vigorous asset management program consistent with the Commission's recommendations, GBRA will enable customers and stakeholders to better understand what maintenance and infrastructure improvements are needed, how GBRA's utilities are supported, and how decisions are made related to rates and operations.

**Issue 2: GBRA's Procurement and Contracting Efforts Lack Coordination and Best Practices Needed to Ensure Adequate Expertise and Best Value.**

GBRA agrees with management actions 2.1, 2.2, and 2.3. GBRA has embarked on increased efforts to centralize procurement across all divisions of the authority with oversight of the authority's purchasing function having been elevated and made part of the responsibility of a Deputy CFO in the Finance division. Additionally, we are currently hiring a Procurement Manager whose responsibility will be to coordinate and further centralize purchasing functions for the entire organization.

**Issue 3: GBRA Should Clarify and Better Manage Its Relationships With Associated Nonprofits.**

GBRA agrees with management actions 3.1 - 3.4. Prior to the initiation of the sunset review process, the GBRA Board of Directors appointed a subcommittee of the board to review the support and direction GBRA provides to its affiliated non-profits. GBRA will work with the independent boards of the Guadalupe-Blanco River Trust (GBRT), the San Antonio Bay Foundation (SABF), and the Gorge Preservation Society (GPS) to define and articulate goals, objectives, and expectations to ensure efficient use of the authority's financial and administrative resources and to ensure consistency of mission.

**Cross Issue/Issue 6: River Authorities Lack Certain Good Government Standards That Would Enhance Transparency, Accountability, and Compliance With State Law.**

GBRA agrees with the recommendation to apply good government standards to the authority's governing laws which promote accountability, transparency, and best practices. Additionally, GBRA will work to implement the applicable management actions regarding openness and transparency related to public access to board documents, public testimony and participation, and financial information. GBRA is already working to enhance financial reporting to improve transparency and readability; however, it should be noted that GBRA's accounting records are annually audited by an independent certified public accountant, and continues to comply with statutory requirements applicable to water districts related to open records and financial reporting.

Again, thank you for the opportunity to provide additional comments related to GBRA's Sunset Staff Report. Please do not hesitate to contact me if I may provide additional information.

Sincerely,



Kevin Patteson  
General Manager/CEO