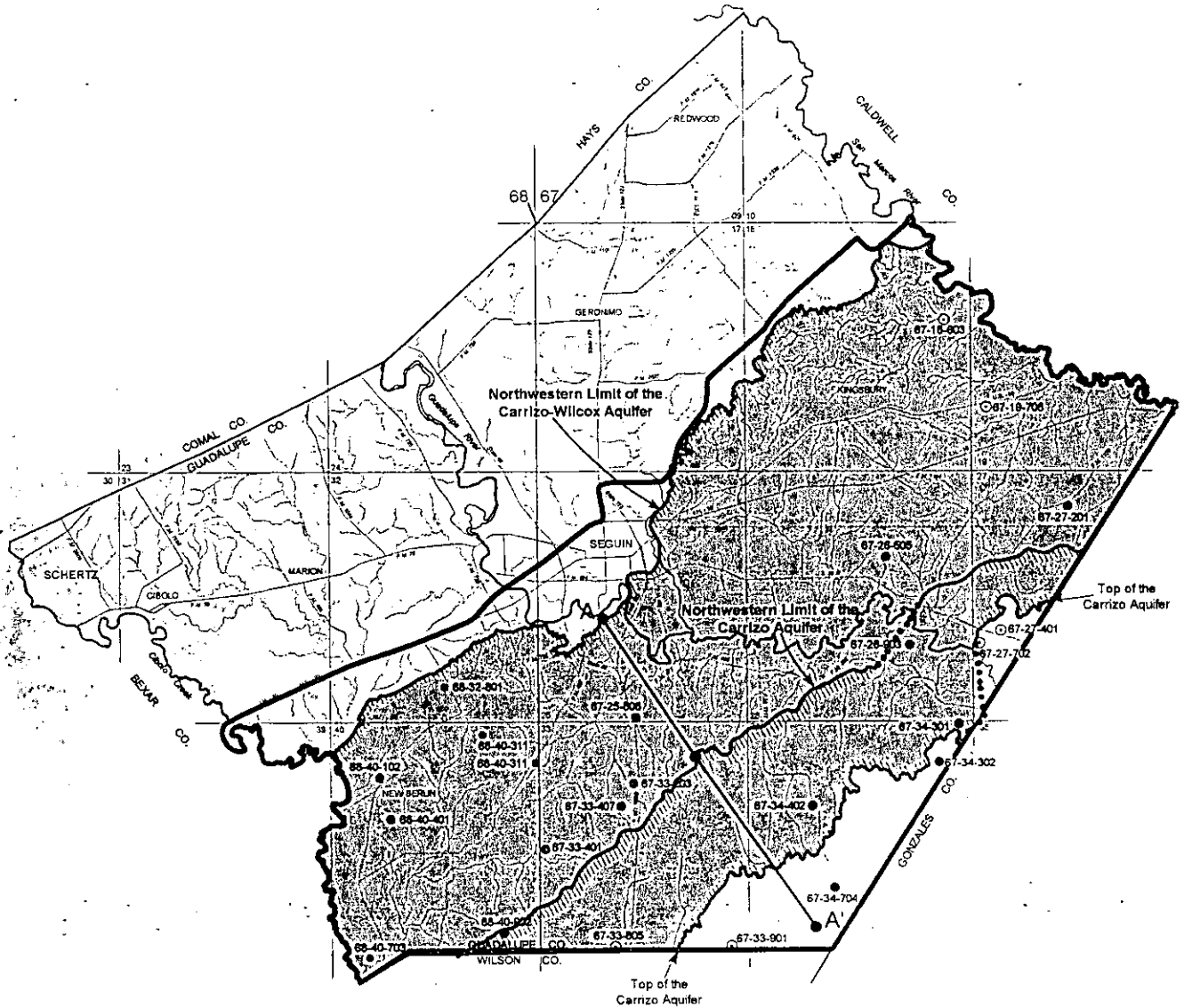


GROUNDWATER MANAGEMENT PLAN



GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

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GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

GROUNDWATER MANAGEMENT PLAN

1 District Mission

The Guadalupe County Groundwater Conservation District will conserve and regulate the use of groundwater through monitoring of aquifer levels and production and encourage conservation rules which limit pumping, thereby extending the quantity and quality of the water available in the entire Carrizo-Wilcox aquifer in Guadalupe County.

2. Time Period of this Plan

This plan will become effective upon adoption by the Guadalupe County Groundwater Conservation District Board of Directors and certification as administratively complete by the Texas Water Development Board. The plan will remain in effect for ten (10) years after the date of certification or until a revised plan is adopted and certified.

3. Statement of Guiding Principles

The Guadalupe County Groundwater Conservation District recognizes that the groundwater resources of the region are of vital importance to the continued economic well being of landowners, agriculture, citizens, economy, environment and long term use of the resource within the District. The preservation of groundwater resources shall be managed in the most prudent and cost effective manner through the regulation of production as effected by the District's well permitting, production permits and, if necessary, the well spacing rules. This management plan is intended as a guide or blueprint for action of those individuals charged with the responsibility for the execution of District activities.

4. Background

The Guadalupe County Groundwater Conservation District was first created in 1997, in Chapter 1066, Acts of the 75th Legislature and was then amended in 1999 by House Bill 3817 which created the District with seven directors elected from seven single member districts and limited the district to only a portion of Guadalupe County outside the Edwards Aquifer Authority boundaries in Guadalupe County. The District does not have the power to tax and receives all of its income from fees imposed on municipal/commercial pumpers of groundwater. A confirmation election was held on November 2, 1999 which confirmed the district and elected seven initial directors from single member districts. The board has adopted rules and held public hearings thereon in accordance with Texas Water Code Ann Section 36.001 et. seq.

5. **Groundwater Resources**

The Guadalupe County Groundwater Conservation District has Carrizo and Wilcox and Leona formations within its boundaries. Only Carrizo and Wilcox have sufficient capacity for commercial or irrigation type production. The Carrizo-Wilcox is substantially recharged in Guadalupe County and contains water table levels and some artesian or contained areas of the aquifer. The recharge for the down dip artesian areas of the Carrizo located in Gonzales County are located primarily in Guadalupe County.

6. **Public Information**

The District will take the necessary steps to ensure the public is informed and will cooperate with the media and all interested parties. The dissemination of information to the public is vital to create awareness of the District function and the public support that is needed to control and reduce production from the underground aquifer.

The District will also continue to pursue water conservation through a public information and educational program. If used properly, voluntary conservation measures can significantly extend the healthy and continued life of the groundwater, thereby preventing the need for mandatory programs by this District or the State. Voluntary programs are entirely a function of providing necessary education on conservation methods and habits along with the means to implement those methods. The District will continue to provide information to school districts and the general public in an effort to create voluntary conservation, registration of existing Carrizo wells and cooperation with the District's regulatory scheme.

7. **Regulation**

The primary objective of the Plan is to control groundwater withdrawals to reduce aquifer mining within the District to a sustainable yield of the aquifer. Groundwater withdrawals can be reduced through conservation of groundwater and regulating non-exempt pumping. In regulating groundwater withdrawals, the District shall take into account several factors, including:

- 7.1 economic impact of conservation measures;
- 7.2 the degree and effect of aquifer mining impact, or potential impact, upon water wells in the areas;
- 7.3 differing hydrological characteristics of the aquifer(s) with the District; and,
- 7.4 all statutorily identified factors.
- 7.5 best available data on recharge over multi year time lines as shown by actual measured data from monitor wells both in and outside the District and measurable rainfall in the recharge areas in Guadalupe County.

8. Management of Groundwater Supplies

The District will manage the supply of groundwater within the District in order to conserve the resource while seeking to maintain the economic viability of all resource user groups, public and private. A monitor well observation network shall be established and maintained in order to evaluate changing conditions of groundwater supplies (water in storage) within the District. The District will make a regular assessment of water supply and groundwater storage conditions and will report those conditions to the Board and to the public. The District will undertake, steps to cooperate with landowners and adjoining districts in investigations of the groundwater resources within the District and will make the results of investigations available to the public upon adoption by the Board.

The District will adopt rules to regulate groundwater withdrawals by means of well spacing and production limits. The District may deny a well construction permit or limit groundwater withdrawals in accordance with the guidelines stated in the rules of the District. In making a determination to deny a permit or limit groundwater withdrawals, the District will consider the public benefit against individual hardship after considering all appropriate testimony.

The relevant factors to be considered in making a determination to deny a permit or limit groundwater withdrawals will include:

- 8.1 The purpose of the rules of the District;
- 8.2 The equitable distribution of the resource;
- 8.3 The economic hardship resulting from grant or denial of a permit or the terms prescribed by the permit.
- 8.4 The potential effect the permit may have on aquifer health and sustainability of the recharge on the aquifer as a whole.

In pursuit of the District's mission of protecting the resource, the District may require reduction of groundwater withdrawals to amounts which will not cause harm to the aquifer. To achieve this purpose, the District may, at the Board's discretion, amend or revoke any permits after notice and hearing. The determination to seek the amendment or revocation of a permit by the District will be based on aquifer conditions observed by the District. The District will enforce the terms and conditions of permits and the rules of the District by enjoining the permit holder in a court of competent jurisdiction as provided for in Texas Water Code (TWC) §36.102 should voluntary cooperation not achieve the desired results.

A contingency plan to cope with the effects of water supply deficits due to climatic or other conditions will be adopted by the Board after notice and hearing. In developing the contingency plan, the District will consider the economic effect of conservation measures upon all water resource user groups, the local implications of the degree and effect of changes in water storage conditions, the unique hydrogeologic conditions of the aquifers within the District and the appropriate conditions under which to implement the contingency plan.

The District will employ all technical resources at its disposal to evaluate the resources available within the District and to determine the effectiveness of regulatory or conservation measures. A public or private user may appeal to the Board for discretion in enforcement of the provisions of the water supply deficit contingency plan on grounds of adverse economic hardship or unique local conditions. The exercise of said discretion by the Board, shall not be construed as limiting the power of the Board.

9. **Actions, Procedures, Performance and Avoidance for Plan Implementation**

The District will implement the provisions of this plan and will utilize the provisions of this plan as a guidepost for determining the direction or priority for all District activities. All operations of the District, all agreements entered into by the District and any additional planning efforts in which the District may participate will be consistent with the provisions of this plan.

The District will adopt rules relating to the permitting of wells and the production of groundwater. The rules adopted by the District shall be pursuant to TWC §36 and the provisions of this plan. All rules will be adhered to and enforced. The promulgation and enforcement of the rules will be based on the best technical evidence available.

The District shall treat all citizens with equality. Citizens may apply to the District for discretion in enforcement of the rules on grounds of adverse economic effect or unique local conditions. In granting of discretion to any rule, the Board shall consider the potential for adverse effect on adjacent landowners. The exercise of said discretion by the Board, shall not be construed as limiting the power of the Board.

The District will seek the cooperation in the implementation of this plan and the management of groundwater supplies within the District. All activities of the District will be undertaken in cooperation and coordinated with the appropriate state, regional or local water management entity.

10. **Management Goals, Objectives & Performance Standards**

10.1 **Efficient Use of Groundwater**

Management Objectives: District will establish an Carrizo-Wilcox aquifer water-level observation well program with a minimum of five (5) observation wells. Observation wells will be measured twice annually.

Performance Standards: (I) establish the observation well network by May 15, 2003; and (II) number of observation wells measured.

10.2 **Controlling & Preventing Waste of Groundwater**

Management Objectives: The District will once a year provide public information on closure of abandoned water wells and uncontrolled flowing wells through public speaking

appearances at public schools or civic organizations.

Performance Standard: The number of speaking appearances made by the District each year.

10.3 Conjunctive Use of Surface and Groundwater

Management Objective: Each year the District will confer at least on one occasion with the Guadalupe-Blanco River Authority (GBRA) on cooperative opportunities for conjunctive resource management.

Performance Standard: The number of conferences with GBRA on conjunctive resource management each year.

10.4 Address Natural Resource Issues that Impact the Use and Availability of Groundwater

Management Objective: Each year District will evaluate proposed new wells prior to drilling. Information submitted by the applicant will be evaluated in order assess water-level impacts within the District.

Performance Standard: An annual report to the District Board will be made on the results of water level impact studies and number of wells evaluated each year.

10.5 Control & Prevent Subsidence

Does not apply to the Guadalupe County Underground Water Conservation District.

10.6 Develop a Management Strategy to Address Drought Conditions

Management Objective: The District will develop and adopt a Drought Management Plan.

Performance Standards: (I) District will develop a Drought Management Plan by December 31, 2002; and (II) District will adopt the Drought Management Plan by June 30, 2003.

10.7 Conservation of Groundwater

Management Objective: The District once a year will provide public information on water conservation through public speaking appearances at public schools or civic organizations.

Performance Standards: The number of speaking appearances made by the District

each year.

10.8 Accurate Measurement of Rainfall

Management Objective: The District will establish a rainfall measurement system by May 15, 2003 in the Guadalupe County Carrizo-Wilcox recharge area to obtain specific data on annual rainfall amounts.

Performance Standards: The data will be saved and made public, and used in making management decisions. The District will establish a rainfall measurement system by May 15, 2003 and make an annual report to the Board on the results.

10.9 Methodology

The District Manager will prepare an annual report on the District performances in achieving the management goals. The annual report will be presented to the Board of Directors during the first quarter of the calendar year, beginning January 2003. The report will include the number of instances each management activity was engaged in during the year. The annual report will be maintained on file at the District Office and made available to the public upon adoption by the Board.

11. Existing Total Useable Amount of Groundwater (ac-ft/year)

12,583 acre feet

This amount of groundwater from the Carrizo-Wilcox aquifer may be utilized each year for the next twenty (20) years without causing excessive water-level declines within the District. This availability estimate was derived from Texas Water Development Board Report 238 and the Region L Plan, Table 4.

12. Estimate of Groundwater Used (ac-ft)

1993	1994	1995	1996	1999
1,483	1,421	1,333	1,447	2,331

The 1999 groundwater use from the Carrizo-Wilcox aquifer was about 2,331 which can be divided into the following categories:

municipal	2043.0 ac-ft
manufacturing	0.0 ac-ft
power	0.0 ac-ft

mining	166.0 ac-ft
irrigation	41.0 ac-ft
livestock	81.0 ac-ft

These estimates are from the Texas Water Development Board's Water Use Survey.

13. Estimated Annual Groundwater Recharge (ac-ft/year)

20,000

This estimate of recharge is from model data and results of a study that was made to investigate the interaction between groundwater and surface water with regard to the Carrizo-Wilcox aquifer in the Winter Garden Area of South Texas. The research contract was between LGB-Guyton Associates, HDR Engineering, Inc. and the Texas Water Development Board, TWDB Contract No. 96-483-173.

Based upon data from the Evergreen Underground Water Conservation District, airborne seeding of cuculiform clouds with either glaciogenic, or hygroscopic material can increase rainfall. A ten percent (10%) increase in normal rainfall could add an additional 2,000 acre feet of recharge of groundwater annually to the Carrizo-Wilcox aquifer in the District.

14. Projected Water Supply (ac-ft/year) for year 2020 (as reflected in Region L Plans, Table 5)

14.1 County total: 38,466 acre feet.

14.2 Carrizo-Wilcox: 11,583 acre feet, derived from estimates for the San Antonio River Basin (2,010 ac/ft) and Guadalupe River Basin (9,573 ac/ft).

15. Projected Total Water Demands (ac-ft/year) for 2020 (Region L Plans, Table 2).

15.1 County total: 37,471 acre feet

15.2 Carrizo-Wilcox: 10,200 ac/ft. of which 2,104 ac/ft. is from the San Antonio River Basin and 8,096 ac/ft. from the Guadalupe River Basin.

16. Coordination with Surface Water Management Entity (GBRA)

After notice and hearing the Board authorized the Water District President and General Counsel to confer and meet with the Guadalupe Blanco River Authority (GBRA) General Manager W.E. West, Jr. and other employees of GBRA to coordinate and seek comment on the District's proposed management plan. A copy of the correspondence from Mr. West reflecting the agreement to meet at least annually on groundwater management issues and the GBRA Board policy on

groundwater and a copy of the agenda item are attached as Exhibit "G".

17. Consistency with Region "L" Planning Document

Attached as Exhibit "H" is the certified mail letter to Evelyn Bonavita, Chairman of the Region L Planning Committee submitting the plan for comment by the Region L committee.

GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

**RESOLUTION ADOPTING AMENDED MANAGEMENT PLAN OF
GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT**

DATED NOVEMBER 14, 2002

WHEREAS, Chapter 36 of the Water Code requires a confirmed District to formulate a management plan for the purposes of conservation, preservation, protection and regulation of the use and withdrawal of groundwater within the District for the purposes and benefits specified in the said legislation in order to protect the best interest of landowners and the long term of sustainable yield of the aquifer as a continuing source of groundwater; and

WHEREAS, the Management Plan for the Guadalupe County Groundwater Conservation District Management needs to be submitted to Texas Water Development Board for certification as administratively complete; and

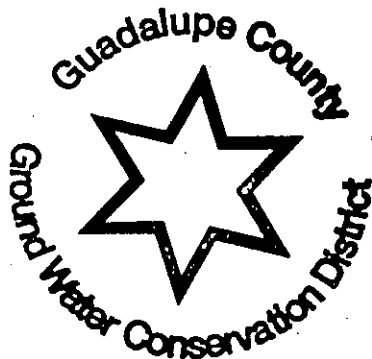
WHEREAS, after due consideration, and following notice of hearing, the elected board has determined that the submitted plan is a proper guideline and blueprint for the rules and management activities of the District;

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Guadalupe County Groundwater Conservation District, following notice and hearing, hereby adopts this Ten-Year Management Plan; to become effective immediately upon adoption and authorizes its officers, agents and representatives to file same with the Texas Water Development Board for their certification as administratively complete.

ADOPTED this the 14th day of November, 2002 upon motion of Mark Wallock and second of James "Tuddy" Dietz and a unanimous vote by the Board of Directors of the Guadalupe County Groundwater Conservation District to approve said plan.

FOR 6

AGAINST 0



Ronald A. Naumann, President

Leslie Pete Kallies, Secretary

NOTICE OF PUBLIC HEARING

GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

As created by House Bill 3817, the Texas Legislative Session 76R

in accordance with

Chapter 36.101.b of the Texas Water Code will conduct a public hearing for the purpose of presenting and obtaining public comment on the

Rules of the Guadalupe County Groundwater Conservation District

The meeting will be held

April 10, 2001, 7:00 P. M.

Staff Development Room of
Seguin L. S. D. Central Administrative
Office (Oak Park Mall)
1221 East Kingsbury Street
Seguin, Texas 78155

Copies of the prepared Rules will be available after March 09, 2001 at Seguin/Guadalupe County Library, 707 East College Street, Seguin, Texas. In addition, the prepared Rules will be posted on the website: <http://www.Seguin.net/org/groundwater/>

WYNNE M. L. GREN
COUNTY CLERK
GUADALUPE COUNTY
BY *Wynne M. L. Gren*

01 MAR -9 AM 11:14

FILED FOR RECORD

AGENDA**GUADALUPE COUNTY GROUNDWATER
CONSERVATION DISTRICT**

C/O P.O. Box 29
Seguin, Texas 78156
830-379-7683

OPEN MEETING

NOTICE OF OPEN MEETING OF THE
GUADALUPE COUNTY GROUNDWATER
CONSERVATION DISTRICT

THURSDAY 11/14/02
TIME: 4:30 P.M.
PLACE: AG BUILDING
210 East Live Oak Street

REGULAR MEETING

TAKE NOTICE that a meeting of the GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT will be held on Thursday November 14, 2002 at 4:30 P.M. at the Guadalupe County AG Building, Suite 206, 210 East Live Oak St, Seguin, Texas. The following subjects will be considered for discussion and/or action at said meeting.

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL OF DIRECTORS, INTRODUCTION OF VISITORS

Invitation to citizens or Directors to speak in advance of regular business of GCGCD, limited to 3 minutes each.
(Items not on the Agenda)

3. *ADOPT GCGCD MANAGEMENT PLAN
 - A. PUBLIC COMMENT
 - B. APPROVE MANAGEMENT PLAN
4. *APPROVE MINUTES OF OCTOBER MEETING
5. *TREASURER'S REPORT (Mark Wallock)
 - A. OCTOBER FINANCIAL STATEMENTS & BANK BALANCES
 - B. INVESTMENT OF DISTRICT MONEY
6. *ADOPT DROUGHT MANAGEMENT PLAN
7. *STATUS ON RAIN GUAGES
8. *REPORT ON OFFICE REMODELING / REPAIRS
9. DIRECTORS ITEMS FOR DISCUSSION
10. AGENDA ITEMS FOR NEXT MEETING / NEXT MEETING DATE
11. PUBLIC COMMENT (3 minutes each)

* DENOTES ACTION ITEM

Date posted November 6, 2002



AGENDA

**GUADALUPE COUNTY GROUNDWATER
CONSERVATION DISTRICT**

P.O. Box 29
Seguin, Texas 78156
830-379-7683

OPEN MEETING

**NOTICE OF OPEN MEETING OF THE
GUADALUPE COUNTY GROUNDWATER
CONSERVATION DISTRICT**

THURSDAY 04/10/01
TIME: 6:30 P.M.
PLACE: Seguin ISD Staff Development
Room

BY *Lizzie M. Lorenz*
LIZZIE M. LORENZ
COUNTY CLERK GUADALUPE CTY.

01 APR -2 PM 2:29

FILED FOR RECORD

TAKE NOTICE that a meeting of the GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT will be held on Tuesday April 10, 2001 at 4:30 P.M. at the Seguin ISD Staff Development Room, Seguin ISD Administration Building, located at 1221 East Kingsbury St, Seguin, Texas. The following subjects will be considered for discussion and/or action at said meeting.

1. *APPROVAL OF PAYMENT OF 2 LOANS
2. *DISCUSSION / APPROVAL OF EMPLOYMENT OF BILL KLEMT

PUBLIC COMMENT (3 minutes per person)

Date posted April 2, 2001

110 Legal Notices

County, Texas, to: JOHONNA FOWLER. The residence of JOHONNA FOWLER is in Jena, La Salle Parish, Louisiana 71342, the post office address is:

JOHONNA FOWLER C/O John T. Dierksen Attorney at Law P.O. Box 311160 New Braunfels, Texas 78131-1160

All person having claims against this Estate which is currently being administered are required to present them to the Independent Executrix's attorney within the manner prescribed by law. DATED the 6 day of March, 2001.

Respectfully submitted, REAGAN BURRUS DIERKSEN LAMON & BLUNTZER A Professional Limited Liability Company 401 Main Plaza, Suite 200 P.O. Box 311160 New Braunfels, Texas 78131-1160 Telephone No.: 830-825-8026

By: JOHN T. DIERKSEN State Bar #05850500 Attorneys for the Independent Executrix

NEED DEADLINES Before placing your ad? Call 379-5441, ext. 291 or 203.

INVITATION TO BID

The City of Seguin is accepting sealed bids on the following items until 2:30 p.m., Wednesday, March 28, 2001. Bids will be opened and read publicly at 3:00 p.m.

• Electric Inventory, Annual Supply Bid Package #47-2001-11A Bidders may obtain copies of specifications by contacting the Purchasing Office, City of Seguin, P.O. Box 591, Seguin, Texas 78156 or by calling 830-401-2453. Sealed bids will be received at the office of the City Manager, City of Seguin/City Hall, 205 N. River, Seguin, Texas 78155. Any bids arriving in the City office after the scheduled bid time of 2:30 p.m., will be returned

110 Legal Notices

COUNTY, TEXAS CITATION BY PUBLICATION

TO: THE UNKNOWN STOCKHOLDERS OF McWOOD CORPORATION you are hereby commanded to appear before the Special Commissioners appointed by the Judge of the County Court at Law of Guadalupe County, Texas, to assess the damages occasioned by the hereinafter described property, to be held in the Courtroom of the District Court, Room No. 200, in the Guadalupe County Courthouse, in the City of Seguin, Texas, at 10:00 o'clock a.m. on the first Monday after the expiration of forty-two (42) days from the date of issuance hereof, that is to say, on Monday, the 28th day of March, 2001, and answer the petition of the City of Seguin Texas, in the suit styled: City of Seguin, Texas, vs. Larry E. Jones, et al, wherein the City of Seguin, Texas, as Condemner, is Plaintiff, and the unknown shareholders of McWood Corporation, whose names and places of residence are unknown; Larry E. Jones and Ruth E. Jones, who

are defendants, are to be served at 821, Copperhead Road, Seguin, Texas 78155, and PG&E Gas Transmission TECO, Inc., a Delaware Corporation, which can be served through its Registered Agent, C.T. Corporation Systems, 1021 Main Street, Suit 1150, Houston, Texas 77002, are Defendants, which petition as filed with the Clerk of the County Court at Law of Guadalupe County, Texas, on the 16th day of January, 2001, and the nature of which suite is as follows: The suit is proceeding in eminent domain in which Condemner is condemning, for a proposed water supply pipeline, which is a public purpose, the following described tract of land situated in Guadalupe County, Texas, to wit: See Exhibit "A" attached hereto. **

110 Legal Notices

Guadalupe County, Texas, this 8th day of February, 2001. BILLY BELCHER, Special Commissioner OTHA GRISHAM, Special Commissioner RAUL DAVILA, Special Commissioner

NOTICE OF PUBLIC HEARING GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

A created by House Bill 3817, the Texas Legislative Session, 76R in accordance with Chapter 36, 101.b of the Texas Water Code will conduct a public hearing for the purpose of presenting and obtaining public comments on the Rules of the Guadalupe County Groundwater Conservation District. The meeting will be held April 10, 2001, 7:00 P.M. Staff Development Room of Seguin, I.S.D. Central Administrative Office (Oak Park Mall) 1221 East Kingsbury St. Seguin, Texas 78155 Copies of the prepared Rules will be available after March 09, 2001 at Seguin/Guadalupe County Library, 707 East College Street, Seguin, Texas. In addition, the prepared Rules will be posted on the website: http://www.seguin.net/org/groundwater/

REQUEST FOR PROPOSAL

The City of Seguin is accepting on behalf of the Seguin Economic Development Corporation requests for proposals on the following items until 2:30 p.m., Friday, March 23, 2001. Proposals will be opened and read publicly at 3:00 p.m. • Internet Web Site Design RFP# 2001-01-05 Bidders may obtain copies of the specifications by contacting the Seguin Economic Development Corporation, 211 N. River, Seguin, Texas 78155 or by calling (830) 401-2475. Proposals will be received

130 Lost & Found

FOUND IN MCQUEENEY Blind dog, black & white make w/red collar. 305-4396.

WE NOW ACCEPT Master Card, Visa, American Express & Discover Card on all ads. 379-5441.

LOST 2/20 Gray small female cat. Las Brisas area. Call 560-3445. REWARD!

STUDENT'S Backpack w/school book lost at Delco Car Wash on Court St. Call 372-5638.

140 Personals

ATENCIÓN Seguin, Luling Gonzales, Nixon, McQueeney Marion, Stockdale, New Berlin, LaVernia, Kingsbury. Se vende Tupperware y hacen reuniones en sus casas, buenos. Regalos. mas informacion telefono 1-830-401-0047 Dolores Reynolds.

PETS/LIVESTOCK



210 - 250

210 Dogs, Cats & Misc. Pets

FREE TO GOOD HOME! 6 mos. old female Blue Heeler 379-1364 after 5:30pm

FREE PUPPIES 1/2 yellow Lab, 1/2 Spaniel. very cute, also free cats. (512) 379-2140 anytime.

230 Livestock & Supplies

1/2 TO 3/4 Boer nannies w/kids. \$145/165 each. 303-3368 or 830-743-0409.

COASTAL SPRING, INC. Coastal renovate, custom

2 99 fifty, Bar \$1.5 king 512-0862 Your Heife from black 376- 25 W 3 31 0 Don't pecia ness chist mess Gaze Fede 32 For Segu smal to dr 303- C Has for a Deni Lock 398

BY LAWS
OF THE
GUADALUPE COUNTY GROUNDWATER
CONSERVATION DISTRICT

2000

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- I. Purpose The purpose of these By-Laws is to provide for the conduct of the affairs of the Guadalupe County Groundwater Conservation District in accordance with Section 3; Chapter 1066, Act of the 75th Legislature, Regular Session, 1997, and amended in House Bill 3817, of the 76th Legislature, Regular Session, 1999, and approved by the voters in Guadalupe County on November 2, 1999.
- II. Office The location of the office for the District shall be the Commissioner's Court Room, Seguin, Guadalupe County, Texas.
- III. Board of Directors The property and business of the District shall be managed and controlled by the Board of Directors consisting of one Director elected from each of seven (7) single member districts in the part of Guadalupe County the District is in charge of.
- A. A director serves until his successor is elected or appointed and has qualified.
- B. A vacancy in an elected director's position on the Board of Directors shall be filled by majority of the remaining directors appointing another person from the district left vacant.
- IV. Meetings The Board of Directors shall hold a regular meeting every month, provided the President determines there is sufficient business to justify the meeting. The Board of Directors shall hold a special meeting when called by the President or at the request of at least two directors.
- A. Notice to the directors as to such regular meeting shall be required.

B. A majority of directors is a quorum for conducting business.

C. Posting of all meetings with #551.

V. Elections The Board of Directors shall call an election to elect one director in each District. An election shall be held in the district for the election of three directors, each of whom shall serve a two year term, and four directors, each of whom shall serve a four year term. The Board of Directors shall call this election on the first Tuesday after the first Monday in November.

A. The Board shall conduct the election in accordance to the Texas Election Code.

B. Elected directors serve staggered terms.

C. Expiring director's terms end upon execution of the Oath of Office by the newly elected director.

VI. Officers The offices of the Board of Directors shall consist of President, Vice President, Secretary and Treasurer. At the first meeting of the Board of Directors following a directors election, after the canvass of the returns and declaring the results of the election, the Board of Directors shall elect from among their number, the officers herein above specified, who shall hold office for a term of two years, or until the next directors election.

A. The President shall be the Chief Executive Officer of the District. He shall preside at all meetings of the directors; he shall have general and active management of the business of the District. The same is delegated to the

directors, who shall see that all orders and resolutions of the Board are carried into effect.

- B. The Vice-President shall be vested with all the powers and shall perform all the duties of the President in the absence of the latter. The Vice-President shall perform such other duties as may be prescribed by the Board of Directors.
- C. The Secretary shall exercise general supervision and direction over the General Manager in the matter of keeping the minutes and financial records of the District.
- D. The Treasurer shall attest contracts, bonds, and other documents upon which attestation is necessary or desirable, as the Board of Directors shall direct.

VII. Executive Committee The Executive Committee is a standing committee consisting of the President, Vice-President, Secretary, and the Treasurer. All four members of the Executive Committee are necessary to constitute and Executive Committee quorum, and actions of the Executive Committee must be affirmed by unanimous vote.

- A. Meetings of the Executive Committee may be called by any member of the Executive Committee.
- B. The powers of the Executive Committee are limited to those that may be delegated to it by the Board of Directors.
- C. Minutes of each Executive Committee meeting shall be submitted to the Board of Directors for approval and ratification at its next regular meeting.

VIII. Employees The Board may employ a General Manager and set his salary.

A. The Board may delegate any of its powers and duties to the General Manager.

B. The General Manager, with the approval of the Board, may employ employees of the Board and set their salaries, and hire legal counsel for the Board.

IX. Financial The depository bank for banks shall be determined by a resolution of the Board of Directors. Transactions pertaining to District certificates of deposit shall require two signatures. The three Board officers shall be authorized to sign transactions pertaining to certificates of deposits. Checks drawn from the District's primary checking account shall require two signatures. Those authorized to sign on the primary checking account shall be the General Manager and the three Board officers. Checks drawn from the District's payroll and permit deposit checking accounts shall require one signature. Those authorized to sign on the payroll and permit deposit accounts shall be the General Manager and the three Board Officers. Access to the District's safe deposit box shall be limited to the General Manager and the three Board Officers. Only one signature shall be required to enter the safe deposit box. Withdrawals from the retirement-savings accounts established for the District employees shall require both the signature of the individual employee whose name the account is in and one of the three Board Officers.

X. Powers and Duties The Board of Directors shall have the management of the business of the District, and such powers and duties as is conferred upon them by Article 36.101, and may exercise all such powers, and perform all such duties, subject to the provisions

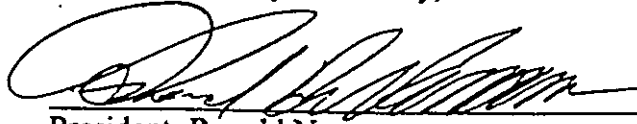
of Article 36.101, and subject to any regulations and laws that may be promulgated or enacted for the government and management of underground water conservation districts.

XI. Indemnity The Board of Directors shall assume the legal defense of, compromise, settle, and pay any claim or cause of action asserted against any director, officer, or employee, past or present, by reason of his having been such director, officer, or employee past or present, or arising out of the performance, or failure to perform, of his duties as such; and, shall pay or reimburse any such director, officer, or employee, past or present, for any judgement rendered against him by reason of his having been such director, officer or employee, or arising out of the performance, or failure to perform, of his duties as such, and including any legal fees, costs, or expenses incurred by him in the defense of any such claim or cause of action; unless the Board determines that such director, officer, or employee, past or present, shall have been guilty of willful misconduct in respect to the matter in which such claim is asserted or judgement recovered. If any action, payment or reimbursement herein provided is covered by insurance or bond protection then in force, then to the extent which such insurance or bond gives the protection above provided, the Board of Directors from the performance of such matters which are not covered by such insurance or bond which may be in excess of such insurance or bond protection.

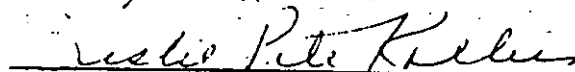
XII. Amendments The By-Laws of the District may be amended, added to or repealed by a vote of a majority of the Board at any meeting of the Board of Directors, providing notice of the proposed change, amendment, or repeal is given in the notice of the meeting.

The above By-Laws were adopted by Guadalupe County Groundwater Conservation District at a Special Workshop Meeting held on the 29th day of January, 2000.

APPROVED:



President, Ronald Naumann



Secretary, Leslie Pete Kallies



**GUADALUPE COUNTY
GROUNDWATER CONSERVATION
DISTRICT**

PUBLIC INFORMATION POLICY

PUBLIC INFORMATION POLICY

If any member of the public wishes to request information from the board of directors concerning operation of the District office or any other function over which the board has responsibility, they may do so. Written correspondence to the chairman of the board outlining the request should be delivered to the general manager of the District at the GCGCD office.

The general manager will transmit copies of all such correspondence to members of the board of directors. The issues raised in such complaints or commentary will be discussed by the board of directors at the next regularly scheduled board meeting, and public testimony will be invited.

The board of directors shall notify the parties requesting information concerning its status on a timely basis until final disposition of the matter.

Pursuant to Texas Civil Statutes, Article 6252-17a, 9(a) and (b), and ITAC 111.61-111.63, the GCGCD officer for public records will consult with the Material Management Section of the Centralized Services Division of the State Purchasing and General Services Commission to determine applicable charges per page for copies, labor, computer time and any and all related materials necessary to produce the requested public information.

Powers and Duties The Board of Directors shall have the management of the business of the District, and such powers and duties as is conferred upon them by Article 8280-297, and may exercise all such powers, and perform all such duties, subject to the provisions of Article 8280-297, and subject to any regulations and laws that may be promulgated or enacted for government and management of underground water conservation districts.

Board of Directors The property and business of the District shall be managed and controlled by the Board of Directors consisting of one Director elected from each of seven (7) single member districts in the part of Guadalupe County the District is in charge of.

- A. A director serves until his successor is elected or appointed and has qualified. A vacancy in an elected director's position on the Board of Directors shall be filled by majority of the remaining directors appointing another person from the district left vacant.

Meetings The Board of Directors shall hold a regular meeting every month, provided the President determines there is sufficient business to justify the meeting. The Board of Directors shall hold a special meeting when called by the President or at the request of at least two directors.

- A. Notice to the directors as to such regular meeting shall be required.
- B. A majority of directors is a quorum for conducting business.
- C. Posting of all meetings with #551.

Elections The Board of Directors shall call an election to elect one director in each District. An election shall be held in the district for the election of three directors, each of whom

shall serve a two-year term, and four directors, each of whom shall serve a four-year term. The Board of Directors shall call this election on the first Tuesday after the first Monday in November.

- A. The Board shall conduct the election in accordance to the Texas Election Code.
- B. Elected directors serve staggered terms.
- C. Expiring director's terms end upon execution of the Oath of Office by the newly elected director.

Officers The offices of the Board of Directors shall consist of President, Vice President, Secretary and Treasurer. At the first meeting of the Board of Directors following a directors election, after the canvass of the returns and declaring the results of the election, the Board of Directors shall elect from among their number, the officers herein above specified, who shall hold office for a term of two years, or until the next directors election.

- A. The President shall be the Chief Executive Officer of the District. He shall preside at all meetings of the directors; he shall have general and active management of the business of the District. The same is delegated to the directors, who shall see that all orders and resolutions of the Board are carried into effect.
- B. The Vice-President shall be vested with all the powers and shall perform all the duties of the President in the absence of the latter. The Vice-President shall perform such other duties as may be prescribed by the Board of Directors.
- C. The Secretary shall exercise general supervision and direction over the General Manager in the matter of keeping the minutes and financial records of the District.
- D. The Treasurer shall attest contracts, bonds, and other documents, upon which attestation is necessary or desirable, as the Board of Directors shall direct.

Executive Committee The Executive Committee is a standing committee consisting of the President, Vice-President, Secretary, and the Treasurer. All four members of the Executive Committee are necessary to constitute an Executive Committee quorum, and actions of the Executive Committee must be affirmed by unanimous vote.

- A. Meetings of the Executive Committee may be called by any member of the Executive Committee.
- B. The powers of the Executive Committee are limited to those that may be delegated to it by the Board of Directors.
- C. Minutes of each Executive Committee meeting shall be submitted to the Board of Directors for approval and ratification at its next regular meeting.

Employees The Board may employ a General Manager and set his salary.

- A. The Board may delegate any of its powers and duties to the General Manager.
- B. The General Manager, with the approval of the Board, may employ employees of the Board and set their salaries, and hire legal counsel for the Board.

Amendments The By-Laws of the District may be amended, added to or repealed by a vote of a majority of the Board at any meeting of the Board of Directors, providing notice of the

proposed change, amendment, or repeal is given in the notice of the meeting. Specific responsibilities of the board of directors are:

- A. adopting annual budgets for the operation of the District office.
- B. Determining a method of financing the annual budgets based on assessed values
- C. Purchasing or leasing real property, as well as constructing improvements, to establish and maintain the District office.
- D. Ensuring preparation of annual audits by certified public accountants.
- E. Selecting a financial institution to deposit funds through bid solicitation
- F. Administering the District office in any other manner required by law.

REQUEST FOR RECORDS OF THE GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT

Under the provisions of the Texas Open Records Act, Tex., Rev. Civ. Stat. Ann., Art. 6252-17a, (check one):

- _____ I request that I be furnished copies of the following GCGCD records. I understand that there will be a charge for this service. I further understand that the charge must be prepaid by the requester before the record is released. All charges are non-refundable.
- _____ I request to see the following GCGCD records. I understand that there may be a non-refundable research charge for locating these records. I further understand that the charge must be prepaid by the requester before the documents are made available for inspection. I further understand that I am NOT allowed to remove, alter, tamper with, or deface any of the materials produced by GCGCD for my inspection.

Description of Records (give sufficient detail to identify accurately):

 (Attach additional sheets if necessary to describe requested records)

Name of Requester: _____

Mailing Address: _____

Phone# _____

FOR DISTRICT USE ONLY

	Amount of Deposit
NAME OF DISTRICT REPRESENTATIVE _____ DATE _____	\$ _____
COST OF REPRODUCTION	
Estimated cost based on reproduction and/or research time	\$ _____
REASONABLE FEES:	
Printed Materials requiring reproduction	
First Page \$ _____ each	\$ _____
All other pages \$ _____ each	\$ _____
Computer Printouts First Page \$ _____ each	\$ _____
All other pages \$ _____ each	\$ _____
Labor Cost Number of hours _____ x \$ _____	\$ _____
TOTAL COST	\$ _____

GCGCD REPRESENTATIVE PREPARING REQUEST _____ DATE _____

GCGCD SUPERVISOR AUTHORIZING OR DENYING RELEASE OF INFORMATION _____ DATE _____

GCGCD REPRESENTATIVE FURNISHING COPIES _____ DATE _____

**GUADALUPE COUNTY
GROUNDWATER CONSERVATION
DISTRICT**

CODE OF ETHICS

GUADALUPE COUNTY GROUNDWATER CONSERVATION DISTRICT CODE OF ETHICS

AND POLICIES RELATING TO TRAVEL EXPENDITURES, DISTRICT INVESTMENTS,
PROFESSIONAL SERVICES, AND FISCAL MANAGEMENT
FROM THE OFFICE OF THE STATE AUDITOR-SAO REPORT NUMBER 9-064

DEFINITIONS

As used in these guidelines:

- District The term "district" shall mean and refer to any district or authority created by authority of either Article III, Section 52, Subsection (b), Subdivisions (1) and (2), or Article XVI, Section 59, of the Texas Constitution.
- Board The term "board" shall mean and refer to the governing body of the district (*board of directors*).
- Director The term "director" shall mean a person elected or appointed to serve on the board of directors of the district.
- District Officials The term "district officials" shall mean district directors, officers, employees, and persons and business entities engaged in handling investments for the district as representatives of the district.
- Employee The term "employee" shall mean any person employed by the district, but does not include independent contractors or professionals hired by the district as outside consultants.
- Substantial Interest The term "substantial interest" shall mean that as defined by current State laws as of the date of adoption of this code of ethics, Chapter 171 of the Local Government Code regulating conflicts of interest of district officials.

ARTICLE I

CODE OF ETHICS

1.01 PURPOSE

This code of ethics has been adopted by the district for the following purposes: (a) to comply with section 50.381 of the Texas Water Code, as amended; (b) to encourage high ethical standards of conduct.

1.02 POLICY

It is the policy of the district that district officials shall conduct themselves in a manner consistent with sound business and ethical practices; that the public interest shall always be considered in conducting district business; that the appearance of impropriety shall be avoided to ensure and maintain public confidence in the district; and that the board shall control and manage the affairs of the district fairly, impartially, and without discrimination, and in accordance with the stated purpose of the district.

1.03 QUALIFICATIONS OF DIRECTORS

- A. A person shall not serve as a director if he or she is not qualified to do so under the provisions of the district enabling legislation.
- B. Within 60 days after the board determines that any director is not qualified to serve on the board, it shall replace such director with a person who is qualified.
- C. Any director not qualified to serve on the board, who willfully occupies an office and exercises the duties and powers of that office, may be subject to penalties under the Texas Water Code, including possible conviction of a misdemeanor and imposition of a fine.

1.04 CONFLICTS OF INTEREST

- A. A district official is prohibited by Chapter 171 of the Local Government Code from participating, directly or indirectly, in a vote of decision or from acting as a surety on any matter involving a business entity in which the official has substantial interest, if it is reasonably foreseeable that an action on the matter would confer an economic or any other benefit on the business entity.
- B. In cases of conflicts of interest, district officials shall disclose such conflicts and shall file with the board secretary an affidavit stating the nature and extent of the conflict of interest. Thereafter, that district official shall abstain from participation in the matter as provided by law.
- C. The district may not contract for the purchase of services or personal; property directly with a district official or with a business entity in which a district official has a substantial interest except as permitted by law.

- D. The Board shall take a separate vote on any budget item specially dedicated to a contract with a business entity in which a director has a substantial interest. The director having the substantial interest may not participate in the separate vote, but may vote on a final budget if the separate budget item voted on does not exceed 10% of the total budget.

1.05 NEPOTISM

The board shall not confirm the appointment to any position, nor award a contract, to a person related to a member of the board within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry) when the salary or other compensation of such appointee is paid, directly or indirectly, from district funds, except as provided by Tex. Rev. Civ. Stat. Ann., art. 5996 (a) (Vernon Supp. 1988).

1.06 ACCEPTANCE OF GIFTS

- A. A district official shall not solicit, accept, or agree to accept any benefit of value from a person or business entity the district official knows is interested in or likely to become interested in any contract, purchase, payment, claim, or other transaction involving the exercise of their discretion as a public servant, or any matter before the board, or likely to come before the board for any decision, opinion, recommendation, or vote.
- B. The prohibition against gifts or favors in section 1.06 (a) shall not apply to:
 - 1. An occasional non-pecuniary gift valued at less than \$25.00; or
 - 2. An award publicly presented in recognition of public service.

1.07 USE OF DISTRICT PROPERTY

No board member, officer, or employee shall permit any personal or unauthorized use of district-owned or district-controlled, equipment, materials, supplies or property.

ARTICLE II

TRAVEL EXPENDITURES POLICY

2.01 PURPOSE

The board hereby establishes policies for reimbursing district directors, officers, and employees for necessary and reasonable travel expenses incurred while conducting business or performing official duties or assignments.

- A. Authorized expenses include cost of meals, lodging, commercial travel, in some cases personal automobile mileage, and other necessary and reasonable costs incurred while on official business away from designated headquarters.
- B. Reimbursement for travel expenses shall be subject to approval by the board. The reimbursement request shall include a statement of the business purpose of the travel, date, time, and place, and shall be accompanied by supporting receipts and invoices as required by the board.

2.02 PER DIEM

District directors shall be entitled to compensatory per diem for days spent on official business in the amount prescribed by law, not to exceed the number of days prescribed in the district's enabling legislation, in addition to reimbursement of actual expenses for meals, lodging, and transportation as discussed in sections 2.03 and 2.04 below.

2.03 MEALS AND LODGING

Unless further restricted by legislation, reimbursement to directors for actual expenses for meals and lodging shall not exceed the maximum amount allowed for state legislators.

2.04 TRANSPORTATION

Directors or employees who use personal vehicles while on district business travel may be reimbursed for actual miles driven at the current rate allowed by the Internal Revenue Service. Mileage will be computed by the most direct route, and the use of personal vehicles for district travel must be approved by the board in advance. Directors or employees traveling by commercial transportation are entitled to reimbursement of the actual cost of necessary transportation for performing official business, except the reimbursement for air transportation shall not exceed the next lowest available airline fare below first class unless such is not available.

ARTICLE III

INVESTMENTS

3.01. PURPOSE

This policy with respect to district investments has been adopted to establish the principles and criteria by which the funds of the district should be invested and secured (a) to preserve the principal, (b) to earn interest, and (c) to comply with various provisions of Texas law relating to the investment and security of funds of districts ("Investment Laws"). As of the date of the adoption of these policies, sections 54.307 and 54.308 of the Texas Water Code, articles 2529b-1 and 4413(34c) of the Texas Revised Civil Statutes, Chapter 116 of the Local Government Code, and other appropriate statutes are applicable to the investment of the district's funds.

3.02. POLICY OF INVESTMENT

- A. The preservation of the district's principal shall be the primary concern of the district officials who are responsible for the investment of district funds. To the extent that the principal is protected, district funds shall be invested to yield the highest possible rate of return, taking into consideration the strength of the financial institution, and complying with any Internal Revenue Code laws or regulations and procedures set forth in any bond resolutions or orders, adopted from time to time by the Board, requiring yield restrictions. Funds of the district shall be invested by the district's officials in accordance with the policy. Any resolution or order adopted by the board relating to investment policies or procedures shall be in writing and shall be made available to requesting members of the public.
- B. District funds shall be invested and reinvested by the district's investment officer only in national or state banking associations or savings and loan associations located within the State of Texas ("Texas Financial Institutions"), or in federal treasury bills. The principal, plus accrued interest, invested in financial institutions in accordance with this policy shall not exceed the FDIC or FSLIC insurance limits or exceed the collateral (as such term is in hereinafter defined) pledged as security for the district's investments.
- C. It shall be the responsibility of the district's investment officer to invest and reinvest the district funds in accordance with this policy to meet the needs and requirements of the district. It shall be the policy of the district that funds shall not remain in any given investment for longer than two years. The board, by separate resolution, may provide that the investment officer may withdraw or transfer funds from and to accounts of the district on such terms as the board considers advisable. Providing however, that nothing hereinabove provided shall authorize any transfer, expenditure, or appropriation of district funds, other than for the district's own account, unless by check or draft signed by three (3)

members of the board of directors or authorized by separate order or resolution of the board.

D. Funds in the district accounts shall be invested by the district's investment officer as follows:

1. Construction or Capital Projects Account: Funds in this account shall be invested in accordance with any applicable orders of the Texas Water Commission to meet the construction needs of the district as determined by the district's engineer. The engineer shall submit to the board semi-annual written reports stating the anticipated construction needs of the district for the succeeding 12 months.
2. Debt Service Account: Funds in this account shall be invested to meet the debt service requirements of the district and to comply with the district's bond resolutions or orders.
3. Operating or General Account: Funds in this account shall be invested to meet the operating requirements of the district as determined by the annual operating budget of the district, or by resolutions of the board.

E. Should total district funds exceed \$50,000, there is hereby established an investment committee, composed of the district's investment officer, the district's financial advisor, and at least one director. The investment committee shall meet quarterly to monitor and review the investments and collateral of the district. The investment officer shall be the chairman of the committee. The committee shall report concerning the district's investments transaction for the preceding year describing the investment position of the district at the end of each fiscal year. The report shall be signed by the members of the committee. The committee also shall report to the board on its review the month following each quarterly meeting.

3.03 SECURITY OF DISTRICT FUNDS

- A. It shall be the policy of the district that all funds shall be insured by the FDIC, FSLIC, or by collateral pledged to the extent of the fair market value of the amount not insured. The district officials recognize that FDIC and FSLIC insurance is only available up to a maximum of \$100,000 (including accrued interest) and that the amount of funds at any one Texas financial institution (including branch banks located within the same county) will be cumulated to determine the maximum amount of insurance coverage.
- B. To the extent district funds are not insured by the FDIC and FSLIC, there shall be pledged as collateral, to the extent of the market value thereof, any of the following securities: (1) government securities or obligations issued by the State of Texas, its agencies or political subdivisions, and approved by the Attorney General of Texas payable from taxes or revenues, approved by the investment committee; or (2) direct obligations of the United States of America backed by the full faith and credit of the government; or (3) any other obligations or securities authorized to be collateral securing funds of districts under the laws of the State of Texas, approved by the investment committee (collectively, the "collateral").

- C. The investment committee shall review the fair market value of the collateral pledged to secure the district's funds on a quarterly basis to ensure that the district's funds are fully secured. The investment committee shall report to the board on its review the month following each quarterly meeting.
- D. There shall be no sharing, splitting or contencancy of collateral with other parties or entities. The investment officer shall ensure that the custodian of the collateral shall be an independent third party Texas financial institution and that the collateral shall be pledged only to the district; the investment officer shall obtain safekeeping receipts from Texas financial institution regarding same.

ARTICLE IV

PROFESSIONAL SERVICES POLICY

4.01 PURPOSE

This professional services policy has been adopted to provide for the selection, monitoring, review, and evaluation of the district's professional services contracts. Consultants retained by the district to provide professional services include, but are not limited to, legal, engineering, financial advisor, management, bookkeeping, auditing, and tax collecting. Selection of such consultants shall be based upon their qualifications and experience.

4.02 PERIODIC REVIEW

The performance of the consultants providing professional services to the district shall be regularly monitored and reviewed by the board, and the board may appoint a professional services committee to provide such monitoring and review to the board.

ARTICLE V

MANAGEMENT POLICY

5.01 PURPOSE

The board desires to adopt a policy to ensure better use of management information, including the use of budgets in planning and controlling costs, the establishment of a functioning audit committee, and the use of uniform reporting requirements.

5.02 ACCOUNTING RECORDS

District accounting records shall be prepared on a timely basis and maintained in an orderly manner, in conformity with generally accepted accounting principles and the requirements of the Texas Water Commission. Such records shall be available for public inspection during regular business hours at the district's office.

5.03 AUDIT REQUIREMENTS

- A. Unless otherwise exempted by the rules of the Texas Water Commission as described in 5.03 c, the district's fiscal accounts and record shall be audited annually in accordance with State law governing the audits of water districts, at the expense of the district, by a certified public accountant familiar with the Texas Water Commission's rules, regulations, standards, and guidelines applicable to water district audits. As of the date of adoption of these policies, sections 50.371-50.379 of the Texas Water Code and 31 Texas Admin. Code section 293 (Rules of the Texas Water Commission) govern the audits of water districts (the "Audit Laws").
- B. The audit, or other required affidavit, shall be completed and filed within the time limits established by the Audit Laws. Copies shall be filed with the Texas Water Commission and the county in which the district is located, or the city in which the district is located (if within corporate limits or extraterritorial jurisdiction) together with an annual filing affidavit in the form prescribed by the Audit Laws. In the event the board refuses to approve the annual audited report, the district shall file a statement with the audit which explains the reasons for disapproval of the audit.
- C. If the district does not have sufficient revenues or activity so that it meets the requirements of the Audit Laws for financially dormant or inactive districts, it may prepare and submit an annual financial dormancy affidavit or an annual financial report described in the Audit Laws.
- D. If the district violates the Audit Laws, it may be subject to a civil penalty.

5.04 AUDIT COMMITTEE

The board shall establish an audit committee comprised of at least two directors and such persons as the board may deem appropriate. The persons selected should not be directly responsible for work subject to the audit. The audit committee shall conduct, at a minimum, an annual review of the district's financial status. The committee shall monitor variances from the annual review of the district's financial status. The committee shall monitor variances from the district's budget, and shall make recommendations thereon to the board. The committee shall also review the annual district audit, and shall make recommendations thereon to the board.

5.05 BUDGET

The district shall annually adopt a budget in accordance with Rule 31 of the Texas Administrative Code, Section 293 (j)(3), for use in planning and controlling district costs. Such budget shall take into consideration all district revenues, including, but not limited to, utility fees, taxes and surcharges, if any, and all projected district obligations and expenditures. The budget may be amended at any time but such amendment shall be approved in advance by the board. The manager of the district may have the authority to reallocate up to 10% of any line item between budget lines, as approved by the board.

ARTICLE VI

MISCELLANEOUS

6.01 GENDER

Any references herein to the masculine gender shall also refer to the feminine gender in all appropriate cases.

6.02 OPEN MEETING

The board officially finds, determines, and declares that these code of ethics and policies were reviewed, carefully considered, and adopted at a regular meeting of the board on June 8, 2000, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the district and on a bulletin board located at a place convenient to the public in the Guadalupe County Courthouse for the time required by law preceding this meeting, as required by the Open Meetings Law, Article 6252-17, Vernon's Texas Civil Statutes, as amended, and that this meeting had been open to the public as required by law at all times during which these code of ethics and policies were discussed, considered, and acted upon. The board further ratifies, approves and confirms such written notice and the contents and posting thereof.

Adopted the 8th day of June, 2000.

Signed the 29th day of June, 2000.

[Handwritten Signature]

President
Board of Directors

[Handwritten Signature]

Vice President
Board of Directors



[Handwritten Signature]

Secretary
Board of Directors

[Handwritten Signature]

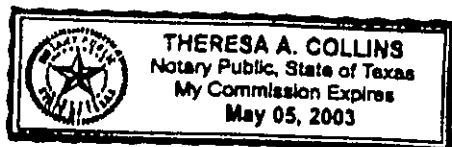
Treasurer
Board of Directors

STATE OF TEXAS }
COUNTY OF GUADALUPE }

This instrument was acknowledged before me on June 29th, 2000,

[Handwritten Signature]

Notary Public - Signature





GUADALUPE-BLANCO RIVER AUTHORITY

GENERAL OFFICE
East Court Street
Seguin, Texas 78155
Phone: 830-379-5822
Fax: 830-379-9718

LETO CREEK PARK
AND RESERVOIR
P.O. Box 68
Seguin, Texas 77960
Phone: 361-575-6366
Fax: 361-575-2267

LAKE WOOD
CREATION AREA
Route 2, Box 158-A
Bonzales, Texas 78629
Phone: 830-672-2779

CKHART
STEWARD
RECLAMATION
SYSTEM
5 FM 20 East
Ckhart, Texas 78644
Phone: 512-398-6391
Fax: 512-398-6526

LING WATER
TREATMENT PLANT
50 Memorial Drive
Culling, Texas 78648
Phone: 830-875-2132
Fax: 830-875-3670

PORT LAVACA
OPERATIONS
P.O. Box 146
Port Lavaca, Texas 77979
Phone: 361-552-9751
Fax: 361-552-6529

IN MARCOS WATER
TREATMENT PLANT
1 Old Bastrop Road
Marcos, Texas 78666
Phone: 512-353-3888
Fax: 512-353-3127

VICTORIA REGIONAL
STEWARD
RECLAMATION
SYSTEM
P.O. Box 2085
Victoria, Texas 77902-2085
Phone: 361-576-2878
Fax: 361-576-9039

GBRA WEBSITE
<http://www.gbra.org>

May 20, 2002

RECEIVED MAY 22 2002

Mr. Robin V. Dwyer
109 West Court Street
Seguin, Texas 78155

Dear Robin:

I appreciate your invitation to comment on the Guadalupe County Groundwater Conservation District's (GCGCD) Groundwater Management Plan. My staff and I have reviewed the District's plan. The Guadalupe-Blanco River Authority supports the District's goals and stands ready to work with the District to make these goals a reality. I appreciated the opportunity for my staff and I to meet with you and Ron Naumann regarding GCGCD. We look forward to regular communication with GCGCD and coordination of activities when mutually beneficial.

Sincerely,

W. E. West, Jr.
General Manager

cc: Mr. Ronald Naumann, President

PAPE & DWYER, L.L.P.
ATTORNEYS AT LAW

COPY

ROBIN V. DWYER
ALWIN E. PAPE, JR.

109 WEST COURT STREET
SEGUIN, TEXAS 78155

(830) 379-4962 (Telephone)
(830) 303-2201 (Metro)
(830) 379-0193 (Facsimile)
email: rvdwyer@msn.com

December 30, 2002

VIA HAND DELIVERY

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

RE: Guadalupe County Groundwater Conservation District
- Groundwater Management Plan

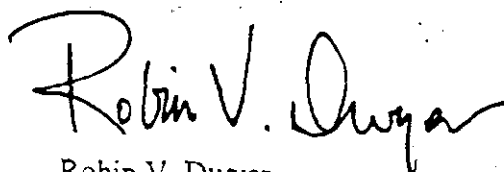
Dear Mr. West,

Enclosed please find a copy of the final version of the Groundwater Management Plan for the Guadalupe County Groundwater Conservation District adopted on November 14, 2002 for your review and comment. No significant changes have been made to the draft we sent in May and the temporary rules have not changed to-date.

Thank you for your assistance and we hope to meet with you in 2003 to discuss groundwater availability, and the interface of your management of surface water and the groundwater resources within the Guadalupe County district.

Very truly yours,

PAPE & DWYER, L.L.P.


Robin V. Dwyer

RVD:hw
enclosure(s) - as stated

cc: Mr. Ron Naumann, President
(w/encls)

PUBLISHER'S AFFIDAVIT

THE STATE OF TEXAS,

County of Guadalupe

Before me, the undersigned authority, on this date personally appeared Tommy Crow, known to me, who, being by me duly sworn, on his oath deposes and says that he is the Publisher of The Seguin Gazette-Enterprise, a newspaper published in said county; that a copy of the within and foregoing notice was published in said newspaper 1 time(s) before the return day named therein, such publications being on the following dates:

March 11, 2001

and a newspaper copy of which is hereto attached.

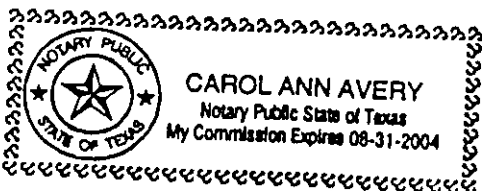
[Signature]

Sworn to and subscribed before me this 12th day of

March, A.D., 2001.

[Signature]

Notary Public, Guadalupe County, Texas



PAPE & DWYER, L.L.P.

ATTORNEYS AT LAW

ROBIN V. DWYER
ALWIN E. PAPE, JR.

109 WEST COURT STREET
SEGUIN, TEXAS 78155

(830) 379-4962 (Telephone)
(830) 303-2201 (Metro)
(830) 379-0193 (Facsimile)
email: rwdwyer@msn.com

November 15, 2002

VIA CMRRR NO. 7002 0510 0001 8081 9385

Ms. Evelyn Bonavita
Chairman, Region L Planning Committee
c/o San Antonio River Authority
P.O. Box 839980
San Antonio, Texas 78283-9980

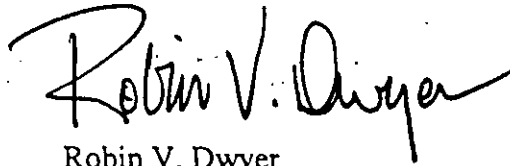
Dear Ms. Bonavita:

In compliance with statute, enclosed please find the proposed management plan of the Guadalupe County Groundwater Conservation District. Please review same for any conflict with the Region L Plan and advise us of any problems you see. Should you need additional information, please let me know. Also enclosed is a draft report of the proposed drought management plan which is pending adoption by the Board upon final approval of our management plan. Any comments on its contents are solicited.

I am counsel for GCGCD. The official address is 210 East Live Oak, Suite 206, Seguin, Texas 78155. The president is Mr. Ron Naumann.

Very truly yours,

PAPE & DWYER, L.L.P.



Robin V. Dwyer

RVD:hw
enclosure(s) - as stated

5986 1908 7000 0150 2001

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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Sent To Evelyn Bonavita
 Street, Apt. No., or PO Box No. P.O. Box 839980
 City, State, ZIP+4 San Antonio, Texas 78283-9980

PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Evelyn Bonavita
Chairman, Region L Planning Comm
c/o San Antonio River Authority
P.O. Box 839980
San Antonio, TX 78282-9980

2. Article Number (Copy from service label) **7002 0510 0001 8081 9385**

COMPLETE THIS SECTION ON DELIVERY

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GBRA Board Policy

508 - Groundwater Policy

508.10 Purpose

Guadalupe-Blanco River Authority's (GBRA's) Enabling Act provides the authority to develop groundwater as part of its mission to protect, conserve, reclaim and steward the resources of the District. Water supply projects currently being developed include the conjunctive use of ground and surface water. There is a lack of uniformity regarding groundwater management within the State of Texas. For this reason, the development of a GBRA groundwater policy is needed to provide internal guidance for the staff and external declaration that groundwater development within the boundaries of the District will be conducted responsibly.

508.20 Policy

508.201 Background. In comparison to most Texas rivers, the flow in the Guadalupe River is uniquely interconnected with the aquifers underlying the region and their associated springs. Beneath the upper watershed of the Guadalupe River are the Edwards-Trinity (Plateau) Aquifer and Trinity Aquifers. Beneath the middle section of the river is the Balcones Fault Zone (Edwards) Aquifer. Beneath the lower watershed are the Carrizo-Wilcox and Gulf Coast Aquifers. Within the Guadalupe-Blanco River Authority's District, Kendall County lies over the Edwards-Trinity (Plateau) Aquifer; Kendall, Hays, and Comal Counties lie over the Trinity Aquifer; Comal, Hays, and Guadalupe Counties lie over portions of the Edwards Aquifer; Guadalupe and Gonzales Counties lie over the Carrizo-Wilcox Aquifers; and Gonzales, Dewitt, Victoria, Calhoun, and Refugio Counties lie over the Gulf Coast Aquifer. In addition to these major aquifers there are minor aquifers as well within the boundaries of GBRA's District.

Of special significance is the Guadalupe River's connection to the Nueces and San Antonio Rivers through the Edwards Aquifer, through Comal Springs in New Braunfels and San Marcos Springs. Surface water enters the Edwards Aquifer west of San Antonio as storm runoff from the San Antonio and Nueces River watersheds, as it recharges the aquifer. Edwards Aquifer springs are also the headwaters of the San Antonio, Comal and San Marcos Rivers; all of which are tributaries to the Guadalupe River. Comal and San Marcos Springs are among the greatest flowing springs in North America. On average, Comal and San Marcos Springs contribute 326,000 acre-feet of water to the Guadalupe River system. During droughts the flow from Comal and San Marcos Springs can provide the majority of the instream flows of the Guadalupe River and the freshwater that reaches San Antonio Bay. During droughts the flow from Comal and San Marcos Springs diminishes in volume, but increases in terms of its percentage contribution to the flow of the

Guadalupe River and to freshwater that flows into San Antonio Bay, exceeding 75% in some years.

508.202 Authority. GBRA's Enabling Act provides the authority for groundwater development and management as referenced below:

"Section 2. Except as expressly limited by this Act, the District shall have and is hereby authorized to exercise all powers, rights, privileges, and functions conferred by General Law, now in force or hereafter enacted, upon any District or Districts created pursuant to Section 59 of Article 16, of the Constitution of the State of Texas (excluding underground water conservation Districts), and the same are adopted by reference. Without limitation of the generality of the foregoing, the District shall have and is hereby authorized to exercise the following powers, rights, privileges, and functions:

...

(b) to conserve, preserve and develop underground waters within the boundaries of the District (subject to any applicable regulation by the State or any political subdivision) for all useful purposes, and to use, distribute and sell the same, within the boundaries of the District for any such purposes;"

508.30 Responsibilities. GBRA's development, use and management of groundwater will adhere to the following principles:

A. When appropriate GBRA may develop and use groundwater resources as a base source of water supply, or to supplement the supply of surface water.

B. GBRA supports the use of groundwater in a manner that provides for the long-term viability of the aquifer.

C. In general GBRA will conjunctively use surface and groundwater maintaining an appropriate balance between the two resources.

D. GBRA will coordinate with established groundwater districts. Where a groundwater conservation district has been established, the annual recharge, allowable drawdown and yield should be determined by the district based upon the best available science.

E. Where a new district is becoming established GBRA will support the creation of the district and will provide reasonable assistance with setting up the district in accordance with the district's wishes.

F. Where a district has not been established GBRA will use the best available science in consultation with the Texas Water Development Board and Texas Natural Resource Conservation Commission to guide its activities.

G. In the absence of rules and policies adopted by a groundwater conservation district, GBRA will conduct a study prior to its development and use of groundwater. At a minimum the study will evaluate the effect of the proposed use on local groundwater quality, drawdown and subsidence.

H. The development and use of groundwater by GBRA will be in compliance with applicable state and federal law.

I. GBRA supports the study of and, where feasible and appropriate, the development of recharge projects and aquifer storage and recovery (aquifer storage and recharge) projects.

J. In the areas where GBRA is developing or plans to develop groundwater resources it will support ongoing research to gain additional data on the characteristics of the aquifer.

K. In areas where research that is based upon the best available science shows that groundwater can be used on a long-term basis, but localized adverse impacts will result, GBRA will develop a reasonable mitigation program if it develops and uses groundwater.

Effective: May 15, 2002