



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

**ANNUAL REPORT
FISCAL YEAR 2017**

Board- approved December 14, 2017

BOARD OF DIRECTORS (August 31, 2017)

Blayne Stansberry, President	Precinct 2	November 2014 – November 2018
Craig Smith, Vice President	Precinct 5	May 1998 - November 2018
Blake Dorsett, Secretary	Precinct 3	November 2012 - November 2020
Mary Stone, Director	Precinct 1	February 2008 - November 2020
Robert D. Larsen, Ph.D., Director	Precinct 4	May 2003 - November 2020

DISTRICT STAFF
August 31, 2017

John Dupnik	General Manager
Dana Wilson	Senior Administrative Manager Administrative Team Leader
Tammy Raymond	Administrative Assistant – Personnel
Shannon DeLong	Administrative Assistant – Accounting
Brian Smith	Principal Hydrogeologist Aquifer Science Team Leader
Brian Hunt	Senior Hydrogeologist
Justin Camp	Hydrogeologist Technician
Robin Gary	Senior Environmental Educator Education and Community Outreach Team Leader
Vanessa Escobar	Regulatory Compliance Coordinator Regulatory Compliance Team Leader
Kendall Bell-Enders	Regulatory Compliance Coordinator
Zachery Garza	Regulatory Compliance Specialist

Table of Contents

1.0	Background.....	1
1.1	General Information about the District.....	1
1.2	District Mission and Vision Statements.....	4
1.3	District Critical Success Factors.....	4
2.0	District Program Areas and Team Highlights for 2014.....	5
2.1	General Management Team.....	5
2.2	Administrative Team.....	6
2.3	Aquifer Science Team.....	7
2.4	Education and Community Outreach Team.....	11
2.5	Regulatory Compliance Team.....	13
3.0	Required Data and Information.....	18
3.1	Aquifer Status.....	18
3.2	Grant Programs.....	18
3.3	Professional Services.....	18
3.4	Capital Projects.....	19
3.5	Financial Report.....	19
3.6	Evaluation of District's Long-range Plan Pursuant to §36.1071.....	20
3.6.1	Background.....	20
3.6.2	Board Evaluation of Objectives and Progress Assessment.....	20
	Appendix A: Independent Annual Financial Audit Report.....	21
	Appendix B: Assessment of Progress toward Management Plan Objectives.....	22
	Record of Board Assessment of District Objectives	
	Staff Assessment of Performance Standards and Metrics	
	Basis for Evaluation of Progress on Objectives and Performance Standards	

1.0 BACKGROUND

The Barton Springs/Edwards Aquifer Conservation District (“District”) Bylaws require the District Board President or General Manager to report on the status of the District and its programs annually to the Board and to the Texas Commission on Environmental Quality (TCEQ). This document is the Annual Report for Fiscal Year 2017, covering the period from September 1, 2016 to August 31, 2017.

According to District Bylaw 4-6, this report shall include:

- The status of the aquifer and the District's programs,
- A financial report to include the report of the annual audit and the security of any District investments,
- A review and evaluation of professional services rendered to the District,
- A status report of any capital projects of the District, and
- The evaluation of the District's long-range plans pursuant to §36.107 (now §36.1071) of the Texas Water Code (TWC).

This introductory section provides an overview of the District, and summarizes the mission and vision of the District, and its Board-established critical success factors. Other major report sections that follow include a summary of the active programs in FY 2017; a recap of other specific information required by statute, including an assessment of performance in terms of objectives and performance standards identified in the prevailing Management Plan; and a financial summary. The annual audit report conducted by an independent audit firm is included in its entirety as Appendix A. The Board’s assessment of progress toward the Management Plan’s objectives by performance standards and the basis for that assessment are included as Appendix B.

1.1 General Information about the District

The District was created in 1987 by the 70th Texas Legislature, under Senate Bill 988. Its statutory authorities include Chapter 52 (later revised to Chapter 36) of the Texas Water Code (TWC), applicable to all groundwater conservation districts (GCDs) in the state, and the District’s enabling legislation, now codified as Chapter 8802, Special District Local Laws Code (SDLLC). The District's legislative mandate is to conserve, protect, and enhance the groundwater resources located within the District boundaries. The District has the power and authority to undertake various studies, assess fees on groundwater pumpage and transport, and to implement structural facilities and non-structural programs to achieve its statutory mandate. The District has rulemaking authority to implement its policies and procedures and to help ensure the management of groundwater resources. The District is not a taxing authority. Its only sources of income are groundwater production fees, including a water use fee supplement paid by the City of Austin; administrative processing fees; and occasional grants from various local, state, and federal programs for special projects.

Upon creation in 1987, the District's jurisdictional area encompassed approximately 255 square miles and was generally defined to include all the area within the Barton Springs segment of the Edwards Aquifer with an extended area to the east to incorporate the service areas of the Creedmoor-Maha Water Supply Corporation (WSC), Goforth Special Utility District (SUD), and Monarch Utilities. In this area, designated as the "Exclusive Territory," the District has authority over all groundwater resources. In 2015, the 84th Texas Legislature House Bill 3405 expanded the District's jurisdictional area to include the portion of Hays County located within the boundaries of the Edwards Aquifer Authority (EAA) excluding the overlapping area in the Plum Creek Conservation District (see Figure 1). The newly annexed area designated as "Shared Territory," excludes the Edwards Aquifer and includes all other aquifers, including the underlying Trinity. The District serves southern Travis County, central and eastern Hays County, and portions of northwestern Caldwell County. The District's jurisdictional area including the Shared Territory encompasses approximately 420 square miles and includes both urban and rural areas.

Water from the Barton Springs segment of the Edwards Aquifer serves as the primary water source for public water supply, industrial, and commercial purposes in the District and is a major source of high quality base flow to the Colorado River via discharge through the Barton Springs complex. The Barton Springs complex provides the only known habitat for the listed endangered Barton springs and Austin blind salamanders under the federal Endangered Species Act (ESA), requiring all activities that would or could adversely affect the species to represent optimal conservation efforts. The Trinity Aquifer, underlying the Edwards, is an important primary water resource in some parts of the District and is increasingly being developed as an alternative water supply to the oversubscribed Edwards Aquifer in both the Exclusive and Shared Territory. Some wells in the District also produce water from the Taylor and Austin Chalk formations as well as various alluvial deposits along river and stream banks.

A five-member Board of Directors ("Board") governs the District. The Directors are elected in even-numbered years to staggered four-year terms from the five single-member precincts that comprise the District. As a result of legislation in 2011 and subsequent Board action in late FY 2011, director elections were moved from the May local elections date to the November general elections date.

In FY 2017, there was no District election held. District elections occur every two years. The next election is set to be held in November of 2018 for District Precincts 2 and 5.

In accordance with District Bylaws, the Board elects its officers for one-year terms in December of each year. The elected officers in December 2016 were Blayne Stansberry, President; Craig Smith, Vice President; and Blake Dorsett, Secretary. As a local political subdivision of the State of Texas, all meetings of the Board are conducted in accordance with the Open Meetings Act, and the District's business is subject to the Texas Public Information Act.

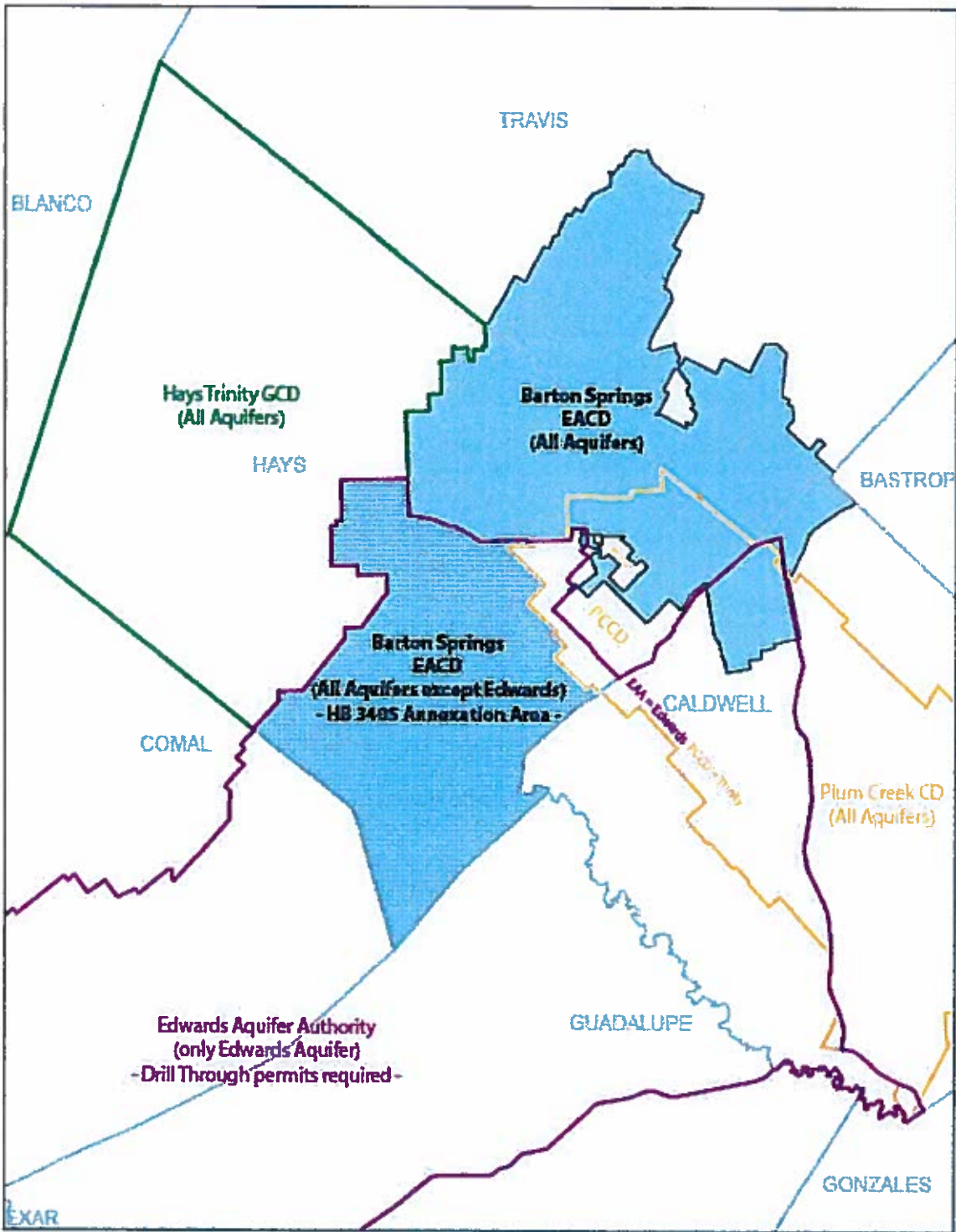


Figure 1 - The District's territory including the expanded Shared Territory and the adjacent Groundwater Conservation Districts and their respective jurisdiction over aquifers.

1.2 District Mission and Vision Statements

The Board of Directors of the District has assessed and articulated not only the mission of the District but also its vision and overarching strategic purpose.

The mission of the District is largely mandated by and adapted from its enabling legislation and statutes:

"The Barton Springs/Edwards Aquifer Conservation District, as the responsible public agency and authority, is committed to conserving, protecting, recharging, and preventing waste of groundwater and to preserving all aquifers within the District."

The vision of the District provides a succinct statement of the ultimate, continuing goal of the District, describing the standard by which it will execute its mission:

"The Barton Springs/Edwards Aquifer Conservation District will excel in its operations and administration so that it is considered the model and standard for other groundwater districts."

The overarching strategic purpose articulates more action-oriented direction consistent with the mission and vision:

"We will manage the District aquifers to optimize the sustainable uses of groundwater in satisfying community interests."

1.3 District Critical Success Factors

The District has established a set of continuing "critical success factors" that flow from and are generally consistent with the goals and objectives that are in the Management Plan (MP). These critical success factors include:

- Providing sound science to support and form the basis of policy and tactical decisions made by the District that affect water supply users and endangered species habitat;
- Being highly efficient, accurate, and fair in administering staff activities related to all District programs;
- Developing and instituting an equitable and consistently administered regulatory program that is required to serve our mission;
- Becoming a respected and effective part of the state and local political landscape for water resource management and its stakeholder communities;
- Serving our permittees, stakeholders, and the public at large as a readily accessible source of first resort for reliable information about local water, groundwater, aquifer science, water use and conservation; and
- Providing the programmatic and resource basis for innovative, cost-effective solutions to augment the sustainable quantity of water in the District and to protect the quality of District waters required for various existing uses.

2.0 DISTRICT PROGRAM AREAS AND TEAM HIGHLIGHTS FOR 2017

The District continues to successfully use a team-oriented organizational structure, in which all staff members are assigned to a primary team but also support other teams as needs arise. Each staff member works under the direct supervision and directly reports to their respective team leaders who are responsible for executing team-specific responsibilities and duties. Each team leader works under the supervision of and directly reports to the General Manager. All staff members ultimately report to the General Manager for administrative supervisory purposes.

This section of the report summarizes the operational teams that existed throughout FY 2017 and provides some highlights and notable achievements for each. Appendix B contains more information and details on the work undertaken by these teams in support of the various goals, objectives, and performance standards identified in the applicable 2014 District MP.

2.1 General Management Team

Mr. John Dupnik served as the District's General Manager (GM). The GM is responsible for the day-to-day business of the District, and is an *ex-officio* member of all the other teams. The key areas of functional responsibilities for the GM include staff management and development, programmatic planning and execution, stakeholder relationship development and cultivation, and financial administration of the District. The GM:

- Ensures that the policies and direction of the Board of Directors are implemented effectively, appropriately, and efficiently;
- Provides leadership both inside and outside the District organization, in accomplishing the mission, vision, and goals of the District; and
- Serves as an advocate for the staff with the Board, and an advocate for the Board with the staff.

In FY 2017, some highlights for the office of the GM:

- Coordinated the conduct of all of the District's FY 2017 business within FY 2017 budget constraints with two mid-year budget amendments to adjust with the evolving work load and objectives.
- Maintained a productive, efficient, and motivated staff by providing ongoing direction through regular meetings with Team Leaders and end-of-year performance evaluations of all staff, and by holding spring and fall staff retreats to encourage team building and to maintain staff morale.
- Served as the primary point of contact, and coordinated with Brian Sledge of Sledge Law, the District's legislative consultant, and the appointed Board committee members (Blayne Stansberry and Bob Larsen) to monitor bills of interest to the District in the 85th Legislative session, including two bills that were filed on the District's behalf (HB 2424 and HB 3071).

Efforts included bill tracking and analysis, meeting and providing information to legislators, and providing testimony at legislative committee hearings on certain bills.

- Coordinated the work of the District's Habitat Conservation Plan (HCP) consultant and staff to facilitate the U.S. Fish and Wildlife Service (USFWS) review of the Incidental Take Permit (ITP) application including responding to all comments from the USFWS Austin field office and regional office in Albuquerque, New Mexico to their satisfaction such that the draft HCP and Environmental Impact Statement (EIS) were submitted to the solicitor general, and approved for public notification of availability.
- Continued to ensure compliance with the District Consent Decree with the Texas Department of Transportation (TxDOT) applicable to construction of certain area roadway projects. Activity included ongoing review of stormwater plans, evaluation of significant geologic features and periodic site inspections of stormwater Best Management Practices (BMPs) by District staff after construction on State Highway 45 Southwest (SH 45 SW) commenced.
- Participated actively in the joint groundwater planning processes of Groundwater Management Area (GMA) 9 and served as the District Representative to GMA 10, including related interfaces with the Texas Water Development Board (TWDB), other GCDs in the two GMAs, and stakeholder meetings. This year's efforts wrapped up the GMA's second round of planning with the final adoption of the desired future conditions (DFCs) by the GMA, and completion of the explanatory report.
- Participated actively in regional water planning group activities, including serving as the GMA 10's voting Representative to Region K, and monitoring Region L groundwater-related planning activities. Efforts involved activity associated with the beginning stages of the next round of planning including implementation of new legislation and rules affecting planning and evaluation of population and demand projections.
- Coordinated the update and revision of the District's MP with the oversight of the Board MP Committee (Mary Stone and Craig Smith) and submitted the Board-approved draft MP within the TWDB-prescribed deadlines.
- Continued to participate in the review of the Dripping Springs Texas Pollutant Discharge Elimination System (TPDES) permit application and draft permit which involved preparation of written and oral comments during the comment period, technical review of discharge/beneficial reuse scenarios, and ongoing settlement discussions.

2.2 Administrative Team

Ms. Dana Wilson serves as the Leader of the Administrative Team, with Ms. Tammy Raymond and Ms. Shannon DeLong as team members for administrative programs support. Ms. DeLong continued to work on a three-quarter time basis throughout FY 2017, including telecommuting one day per week.

The Administrative Team is responsible for banking, accounting, timekeeping and payroll administration, records retention and management, facilities and vehicle fleet management,

personnel and human resources administration, contracts administration, director compensation and reimbursement administration, and state/federal grant administration.

In FY 2017, some highlights for the Administrative Team included:

- Maintaining the financial records to receive a clean financial audit (see Appendix A);
- Continuing the process of electronically scanning historical hard-copy records for archival purposes;
- Supporting the revisions of various parts of the Employee Policy Manual and subpolicies;
- Supporting the continuing phases of annual office updating/remodeling;
- Assisting the District's information technology (IT) consultant in making improvements to the IT infrastructure and resolving various staff IT issues, and adding two new employee computer hard drives per year, as warranted;
- Supporting District transparency efforts, specifically in the finance areas, by applying for and achieving a Financial Transparency Star Award from the Texas Comptroller's office; and

2.3 Aquifer Science Team

Dr. Brian Smith, P.G. serves as the leader of the Aquifer Science Team which is involved in various internally- and externally-funded groundwater research and assessment programs. The team is supported by Senior Hydrogeologist Brian Hunt, P.G., Hydrogeologic Technician Justin Camp, and from time to time other staff members, including interns.

To protect and manage the groundwater resources of the District's aquifers, the District continued an active research program that is designed to better understand the hydrogeology and hydrodynamics of aquifers in the District, and to advise the Board on policy-related decisions.

In FY 2017, some highlights for the Aquifer Science Team included:

- Developed new technical reports, presented numerous technical talks with published abstracts, published technical papers, and attended technical conferences including:
 - Gulf Coast Association of Geological Societies (Corpus Christi, 9/18-20/16)
 - South Central Texas Water Research Interest Group (Texas A&M San Antonio, 12/1/16)
 - Underground Injection Control National Meeting (Austin, 2/23/17)
 - Interformational Flows Workshop (EAA, 3/1/17)
 - South-Central Geological Society of America (San Antonio, 3/12-14/17)
 - Texas Water Research Network (UT, 5/8-9/17)
 - Trinity Conceptual Model (SWRI, 6/5/17)
 - South Central Texas Water Research Interest Group (Austin 6/2/17)
- Presented technical information and studies to the public and students:
 - Travis County Commissioners Court (9/13/16)
 - Barton Springs University (9/28/16)
 - Hydrogeo Workshop, Cave Without A Name (10/1-2/16)
 - Sierra Club and Texas Disposal Systems (11/5/16)
 - Hydrogeology class at UTSA (12/1/16)
 - Ecological Restoration Journal Review Group (12/9/16)
 - Texas A&M Kingsville (3/24/17)
 - Sunset Valley City Council (3/7/17)
 - Blanco River book release (Kyle, 4/8/17)
 - Travis County Commissioners Court (6/20/17)
- Maintained a monitor well network of about 35 wells with instruments that collect hourly data. The District's weather station at the District office also collects hourly data. The District routinely measures water levels in the six multiport monitor wells that are completed in the Edwards and Trinity aquifers.
- Coordinated and participated in an aquifer test for the Electro Purification (EP) application in Central Hays County. This included establishing a well monitor network of periodic and continuous data collection and water-quality sampling (with the EAA) over a period of months.

- Determined and documented drought status, including keeping the District's drought monitor blog up to date. There were no District-declared droughts in FY 2017.
- Participated with GMA 9 and GMA 10 in technical discussions.
- Completed field collection data from the newly installed multiport monitor well in the saline Edwards (in FY 2016). District staff worked with Carollo Engineers who conducted the feasibility portion of this study. Staff completed a draft hydrogeologic report for the study. Expected completion of the overall feasibility report is in early FY 2018.
- Worked cooperatively with the Ruby Ranch WSC to conduct two phases of Aquifer Storage and Recovery (ASR) pilot testing. A status report was written and submitted to the TCEQ in August 2017. A final phase of the testing is being done in early FY 2018.
- Performed studies with the City of Austin and the Hays Trinity GCD (HTGCD) and other independent geologists to characterize surface and groundwater interactions along Onion Creek (see Publications).
- Continued development and data collection of a geologic database of the Edwards and Trinity Aquifers in central Texas in cooperation with the EAA and the HTGCD.
- Maintained the Antioch Cave Recharge Enhancement Project as an ongoing part of a 319(h) grant from the Environmental Protection Agency (EPA) and TCEQ. In FY 2017, District staff replaced operational equipment and hardware at Antioch Cave to improve the operation and performance of the best management practice.
- Implemented, in cooperation with Magellan Pipeline Company, an annual sampling program related to the operation of the Longhorn Pipeline that transports crude oil. In March 2017, staff sampled about eight springs and well sites for hydrocarbon contaminants as a screening test for BTEX and TPH. Staff also worked on locations for the installation of two new monitor wells anticipated in FY 2018.
- Collected water-quality data (major ions and isotopes) from about 125 sample locations in FY 2017, in cooperation with the TWDB.
- Cooperated with Travis County on various groundwater studies including installing a multiport monitor well and sampling of groundwater.
- Supported research in conjunction with a graduate student at the University of Texas at San Antonio.
- Brian Smith has continued serving on the City of Austin Environmental Commission.

- **Published papers:**

- Hunt, B. B., B.A. Smith, M.O. Gary, A.S. Broun, D.A. Wierman, J. Watson, and D.A. Johns, and, 2017, Surface-water and Groundwater Interactions in the Blanco River and Onion Creek Watersheds: Implications for the Trinity and Edwards Aquifers of Central Texas. *South Texas Geological Society Bulletin*, v. 57, no. 5, January 2017, p. 33-53.
- Hunt, B. B., A. S. Broun, D. A. Wierman, D. A. Johns, and B. A. Smith, 2016, Surface-water and groundwater interactions along Onion Creek, Central Texas: *Gulf Coast Association of Geological Societies Transactions*, v. 66, p. 261–282.
- Smith, B.A., B.B. Hunt, and J. Camp, 2017, 30 years of Aquifer Science. BSEACD Fact Sheet 0817.
- Smith, B.A. and B.B. Hunt, 2017, Recharge and Water-Quality Controls for a Karst Aquifer in Central Texas, in *Karst Groundwater Contamination and Public Health*, ed. W.B. White, J.S. Herman, E.K. Herman and M. Rutigliano, Springer International Publishing, *Advances in Karst Science*, February 2017, p. 299-317.

- **FY 2017 Abstracts:**

- Hunt, B.B., B.A. Smith, M.O. Gary, A.S. Broun, and D.A. Wierman, 2017, An Evolving Conceptual Model of the Middle Trinity Aquifer, Hays County, Central Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.
- Hunt, B.B., and B.A. Smith, 2017, Model then Measure: Assessing and Monitoring the Potential for Unreasonable Impacts from a Pumping Well—Example from the Middle Trinity Aquifer, Hays County, Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.
- Smith, B.A. and B.B. Hunt, 2017, Desalination and Aquifer Storage and Recovery Potential of the Saline Edwards Aquifer, Central Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.
- Smith, B.A. B.B. Hunt, V. Escobar, K. Bell-Enders, and J. Dupnik, 2017, Considering Unreasonable Impacts in the Groundwater Production Permitting Process. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.
- Watson, J.A., A.S. Broun, B.B. Hunt, D.A. Wierman, and B.A. Smith, 2017, Mapping the Upper Glen Rose Unit 3 Aquitard: Implications for Recharge to the Middle Trinity aquifer, Hays County, Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.

2.4 Education and Community Outreach Team

Ms. Robin Havens Gary serves as the leader of the Education and Community Outreach Team. Ms. Gary is the District's Environmental Educator, GIS Specialist, and Public Information Coordinator, and is the primary member and team lead for the Education and Community Outreach Team in FY 2017. Ms. Gary collaborates regularly with other members of the staff, including interns, to maintain a diverse and effective Education and Outreach program.

The District continues its active, multi-dimensional educational program that emphasizes awareness of the finite and fragile aspects of the groundwater resources in the District. To increase awareness of District programs and roles, staff applied a multi-faceted approach. The District celebrated its 30th year anniversary with several special projects. Interns helped prepare videos and marketing info-graphics that were highlighted through the eNews and frequently on social media. Public radio sponsorships ran announcements focused on the importance of local voice in groundwater management during the month of August. An augmented reality teaching tool was prototyped to increase visibility of water quality indicators. A timeline of significant legislation, research, and events was created, and the Lovelady Monitor Well hydrograph and Board Members were also incorporated. A celebration where all these special projects were showcased was held at the Wildflower Center for 150 stakeholders, permit holders, well owners, researchers, and past and present Board and staff.

The digital newsletter continued circulation in FY 2017. Feedback and metrics show that the more frequent updates in the mobile-friendly, digital format has been highly popular. Subscribers receive regular updates on permitting, aquifer science, events, and programs. Each monthly eNews was opened/accessed over 1,000 times. Social media posts increased distribution of announcements and news and received high view rates. The 2017 Well Water Check-up and Open House provided an opportunity for well owners, particularly those in the newly annexed area, a chance to meet staff and have their water analyzed for free. Over 2,000 postcards were mailed to homeowners in the shared territory in neighborhoods that have a high density of Trinity wells.

The Education and Community Outreach Team constantly seeks to maintain and create new partnerships with like-minded local entities to more efficiently and effectively carry out the District's mission. Through these partnerships, staff members augment their knowledge base and are able to make a contribution to efforts that reach larger and more diverse audiences. This year staff continued partnerships with the Austin Youth River Watch, Central Texas Water Efficiency Network (CTWEN), Capital Area Master Naturalists (CAMN), City of Austin (COA), City of Sunset Valley, Colorado River Alliance, EAA, Greater Edwards Aquifer Alliance, Hill Country Alliance, Keep Austin Beautiful, Lady Bird Johnson Wildflower Center, Lower Colorado River Authority (LCRA), Meadows Center, Save Barton Creek Association (SBCA), San Antonio River Authority, San Antonio Water System, Shield Ranch, Splash! Exhibit, Texas Cave Management Association, Texas Parks and Wildlife Department (TPWD), TWDB, University of Texas's Bureau of Economic Geology, and University of Texas Jackson School of Geosciences.

In FY 2017, some highlights of the Education and Community Outreach Team included:

- Continuing eNews bulletin with automated subscribe/unsubscribe capabilities,
- Participating in approximately 31 outreach events (including field trips, presentations, and events) that reached approximately 2,047 adults and 2,135 children,
- Hosting the sixth annual Water Conservation Symposium: Conservation Works: Building Programs from Simple to Sophisticated" in collaboration with the water providers and non-profits participating in the CTWEN,
- Hosting the 12th Annual Groundwater to the Gulf Summer Institute for Educators in collaboration with other state, local, and non-profit water educators, which trained 42 teachers who in turn reach over 4,200 students annually, and
- Providing support for the 2017 Rainwater Revival and Hill Country Living event that brings rainwater harvesting system installers, suppliers, water haulers and other experts together to serve as a resource for homeowners and business owners that are interested in using rainwater as an alternate supply.

2.5 REGULATORY COMPLIANCE

The Regulatory Compliance Team consists of two Regulatory Compliance Coordinators and one Regulatory Compliance Specialist who are responsible for a wide range of the District's responsibilities including drought management, pumpage tracking/compliance assessment, rulemaking, rule and well construction standard interpretation, permitting, enforcement, well inspections, well pluggings, and drilling oversight. Regulatory Compliance Team members have also actively attended and participated in community outreach and regional development and planning groups, and served as District liaisons to local municipalities, political subdivisions, permittees, and licensed drillers and pump installers in the area.

Highlights of the Regulatory Compliance Team in FY 2017:

- **Dripping Springs TPDES Permit Application** – Staff participated actively in technical discussions and analysis of the Dripping Springs wastewater discharge permit application. Staff attended multiple stakeholder meetings to propose alternatives and to provide technical insight.
- **State Highway 45 Southwest** – In November 2016, the roadway construction efforts began. Staff actively participated in site inspections and technical discussions with the Central Texas Regional Mobility Authority (CTRMA) project team, TxDOT representatives, and the Environmental Compliance Manager. Staff coordinated eleven site visits in FY 2017 for which inspection reports were developed and District recommendations were provided. The District continued to work with an engineering consultant (Tom Hegemier – Doucet and Associates) on the technical evaluation of stormwater control designs in accordance with the consent decree.
- **Electro Purification Applications** – At the beginning of FY 2017, staff approved the test well permit and aquifer test work plan for this project. Staff evaluated the permit application and aquifer testing/well acidizing procedures prior to the test. The aquifer test commenced in October 2016 and was completed in January 2017. During the test, all technical staff conducted site inspections of the pumping wells and monitor wells to collect water level data and water quality samples.
- **Needmore Water, LLC Application** – At the beginning of FY 2017, staff issued an administrative completeness letter to the applicant for the conversion of a Temporary Production Permit (HB 3405) to a Regular Permit. The General Manager developed a Preliminary Decision which entailed information on the technical evaluation of the aquifer test data. At the end of FY 2017, the application remained as pending in the State Office of Administrative Hearings (SOAH) hearing process.
- **Management Plan** – Per statutory requirements, the District actively worked towards updating its MP. The plan was scheduled to expire in January 2018 and the District was required to submit an updated plan for preliminary review in July 2017. The plan was updated to reflect recent legislative changes and rule making efforts that took place since the 2015 annexation.

- **Database Development and Upgrade** – Staff actively coordinated the technical discussions and conceptual designs for a database management and reporting system. Staff internal discussions were held to identify the scope elements, and a Board subcommittee was involved in the procurement and contract negotiation process. The project is scheduled to be completed in late FY 2018.
- **Inspections & Investigations:** Staff completed a total of 39 inspections related to special investigations, site permittee inspections, and well permit applications.

FY 17 TOTAL Inspections/ Investigations/ Onsite Visits	39
Exempt Well Inspections	6
Limited Production Permit Inspections	14
Individual Production Permit Inspections	5
Test Well Inspections	3
Plugging Inspections	10
Special Investigation Inspections	0
Other Permittee Inspections	0

- **Conservation Credits:** The District issued a total of \$23,297.49 in credits in FY 2017 with \$14,560.93 being issued to 16 permittees, and \$8,736.56 being issued to the COA. Permittees donating credits back to the District’s camp scholarship fund included Creedmoor-Maha WSC (\$ 2,087.69), Goforth SUD (\$ 700.00), and Texas Lehigh Cement Company (\$ 441.54).
- **Enforcement:** There were no formal enforcement actions initiated in FY 2017.
- **Rulemaking:** District staff developed rule concepts for guiding and regulating ASR systems within the District. Prior to drafting concepts, staff held multiple meetings with TCEQ and other stakeholders throughout the year. Since the passage of HB 655 and recent changes to TCEQ Rules TAC Chapter 30 Section 331, the District is making a concerted effort to integrate its ASR rules with those of TCEQ. ASR rule concepts were presented to the Board on August 10, 2017. Staff also participated in legislative bill analysis relating to ASR.
- **External Reviews, Coordination, and Outreach.** Workgroups and projects involving staff participation included:
 - Aquifer Storage and Recovery Technical Discussions and Workgroups,
 - SH 45 SW Technical Workgroups,
 - Water Pollution Abatement Plan (WPAP) Wastewater Permit Reviews,
 - Water Conservation Advisory Council,
 - Regular meetings of the Regional Water Quality Protection Plan workgroup, and
 - Well permitting and registration efforts in the shared territory.
- **Drought Management:** The District declared No-Drought status on January 29, 2015 and remained in Non-Drought status throughout FY 2017.

Permitting Summary:

A summary of the new wells drilled in FY 2017 is provided in the table below.

FY 17 TOTAL New Wells		35
New Exempt Wells		9
Nonexempt Domestic Wells (LPPs)		22
Individual Wells		4
Test Wells		0
Replacement Wells		0

A summary of permitting applications that were processed in FY 2017 is provided in the table below.

FY 17 TOTAL Permit Applications		54
Minor Amendment		4
Major Amendments		0
New Exempt Well		9
Limited Production Permit (Nonexempt Domestic Wells)		22
Individual Production Permit		4
New Individual Well Drilling Authorizations /Modification		5
Test Well		0
Well Plugging		10
Replacement Well		0

A summary of the individual production permits that were processed in FY 2017 is provided in the table below.

	Annual Volume	New Production Permits	Permit Type	Aquifer
1	150,000	Deborah Bates	Conditional Edwards – Class C	Edwards
2	150,000	Driftwood Diesel LLC	Conditional Edwards – Class A	Edwards
3	900,000	McCollum Savell Holding LLC (dba Jumping Jack Dog Ranch)	Conditional Edwards – Class C	Edwards
4	1,240,000	Eskew Place Ltd	Conditional Edwards – Class A	Edwards

A summary of current permitted pumpage is provided in the tables below.

Total Permits Active to Date	
Total Historic Edwards Permits Issued to Date	74
Total Conditional Edwards Permits Issued to Date	28
Total Historic Trinity Permits Issued to Date	27
Total Alluvial/Austin Chalk Permits Issued	2
Total Individual Permitted Wells to Date	190
LPP General Permits	
Total Permits Issued	129
Total LPP Permitted Wells	129

Permitted Pumpage			
Edwards MZs	gallons	cfs	acre-feet
Historical (Ind.)	2,311,082,596	9.80	7,092
Historical (LPP)	2,500,000	0.011	8
Total Historical	2,313,582,596	9.81	7,100
Conditional (Ind.)	351,274,948	1.49	1,078
Conditional (LPP)	49,500,000	0.21	152
Total Conditional	400,774,948	1.70	1,230
Total Edwards	2,714,357,544	11.51	8,330
Trinity MZs	gallons	cfs	acre-feet
Historical (Ind.)	495,781,557	2.10	1,521
LPP	12,500,000	0.05	38
Total Trinity	508,281,557	2.15	1,560
Other Aquifers MZs	gallons	cfs	acre-feet
Historical (Ind.)	2,500,000	0.01	8
Total Permitted	3,225,139,101	13.67	9,898

	Permitted Transport		
	gallons	cfs	acre-feet
FY 2016	0	0	0
Total Permitted	400,000,000	1.70	1,227.55

3.0 REQUIRED DATA AND INFORMATION

The District Bylaws and Management Plan require a number of specific items to be included in the Annual Report. This information is included in the following subsections of the Annual Report.

3.1 Aquifer Status

FY 2017 began in a status of No Drought following a trend which began back in 2014. In September 2014, water levels began to rise after above-average rainfall. Steady recharge throughout 2015 and 2016 continued to increase aquifer water levels as well as Barton Springs flow. In January 2015, the Board updated the drought status from Stage II Alarm Drought to No Drought. While measurements began to decline in October 2016 and have steadily continued down, they remain above drought warning levels. As of December 2017, we maintain a status of No Drought.

Austin has received an overall 34" of rainfall so far in 2017, which has produced little recharge and resulted in aquifer water level decline. While levels are going down, the benefits of previous wet years have provided a bolster against this drop at the Lovelady Monitor Well, which has recorded data since 1949.

The rejuvenating effects of above-average rainfall in 2015 and 2016 well-prepared the region for a somewhat dryer FY 2017. La Niña conditions in the Pacific are likely to result in continued dry weather through the winter and beginning of 2018.

3.2 Grant Programs

The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2017. On January 28, 2015, the District submitted an application to the TWDB Board for a Regional Facility Planning Grant to assess the saline Edwards Aquifer as a potential water supply. The District was awarded grant funding in the amount of \$240,000 to support the District's grant project. The contract with TWDB for the grant project was approved by the Board and executed on August 27, 2015. After selection of Carollo Engineers as a subcontractor for the grant project, a kickoff meeting was held on February 25, 2016. Work continued on the grant throughout FY 2017. A final report is expected to be delivered to TWDB by the end of December 2017.

3.3 Professional Services

The District expended \$170,359 for professional services in FY 2017. This amount included legal fees of \$111,000 for general counsel support provided by Bickerstaff, Heath, Delgado & Acosta LLP of Austin, and included involvement of the District and its attorneys in a few new billing categories (Needmore \$19,618; Dripping Springs TPDES \$17,506; and Attorney General (AG) Opinions and Public Information Requests (PIRS) for \$19,696).

There were no legal services associated uniquely with grant projects as grant-billable costs.

Additional professional services for FY 2017 also reported in the above amount include the District's third party retirement plan administrator, The Standard, for \$18,447.

The District retained Montemayor Britton Bender PC early in 2016 to perform its annual financial audit for FY 2015 (as the previous auditor no longer participates in governmental entity audit processes). The fees for these professional services were \$11,000 for FY 2017, and are also included in the professional services total above.

Not included in the professional services total above, the District expended \$38,000 for the lobbying services of Sledge Law & Public Strategies for the 85th Legislative Session. The District has changed the timing of when legislative issues are addressed from a biennial expense to an ongoing expense according to the new term of agreement dated July 1, 2016 through June 30, 2018, being a flat-fee structure bifurcated between legislative session months and legislative interim months spread across 24 months. During legislative months – November of even-numbered years through June of odd-numbered years, the fee will be \$4,000 per month. During legislative interim months – July of odd-numbered years through October of even-numbered years, the fee will be \$1,000 per month. So one year there will be \$36,000 in legislative expenses, and the following year there will be \$12,000 in legislative expenses.

These professional services do not include the contracted labor that comprises programmatic support to various team initiatives and that is budgeted as part of the individual team budgets.

3.4 Capital Projects

The District completed one small capital project in FY 2017 that remodeled library area shelving cabinets for \$2,484.

3.5 Financial Report

As authorized in the District Bylaws, the Board utilizes the Texas Treasury Safekeeping Trust Company (commonly referred to as "TexPool") as a depository for its funds not required by its current operations. There are several built-in controls and safeguards in the TexPool account mechanisms. The District has established and maintains funds in several TexPool accounts to further minimize risk and to partition funds designated for certain potential uses. To facilitate payments and timely deposits, the District also maintains both checking and payroll accounts with Citibank (now transitioned to Branch Banking and Trust Company - BB&T), which are FDIC-insured. Monies are moved electronically between these accounts and the TexPool accounts, generally keeping funds not required by current operations in TexPool, and therefore the cash balances in the operating bank accounts as small as prudently feasible. The District has no additional monetary investments other than its cash fund accounts.

End-of-the-year cash and account balances and an independent assessment of financial controls will be found in the Annual Audit Report, to be included here as Appendix A, upon completion of the financial audit.

3.6 Evaluation of District's Long-Range Plan Pursuant To §36.1071

3.6.1 Background

TWC §36.1071 requires all GCDs to establish and maintain a long-range comprehensive plan for groundwater management in the District. This long-range plan is a ten-year plan called the District MP. The MP must be reviewed, revised as necessary, readopted, and reapproved at least once each five years. The current plan was adopted in January of 2013 and is set to expire in January of 2018. Pursuant to the code provisions, all GCDs are required to assess progress quantitatively toward the objectives in their prevailing MP at least annually. This assessment is summarized in the following Section 3.6.2 and elaborated in Appendix B of this Annual Report.

3.6.2 Board Evaluation of Objectives and Progress Assessment

Section 2 of this report highlighted some activities for each of the operational teams. A more comprehensive and detailed listing of the activities of the District is included in Appendix B, which was prepared by the staff to assist the Board's evaluation of the progress made in FY 2017 toward the goals, objectives, and performance standards identified in the prevailing District Management Plan.

On November 16, 2017, the Board reviewed the information in Appendix B, discussed its conformance with the plan objectives and their subsidiary performance standards, and then took action to evaluate progress made by the District toward these strategic objectives, as specified in the metrics for each of the objectives. Following a proper motion and second, and discussion in a properly noticed Open Meeting, the Board of Directors unanimously approved the progress toward each and all objectives in FY 2017 as being satisfactory, and directed the staff to include a record of these actions and their basis in this Annual Report. That record and the basis for that decision-making are included as Appendix B.

This assessment for FY 2017 measured progress towards the goals and objectives of the then-current MP approved in January of 2013. An updated MP, which was approved by the TWDB on November 21, 2017, will serve as the basis for the Board's next evaluation of that plan's objectives in FY 2018.

APPENDIX A

Independent Annual Financial Audit Report

(Board-approved December 14, 2017)



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

**BARTON SPRINGS/ EDWARDS AQUIFER
CONSERVATION DISTRICT**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

31 AUGUST 2017

**BARTON SPRINGS/EDWARDS AQUIFER
CONSERVATION DISTRICT**

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Statement of Net Position Proprietary Fund	10
Statement of Revenue, Expenses, and Changes in Fund Net Position	11
Proprietary Fund Statement of Cash Flows	12
Notes to Financial Statements	13-19



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Barton Springs/Edwards Aquifer Conservation District

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Barton Springs/Edwards Aquifer Conservation District (District) as of and for the year ended 31 August 2017, and the related notes to the financial statements, which collectively comprise the District'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 the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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. 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 judgement, including the assessment of the risk of material misstatements 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 District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of 31 August 2017, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 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 inquiring 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.

Montgomery Britton Bender PC

6 December 2017
Austin, Texas

Barton Springs / Edwards Aquifer Conservation District

Management Discussion and Analysis

Fiscal Year Ending August 31, 2017

The following **Management Discussion and Analysis** narrative provides an overview and summary-level analysis of the significant activities and situations that have financial reporting consequence for the fiscal year. This information is provided in conjunction with our financial statements that follow. The percentages shown in the Management Discussion & Analysis narrative are based on the comparisons of the Statements of Revenues, Expenses and Changes in Net Position before any adjusting journal entries in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

Since the activities of the District are financed primarily by fees charged to external parties, such activities are reported as an enterprise fund and are considered a "business-type activity." The financial statements required for an enterprise fund are the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position presents the District's assets and liabilities, with the difference between the two reported as net position, as of the end of the fiscal year. Over time, increases or decreases in net position are one indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing the operating revenues and expenses of the District for the fiscal year, using the accrual basis of accounting. Therefore, revenues are recognized when earned, and expenses are recognized when incurred, regardless of when cash is received or paid.

The Statement of Cash Flows provides information about the cash receipts and cash payments of the District during the fiscal year, summarized by operating, capital and related financing, and investing activities.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

CONDENSED FINANCIAL INFORMATION

The following table presents comparative condensed financial information on assets, liabilities and net position.

Condensed Statement of Net Position August 31, 2017, 2016, and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current assets	\$1,378,323	\$1,714,993	\$1,253,929
Capital assets	<u>449,070</u>	<u>454,053</u>	<u>357,337</u>
Total assets	<u>\$1,827,393</u>	<u>\$2,169,046</u>	<u>\$1,611,266</u>
Total liabilities	<u>\$114,166</u>	<u>\$580,025</u>	<u>\$238,378</u>
Deferred inflows of resources	<u>151,316</u>	<u>0</u>	<u>0</u>
Net position:			
Net investment in capital assets	449,070	454,053	357,337
Restricted	27,736	0	0
Unrestricted (\$733,058 assigned)	<u>1,085,105</u>	<u>1,134,968</u>	<u>1,015,551</u>
Total net position	<u>1,561,911</u>	<u>1,589,021</u>	<u>1,372,888</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$1,827,393</u>	<u>\$2,169,046</u>	<u>\$1,611,266</u>

The following table presents comparative condensed financial information on revenues, expenses, and changes in net position.

Condensed Statement of Revenues, Expenses and Changes in Net Position Years Ended August 31, 2017, 2016, and 2015

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Operating revenues	\$1,632,452	\$2,003,708	\$1,395,059
Operating expenses	<u>1,723,925</u>	<u>1,791,213</u>	<u>1,483,752</u>
Operating income	<u>(91,473)</u>	<u>212,495</u>	<u>(88,693)</u>
Non-operating revenues(expenses)			
Interest income	64,363	3,638	594
Interest expense	<u>0</u>	<u>0</u>	<u>0</u>
Total non-operating rev/(exp)	<u>64,363</u>	<u>3,638</u>	<u>594</u>
Change in net position	<u>(27,110)</u>	<u>216,133</u>	<u>(88,099)</u>
Beginning net position	<u>1,589,021</u>	<u>1,372,888</u>	<u>1,460,987</u>
Net position end of year	<u>\$1,561,911</u>	<u>\$1,589,021</u>	<u>\$1,372,888</u>

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING REVENUES

Permittees' Production Fees and Annual Permit fees, Transport (export) fees, and City of Austin Water Use fees, together decreased by \$268,257 in FY 2017 from the prior year to \$1,545,716 from \$1,813,421 (a 14.8% decrease). This substantial decrease is attributed to the City of Austin Water Use Fee that was assessed in the amount of \$1,000,000 (the HB 3405 statutory cap) for the previous year but only \$850,846 for FY 2017. The City of Austin fee was calculated for FY 2017 based on an extensive analysis of the projected permitted pumping for FY 2017 in accordance with the statutory formula and was assessed at \$850,846. The City of Austin Water Use Fee for the current year, FY 2018, was calculated on the basis of the FY 2018 projected permitted pumping analysis and is assessed back at the \$1,000,000 cap per the analysis and the statutory formula.

Included in these projected revenues are transport permit fees. There continue to be two District transport permits that generated \$124,000 in transport fees revenue in both FY 2017 and FY 2016.

Although budgeted for \$240,000 income and \$290,000 in grant expenses for the TWDB Regional Facilities Grant, there was \$110,162 in revenue associated with Grants in FY 2016. There was \$38,349 in expenses in FY 2016, most which were in August when the project well was being drilled. There was \$56,340 grant revenue in FY 2017, all of income and the majority of the expenses associated with this project should have been realized in FY 2017, but were not due to the project being delayed. Grant expenses for FY 2017 are \$123,282. The new grant amendment expires in December 2018, therefore, all grant revenue that will offset much of the grant expense incurred in both FY 2016 and FY 2017 for this project will be realized through reimbursement from the TWDB in FY 2018.

All "Other Fees" includes revenue derived from variable sources such as well development fees, well application and inspection fees, well pluggings, meter reading and late fees, and drought management fees (fees applicable only during a District-declared drought). Revenue from Other Fees was budgeted to be \$12,950. Actual Other Fees earned at fiscal year-end was \$22,192.

Drought management fees are assessed for permittee noncompliance only during a District-declared drought of three months or longer. The District was in "No Drought" status for the entire FY 2017, therefore, there were no drought management fees assessed or collected.

Interest income in FY 2017 as expected continues to be minimal but is a substantial increase (120.6%) from the prior year. Actual interest income received for FY 2017 is \$8,023 as compared to \$3,638 in FY 2016.

There was \$22,450 revenue received from the selling of access easements on the Antioch property to allow for the installation and future maintenance of a water pipeline for the Alliance Regional Water Authority. This was a one-time transaction that will not reoccur so there is no comparable revenue source.

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING EXPENSES

The discussion that follows is based on FY 2017 preliminary financial reports before final auditor adjustments and reclassifications in the audit process, although several of the year-end adjustments have already been posted.

Expenses for personnel salaries and wages for FY 2017 is \$819,614 which is \$26,108 more than the previous year's expense of \$793,506. The higher salaries in FY 2017 were a result of planned staffing (seven interns were utilized for FY 2017 where usually there are two to three), salary adjustments, and also the occurrence of 27 pay periods within the fiscal year (an occurrence that happens every 11 years).

Actual expenses for employee payroll taxes and retirement benefits for FY 2017 are \$121,847 which is more than the previous year's expense of \$119,048. This small increase of \$2,799 is directly attributed to salary increases and performance bonuses.

Actual expenses for employee group insurance benefits in FY 2017 is \$117,897 which is more than the FY 2016 expense of \$98,743 (a 19.4% change). This includes employee premiums, 25% of employee dependent premiums, family dental, employee life insurance, and employee vision. This line item usually increases annually. The two areas it increased the most was employee premiums, and the 25% of employee dependent premiums, as employee elections changed (by adding dependents that were not on the plan in FY 2016).

Actual expense for directors' compensation for meetings in FY 2017 is \$36,400 which is less than the FY 2016 actual expenses of \$39,850 (an 8.7% decrease). This account was almost maximized for the past two years. In this category, the statutory maximum annual amount, which was not increased, of \$9,000 per director per fiscal year, is always budgeted at the full amount of \$45,000 for the five directors.

Direct expenses associated with the ongoing work of the various programmatic teams (Aquifer Science, Education and Outreach, and Regulatory Compliance) are not meaningfully comparable on a year-on-year basis, because the work programs of each vary and also cross over fiscal years. These teams' efforts were judged by the Board to have made sufficient progress towards achieving the Board-adopted FY 2017 Goals and the District's Management Plan objectives (Appendix B of the draft Annual Report) and within their budget and schedule constraints, which are the more meaningful management measures.

Since the District holds elections no more often than every two years (in odd-numbered fiscal years, if and when election contests warrant), the Elections account typically shows large percentage differences from year to year. Similarly, the majority of expenses for legislative support services tend to be biennial with the Texas Legislative Regular Sessions in odd-numbered fiscal years. So year-on-year expenses will vary.

The majority of election expenses are incurred in the fiscal year building up to November elections in even-numbered calendar years.

Regarding expenses for legislature support services, the District has changed the timing of when such services are needed from a biennial expense to an ongoing expense according to the new term of agreement dated July 1, 2016 through June 30, 2018. The new agreement establishes a flat-fee structure bifurcated between legislative session months and legislative interim months spread across 24 months. During legislative months (November of even-numbered years through June of odd-numbered years), the fee will be \$4,000 per month. During legislative interim months (July of odd-numbered years through October of even-numbered years), the fee will be \$1,000 per month. So, legislative support service expenses will cycle biennially with \$36,000 incurred in the year with legislative months and \$12,000 in the following year with legislative interim months.

In FY 2017, Actual Professional Services expenses (excluding legal expenses which are characterized below) are \$31,359 as compared to \$26,562 in FY 2016 (which is an 18% increase). These professional services include the annual financial audit, the Standard retirement plan administration, and incidental election expenses.

Other professional services are team-specific and are included in team budgets as contracted support expenses.

Legal Services expense in FY 2017 was \$101,865 which is \$18,465 less than the previous year's expense of \$120,330 (an 15.3% decrease). This level of expense is due to ongoing efforts associated with HB 3405 annexation of the Shared Territory, prospective contested case hearings, and other extraordinary legal matters.

Occasionally, the District is involved in Special Projects. In FY 2017, the District entered into two interlocal funding agreements for a multipoint Trinity Aquifer monitor well in Travis County, and a second multipoint well in Hays County. Travis County paid \$100,000 for their well, and Hays County also paid \$100,000 towards their well. The District handled the two projects and additionally provided an additional \$50,000 towards the projects that were completed in FY 2017 in accordance with interlocal agreements with both counties.

Several expense accounts or sub-accounts showing large percentage changes reflect small dollar amounts in one or both years leading to relatively large proportional changes.

KEY FACTORS INFLUENCING CAPITAL ASSETS

Capital assets subject to depreciation include building, vehicles, and equipment with an original cost that is greater than \$5,000 and with a life exceeding one year. Land is not depreciated.

In FY 2017, there was \$1,672 spent on a library shelving project. The other half of this project was paid in October 2018 so it will not show up in these reports. In FY 2016, there was one capital improvement project in Facilities Upgrades that was initiated and completed for \$5,000 to complete a minor remodel to the library. This was an interior project to modernize and improve functionality. In Facilities Repair and Maintenance, \$4,950 was spent to replace a fence that had deteriorated beyond repair.

KEY FACTORS INFLUENCING CHANGES IN CASH FUNDS

The available cash funds (two BB&T accounts and one TexPool General account, excluding the contingency, and reserve funds) at the end of FY 2017 totaled \$250,471 which is \$155,738 less than the prior year's total of \$405,209. Differences in these funds are mostly attributable to the timing of receipts of water use fee payments from permittees and the City of Austin and their resulting deposits, but in this instance, it is directly attributable to the grant expenses and the unreimbursed grant revenue previously mentioned.

ANTICIPATED CHANGES

The following events and initiatives affecting the revenue, cost, and financial management have not occurred yet or have not yet substantially impacted the financial performance of the District, but are expected to occur and be potentially significant to financial performance and/or condition in FY 2018:

- Installation of an additional shared territory monitor well that the District has budgeted money towards.
- Possible contested case or legal challenges associated with controversial permit applications in the shared territory.
- The possible onset of Drought conditions during FY 2018 may generate additional revenues from the assessment of drought management fees or drought enforcement penalties; however, such revenues are not budgeted sources of income.
- Possible changes in FY 2018 salaries in response to the findings of the ongoing salary study.
- Initiation of a credit card processing program.
- Implementation operational procedures required of Transparency Star program.
- Addition of a new position for the Education team (permanent part-time).
- Receipt of grant revenue expected from reimbursement for expenses related to the TWDB Regional Facilities Plant grant. This grant was for \$525,000 and expires in December 2018. The expenses were incurred in FY 2016, 2017, and 2018. The District's local share expected to be reimbursed is 45.7% of the \$525,000 expended towards this project.
- Larger amounts of contractual funding associated with various technical and professional services, including:
 - legal and technical services associated with the ongoing review of the Dripping Springs TPDES permit application and possible participation in a contested case;
 - technical and consulting services to be responsive to comments received by the U.S. Fish and Wildlife Service and during the public review process on the District's submitted draft HCP and ITP application and to support completion of the draft EIS;
 - technical services to support prospective special projects including: ASR pilot projects; continued aquifer characterization; new monitor well installation; HCP-related projects;
 - technical and consulting services to support prospective implementation of the HCP including initial annual reporting and mitigation measures;
 - engineering services associated with continued monitoring and review of major roadway projects including SH45 SW; and
 - database consultant under contract for database project.

CONTINGENCY PLANNING ASSETS

Current cash assets include \$737,766 designated by the Board for certain unanticipated legal expenses and other contingencies. The Texas Legislature has by statute declared Groundwater Conservation Districts (GCD) as the preferred method of groundwater management in the state (Texas Water Code, §36.0015(b)). Chapter 36 also affirms that groundwater is private property. The common law further affirms that groundwater, as private property in place, is constitutionally protected from regulatory takings and that any lawful GCD action that is determined by a court to be a taking of private property will require just compensation.

While taking claims are very fact-specific and complex to litigate, the possibility exists that the District may take a lawful action that limits a landowners access to their private property (groundwater) that may be determined by a court to be a regulatory takings. Such a determination will require substantial expense to litigate and/or pay for such just compensation to remedy the takings. This potential legal risk is relatively low but is planned for by the Board by reserving certain funds as a contingency for this scenario or other matters that may require substantial expense by the District.

Additionally, annexation of the Shared Territory in Hays County resulting from HB 3405 has increased the District's jurisdictional area and the number of permits that are process and issued by the District. The increase number of permits also increases the probability of potential contested cases and the associated legal expenses.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENT OF NET POSITION PROPRIETARY FUND
31 AUGUST 2017

ASSETS

Current assets

Cash	\$175,209
Short-term investments (including \$737,766 designated by the Board for legal and other contingencies)	1,029,033
Accounts receivable	169,597
Other	<u>4,484</u>
	<u>1,378,323</u>

Noncurrent assets

Nondepreciable capital assets	201,758
Depreciable capital assets	<u>247,312</u>
	<u>449,070</u>
	<u>1,827,393</u>

LIABILITIES

Current liabilities

Accounts payable	26,649
Conservation credits	23,298
Accrued payroll	<u>64,219</u>
	<u>114,166</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to water fees	<u>151,316</u>
--	----------------

NET POSITION

Net investment in capital assets	449,070
Restricted for State Office of Administrative Hearings contested case	27,736
Unrestricted	<u>1,085,105</u>
	<u>\$1,561,911</u>

The accompanying notes are an integral part of this financial statement presentation.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED 31 AUGUST 2017**

OPERATING REVENUE

Water permits and fees	\$1,567,908
Other	<u>72,567</u>
	<u>1,640,475</u>

OPERATING EXPENSES

Personnel and related	1,060,421
Grants	123,282
Legal	101,865
Depreciation and amortization	51,630
General management team	44,299
Legislation	38,000
Director compensation	36,400
Aquifer science team	32,371
Education and outreach team	31,784
Professional services	31,359
Regulatory compliance team	27,671
Utilities	22,537
Special projects	21,831
Maintenance	17,835
Other	<u>82,640</u>
	<u>1,723,925</u>

OPERATING INCOME

Capital grants	<u>56,340</u>
----------------	---------------

CHANGE IN NET POSITION

(27,110)

BEGINNING NET POSITION

1,589,021

ENDING NET POSITION

\$1,561,911

The accompanying notes are an integral part of this financial statement presentation.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
PROPRIETARY FUND STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from water permit and other use fees	\$1,296,236
Other cash receipts	72,568
Payments to employees for services	(1,133,613)
Payments to suppliers for goods and services	<u>(586,666)</u>
	<u>(351,475)</u>

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

Purchases of capital assets	<u>(46,648)</u>
-----------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	<u>111,989</u>
-----------------------------------	----------------

NET CHANGE IN CASH	(286,134)
---------------------------	------------------

BEGINNING CASH	<u>461,343</u>
-----------------------	-----------------------

ENDING CASH	<u>\$175,209</u>
--------------------	-------------------------

Reconciliation of operating income to net cash provided by operating activities:

Change in net position	(\$27,110)
Depreciation and amortization	51,630
Change in accounts receivable	(59,258)
Change in prepaid expense	(2,195)
Change in accrued payroll liabilities	(36,792)
Change in accounts payable	(8,997)
Change in deferred inflows related to water fees	(259,669)
Change in conservation credits	<u>(9,084)</u>
	<u>(\$351,475)</u>

The accompanying notes are an integral part of this financial statement presentation.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION

The Barton Springs/Edwards Aquifer Conservation District (District) is a Groundwater Conservation District created in 1986 by the Texas Water Commission, validated in 1987 by the 70th Legislature of the State of Texas (Senate Bill 988), and confirmed by the voters on 8 August 1987. As a Groundwater Conservation District, the District's statutory purpose and adopted mission is to conserve, preserve, protect, enhance recharge, and prevent waste of groundwater and preserving all aquifers within the District.

Upon creation, the District's jurisdictional area encompassed approximately 255 square miles and was generally defined to include all the area within the Barton Springs segment of the Edwards Aquifer with an extended utility service area to the east. In 2015, the 84th Texas Legislature (House Bill 3405) expanded the District's jurisdictional area to include the portion of Hays County located within the boundaries of the Edwards Aquifer Authority excluding the overlapping area in the Plum Creek Conservation District. The newly annexed area, designated as "Shared Territory," excludes the Edwards Aquifer and includes all other aquifers, including the underlying Trinity. The District's jurisdictional area now encompasses approximately 420 square miles and includes both urban and rural areas in southern Travis County, central and eastern Hays County, and portions of northwestern Caldwell County.

The District's statutory authority is derived primarily from the enabling legislation creating the District, Senate Bill 988, 70th RS, now codified at Special District Local Laws Code Chapter 8802, and Chapter 36 of the Texas Water Code. The enabling legislation creating the District provides that the District may assess fees "on an annual basis, based on the size of column pipe used in the wells, the production capacity of the well, or actual, authorized, or anticipated pumpage." The House Bill 2294 in the 74th Legislative Session further provided that the City of Austin can be required to pay a water use fee not exceeding 60% of the sum of (1) the total production fees received from all permitted users, and (2) the water use fee of the City of Austin. House Bill 3405 (HB 3405) further amended the District's enabling legislation by setting limits on the total annual water use fee assessed to the City of Austin.

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through 30 November 1989 (when applicable) that do not conflict or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The District's business-type activities are presented on the accrual basis of accounting. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

REPORTING ENTITY

These financial statements present the operations of the District alone, and include no component units. As defined by GASB Statement No. 14 the *Financial Reporting Entity*, and GASB Statement No. 39, *an Amendment to Statement No. 14*, component units are legally separate entities that would be included in the Districts reporting entity because of the significance of their operating or financial relationships with the District. Based on the specific criteria in the Statement, the District has no component units and is not a component unit of any other reporting entity as defined by the Statement.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Basic financial statements of a governmental entity normally include both government-wide and fund financial statements. However, because the District only has one fund, only fund financial statements are presented.

The District's operations are accounted for in the proprietary fund type called an enterprise fund. Enterprise funds are required to be used to account for business-type operations for which a fee is charged to external users for goods or services. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Well monitoring access rights are capitalized at costs incurred by the District and amortized on a straight line basis over the useful life stated in the well right agreement. Well monitoring access rights with an indefinite life are not amortized; however, they are evaluated for impairment annually. The well monitoring access rights will enable the District to perform tests and collect data on the Saline portion of the Edwards aquifer that will assist in evaluating the effects of pumping, and inform its feasibility as an alternative water supply.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CAPITAL ASSETS

Depreciation/amortization on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	25-30
Office furniture and equipment	3-10
Field equipment	5-7
Vehicles and definite life well monitoring access rights	5

DEFERRED INFLOWS

Deferred inflows consists of water permit fees received in the current fiscal year which are applicable to the succeeding fiscal year. These fees will be recognized as revenue in the fiscal year to which they apply.

OPERATING REVENUE AND EXPENSES

The District proprietary fund type distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses consist of charges for services (consisting of fees assessed for permittees' permitted pumpage) and the costs of providing those services, including depreciation. All other revenues and expenses are reported as nonoperating. There were no significant nonoperating revenues or expenses during the year.

NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COMPENSATED ABSENCES

The District accrues accumulated unpaid vacation leave and associated employee-related costs when earned by the employee.

NOTE 3: DEPOSITS AND INVESTMENTS

At 31 August 2017, the carrying amount of the District's cash deposits was \$175,209, and the bank balance was \$95,156. Short-term investments of \$1,029,033 are invested with TexPool. The carrying value of these deposits and investments approximates fair value.

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest its funds in a manner that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel.

TexPool is a local government investment pool. These investments are carried at amortized cost, which approximates fair value. The State Comptroller oversees TexPool, with Federated Investors managing the daily operations of the pool under a contract with the State Comptroller. TexPool allows shareholders the ability to deposit or withdraw funds on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool is rated AAAM (the highest rating a local government investment pool can achieve) and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit. At 31 August 2017, the TexPool portfolio had a weighted average maturity of 30 days. However, the District considers the holdings in this fund to have a one day weighted average maturity because the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The District has adopted an investment strategy to pursue limited investment risk, the objectives of which are safety of principal, maintenance of adequate liquidity, maximization of return on investments and maintain public trust from prudent investment activities. The District is authorized to invest in its depository accounts with banks or invest in TexPool. During the year, the District complied with its investment policy.

NOTE 4: RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property damage, and workers' compensation. The District insures against risk through commercial insurance.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5: CONSERVATION CREDITS

The District supports and encourages a permittee's efforts to conserve water and to reduce annual pumpage as a result of conservation efforts by providing a credit to the permittee's account for the ensuing fiscal year. To be eligible for the credit, the permittee's reported pumpage volume must be less than the maximum amount pumped on an annual basis in the last three fiscal years, and the permittee must meet other requirements regarding submission of timely payments and meter readings. Conservation credits awarded for fiscal year ending 31 August 2017 amounted to \$23,298.

NOTE 6: ECONOMIC DEPENDENCY

50% of the District's revenue is from one permittee as required by the District's enabling legislation.

NOTE 7: RETIREMENT PLAN

Effective, 1 September 1991, the District's Board of Directors established a defined benefit contribution retirement plan, which is a money purchase pension plan and trust, known as the Barton Springs/ Edwards Aquifer Conservation District Retirement Plan and Trust (the Plan). The Plan is administered by Standard Retirement Services, Inc. and provides retirement benefits for all full-time employees who are at least twenty-one years of age and have twelve months of service.

The administrator separately accounts for each employee participant's interest in individual accounts, and investments are participant directed. The required employee contribution rate is 7.5% and is matched by the District in the same amount. Upon entry to the Plan, employees are 50% vested in the District's contributions. After two years of service, eligible employees become 100% vested. Forfeitures are allocated first to pay Plan administrative expenses, then used to reduce employer contributions. For fiscal year ended 31 August 2017 the District's contribution to the Plan was \$59,212.

NOTE 8: OPERATING LEASE

The District has entered into leases for equipment which expire in 2021. For the fiscal year ended 31 August 2017 rent expense was approximately \$9,000. Future minimum lease payments for the operating lease are \$9,170 a year for the fiscal years ending 31 August 2018 through 31 August 2020 and \$7,782 for the fiscal year ending 31 August 2021.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets not depreciated/amortized:				
Land	\$165,415	\$0	\$0	\$165,415
Well monitoring access rights, indefinite life	<u>0</u>	<u>36,343</u>	<u>0</u>	<u>36,343</u>
	<u>165,415</u>	<u>36,343</u>	<u>0</u>	<u>201,758</u>
Depreciable/amortizable assets:				
Building and improvements	268,588	0	0	268,588
Office furniture and equipment	33,252	0	0	33,252
Field equipment	376,488	10,220	0	386,708
Vehicles	78,339	0	0	78,339
Well monitoring access rights, finite life	127,705	0	0	127,705
Accumulated depreciation/amortization:				
Building and improvements	(138,717)	(10,926)	0	(149,643)
Office furniture and equipment	(33,165)	(87)	0	(33,252)
Field equipment	(348,415)	(12,090)	0	(360,505)
Vehicles	(75,353)	(2,986)	0	(78,339)
Well monitoring access rights, finite life	<u>0</u>	<u>(25,541)</u>	<u>0</u>	<u>(25,541)</u>
	<u>\$288,722</u>	<u>(\$41,410)</u>	<u>\$0</u>	<u>\$247,312</u>
	<u>\$454,137</u>	<u>(\$5,067)</u>	<u>\$0</u>	<u>\$449,070</u>

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10: LITIGATION

The District was not actively involved in any litigation during fiscal year 2017. However, there were other legal matters beyond general and personnel matters that required material expenditures for legal services in fiscal year 2017.

- A. With the passage of HB 3405 in the 2015 legislative session, the District expanded its boundaries to include previously unregulated portions of the Trinity Aquifer (and other non-Edwards Aquifers) in Hays County. The bill also required the issuance of temporary permits and subsequently, the conversion of those temporary permits into regular permits for existing well owners. The implementation of HB 3405 continued from fiscal year 2016 into fiscal year 2017 requiring substantial legal expenses primarily related to the last of the temporary permits that is in process to be converted to a regular permit, Needmore Water, LLC. This permit conversion has been contested and referred by the Board to the State Office of Administrative Hearings (SOAH) to conduct a contested case hearing on the matter. The District anticipates additional legal expenses associated with ongoing activities related to the contested case preparations including discovery, pre-filed testimony, depositions, legal briefing, and the actual hearing on the merits, which is currently scheduled for March of 2018.
- B. This District is currently in the process of reviewing well modification and production permit applications filed by Electro Purification, LLC in July of 2017. The proposed project was highly controversial in 2015 and the impetus for HB 3405 which authorized the annexation of the area that includes the proposed well field into the District. Given the controversial nature of the project, the District anticipates legal expenses associated with a possible contested case on the permit application which will likely occur in fiscal year 2018.
- C. The District has been actively involved in the analysis of the Texas Pollutant Discharge Elimination Systems permit application filed by the City of Dripping Springs to authorize an unprecedented direct discharge of treated effluent into Onion Creek above the recharge zones of the Trinity and Edwards Aquifers. This involved expenditures for legal services to discuss possible settlement terms and confer with the applicant and other affected parties. The District's stated opposition to the draft permit warranted legal expenses in fiscal year 2017 which will likely continue into fiscal year 2018 as the matter remains unresolved.

APPENDIX B

Assessment of Progress toward Management Plan Objectives

(Board-approved November 16, 2017)

Record of Board Assessment of District Objectives (November 16, 2017)

Objective	Board Motion (Vote)	Mover	Second
Objective 1. Assure the long-term sustainability of the District to carry out its mission as a GCD with excellence.	5-0	MS	BL
Objective 2. Promulgate a fair and efficient regulatory program.	5-0	MS	BL
Objective 3. Develop and implement an effective drought management program that achieves the adopted Desired Future Conditions (DFCs) of each relevant aquifer in the District.	5-0	MS	BL
Objective 4. Demonstrate leadership in external communication, collaboration, coordination and joint planning with respect to groundwater and related resources.	5-0	MS	BL
Objective 5. Extend current groundwater supplies by encouraging supply-side and demand-side improvements.	5-0	MS	BL
Objective 6. Increase understanding of all District aquifers so that appropriate policy and regulatory decisions are made.	5-0	MS	BL

Staff Assessment of Performance Standards and Metrics

Met	Partially Met	Not Met
-----	---------------	---------

Performance Standards	Metrics Met*	Staff Score
Objective 1		
PS 1-1: Hire, equip, train, evaluate, and motivate appropriate staff to achieve the District's mission within budgetary constraints.	3 of 3	
PS 1-2: Align District plans, policies and programs with the District's mission and vision, and regularly review and revise them, as warranted, to respond to changing circumstances that affect their need, effectiveness or implementation.	3 of 3	
PS 1-3: Ensure the District has the near-term and long-term financial basis and contractual wherewithal to support its mission.	4 of 4	
PS 1-4: Provide efficient administrative support and infrastructure, such that District operations are executed reliably and accurately, meet staff and local stakeholder needs, and conform to District policies and with federal and state requirements.	2 of 2	
PS 1-5: Provide mechanisms to align District <i>Rules</i> , policies, and programs with the will of its collective and precinct-level constituencies, within the constraints of statutes governing the District.	3 of 3	
PS 1-6: Provide leadership in promoting legislation and regulations that benefit the protection of the District's groundwater resources and opposing legislation and regulations that harm those resources.	2 of 2	
Objective 2		
PS 2-1: Review and modify the <i>Rules</i> as warranted to provide and maintain a sound statutory basis for continued District operations and to ensure consistency with both District authority and programmatic needs.	N/A	
PS 2-2: Process and review all well registrations, permit renewals, and applications for permits, permit amendments, and authorizations in accordance with the <i>Rules, Well Construction Standards</i> , and other District	1 of 1	

guidelines in accordance within specified procedural timeframes.		
PS 2-3: Monitor existing District wells for compliance with the <i>Rules, and Well Construction Standards</i> .	1 of 1	
P-S 2-4: Efficiently process permittee meter readings, water use fee invoices and payments, conservation credits, permit renewals and related communications.	1 of 1	
Objective 3		
PS 3-1: Assist permittees in developing drought and conservation planning strategies, permit conversion strategies, pricing strategies, and enforce compliance with drought management rules during District-declared drought to achieve DFCs during extreme drought.	N/A	
PS 3-2: Monitor and declare drought stages on the basis of the analysis of data from the District's defined drought triggers and in accordance with the adopted drought trigger methodology.	1 of 1	
PS 3-3: Inform and educate permittees and the public about declared drought stages and the severity of drought, and encourage practices and behaviors to reduce water use.	2 of 2	
Objective 4		
PS 4-1: Cultivate and communicate effectively and routinely with stakeholders of all types that affect and are affected by the District's programs and policies.	1 of 1	
PS 4-2: Collaborate with joint Groundwater Management Area (GMA) and regional water planning efforts on policies, regulations, and activities affecting water quality or desired future conditions of the aquifers managed by the District.	3 of 3	
PS 4-3: Provide technical assistance as warranted to federal, state and local entities; organizations; and individuals on the geology, hydrogeology, and karst features impacted by groundwater-utilizing land use activities.	1 of 1	
PS 4-4: Through education and public outreach, inform groundwater users and the general public of the connectivity of recharge and discharge, importance of water quality protection, and the relationship between surface water and groundwater.	4 of 4	
PS 4-5: Prepare, submit, and maintain a draft and final Habitat Conservation Plan (HCP) and provide support of related National Environmental Policy Act documentation and processes for obtaining an Incidental Take Permit from	2 of 2	

the US Fish & Wildlife Service (FWS) for the endangered species at Barton Springs.		
Objective 5		
PS 5-1: On at least a bi-annual basis, assess the availability and feasibility of regional alternative water supplies and encourage District permittees to diversify their water supplies by fostering arrangements with available water suppliers.	1 of 1	
PS 5-2: Conduct investigations and, as warranted and feasible, physically alter discrete recharge features that will lead to an increase in recharge to the Edwards Aquifer.	2 of 2	
PS 5-3: Conduct investigations, as warranted and feasible, to evaluate the potential for the saline zone of the Edwards Aquifer to provide water for a desalination facility, and to evaluate the potential for the Edwards saline zone and the Trinity aquifers beneath the freshwater Edwards as reservoirs for an Aquifer Storage and Recovery (ASR) system.	2 of 2	
PS 5-4: Maintain and develop programs that inform and educate District groundwater users and area residents of all ages about water conservation practices and resources and use of alternate water sources including gray water/condensate reuse and rainwater harvesting.	1 of 1	
Objective 6		
PS 6-1: Assess aquifer conditions by sampling and collecting groundwater data from selected wells.	1 of 1	
PS 6-2: Conduct scientific studies to better determine groundwater availability, to understand and prevent threats to water quality, to minimize impacts to water-supply wells and springs, and to provide sound science on which to base District policy.	2 of 2	

* refers to the number of metrics completely satisfied relative to the number of currently applicable metrics for each performance standard.

Objectives with Performance Standards, Metrics Scoring, and Example Activities

Teams	General Management	Administration	Education & Outreach	Aquifer Science	Reg Compliance
-------	--------------------	----------------	----------------------	-----------------	----------------

Objective 1 – Assure the long-term sustainability of the District to carry out its mission as a GCD with excellence.

Note: The 'example activities' for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board's actions indicating the District's current intent as to their scope and their priority with respect to other activities.

General Management					
Performance Standard 1-1:	Hire, equip, train, evaluate, and motivate appropriate staff to achieve the District's mission within budgetary constraints.				
Metric	Frequency	Score	Documentation		
1. Overall score of General Manager's annual performance review for fiscal year	Annual	Met satisfactory review (8/10/17)	<ul style="list-style-type: none"> GM annual performance review on file Reports of unresolved issues referenced to Board on file, if applicable. Calculated annual turnover rate on file Annual FY Budgets on website and file Staff performance evaluations and salary adjustments on file 		
2. Number of instances of unresolved issues referred to the Board	Annual	Met 0			
3. Staff turnover rate net of reductions-in-force	Annual	Met 10% Reduction			
Example Board-Level Activities			Example Staff-Level Activities		
a. Hire, evaluate, and fairly compensate an effective General Manager.	a. Assign and supervise staff in roles that utilize their strengths and promote teamwork. b. Evaluate staff performance regularly and constructively. c. Develop and administer a staff compensation program that equitably rewards individual and team performance that advances the mission of the District. d. Provide opportunities for staff training and professional development. e. Maintain and improve staff morale and commitment to their job and the District.				
b. Address appropriately unresolved personnel issues between the General Manager and staff members, or upon request by the General Manager.					
c. Budget sufficient funds for salaries, wages, and benefits that will attract and maintain a staff that is sufficient to carry out the District's mission according to the prevailing <i>Management Plan</i> .					
d. Communicate perceived concerns about staff performance issues and other personnel matters to the General Manager.					

General Management

Performance Standard 1-2: Align District plans, policies and programs with the District's mission and vision, and regularly review and revise them, as warranted, to respond to changing circumstances that affect their need, effectiveness or implementation.

Metric	Frequency	Score	Documentation
1. Satisfactory progress toward or timely completion of revisions to the District's <i>Management Plan</i> that are approved by TWDB	Every 5-years or as needed	Met Draft MP approved by Board 8/24/17	<ul style="list-style-type: none"> • Director job descriptions on file • District strategic plan on file • Approved Management Plan on file • Current Rules and Bylaws on website and file • Roster of PAC • Agendas of PAC Meetings • Minutes approving annual budget • Resolution approving annual Fee Schedule • <i>Contingency & Risk Management Plan</i> on file
2. Establish a Contingency and Risk Management Plan and update it within one year of each <i>Management Plan's</i> approval, at least once every two years thereafter	Biannual (Due: Jan, 2014)	Met Through HCP contingency response commitments	
3. Timely budgeting and amendments	Annual	Met	
Example Board-Level Activities			
a. Develop and be guided by a "Director Job Description" that sets forth the roles, responsibilities, and expectations of a District Director.			a. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, at Board's discretion and direction.
b. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, including risk management and contingency planning.			b. Participate in developing recommendations as to approaches and content of the District's <i>Management Plan</i> and <i>Rules & Bylaws</i> , and their revisions and amendments.
c. Participate in developing and updating and then approve District <i>Management Plan</i> , and <i>Rules & Bylaws</i> .			c. Provide liaison between Board policy-level guidance/requests and staff direction.
d. Provide liaison to staff concerning policy-level guidance and requests of individual staff through the General Manager.			d. Help identify and recruit members of standing and <i>ad hoc</i> public advisory groups and administer their use.
e. Establish and effectively utilize standing and <i>ad hoc</i> public advisory groups.			e. Provide quality assurance of District work product and deliverables.
			f. Establish and maintain a continuous improvement ethos and program.
Example Staff-Level Activities			

Administration			
Performance Standard 1-3:	Ensure the District has the near-term and long-term financial basis and contractual wherewithal to support its mission.		
Lead Team	General Services		
Metric	Frequency	Score	Documentation
1. A clean financial audit report each year; and	Annual	Met	<ul style="list-style-type: none"> • Copy of Final Audit Report that is presented to the Board. • Minutes of the meeting where the audit was presented (audio also being available). • Copies of grant submissions; grant invoicing and quarterly reports if there is a current grant in progress. • Copy of PFIA certificate. • Proof of audit submission (transmittal letters) to TPRB and TCEQ annually (they send receipt letters). TPRB within 210 days after end of FY, and TCEQ within 135 days after end of FY. • Budgets and financial reports published on web-site.
2. Absence of vendor problems and contractual disputes	Annual, if applicable	Met None	
3. Amount of activity concerning grant proposals and projects	Annual, if applicable	Met TWDB RFP grant extended to 12/31/17	
4. Biannual receipt of official Public Funds Investment Act (PFIA) certificate for completing required training	Bi-Annual "Within each two-year period after the first year"	Met Completed April, 2017	
Example Board-Level Activities			
<ul style="list-style-type: none"> a. Proactively develop and support legislative and other initiatives that attach a more realistic value to the groundwater resources within the District, especially in comparison to the costs of other local water resources. b. Participate in developing and then approve fiscal-year budgets, including use of reserve funds and approval of budget amendments. c. Specify various financial-impact scenarios that should be included in contingency planning. d. Authorize and receive results of annual financial audits, and institute accepted recommendations on financial controls or procedures. 	<ul style="list-style-type: none"> a. Maintain finances in a manner that maximizes liquidity while maintaining the greatest return on District fund balances by investing in securities or investment pools that operate in low risk investments and are backed by the state and/or federal government. b. Provide effective and efficient accounting and financial records management and necessary investment training, in accordance with federal and state law, the <i>Rules</i>, and Board direction. c. Develop recommended elements and budgetary estimates for fiscal-year budgets and amendments. d. Contract for and participate in conducting an independent financial audit annually, including provision of financial records 		
Example Staff-Level Activities			

- e. Help identify and approve appropriate use of grant funding and resource commitments that will substantially enable progress toward District objectives.
- f. Establish purchasing policy and review and approve all contracts in accordance with the policy and upon legal review and approval as to form.

- e. Review Board as required by law.
- e. Help identify appropriate grant funding and resource commitments and utilize grant resources to leverage existing resources substantially with minimum opportunity costs.
- f. Publish budgets, current-period, year-to-date summary financial information and transaction-level information on the District website as part of the Open Government initiative.
- g. Acquire and manage projects in accordance with good project accounting and management practice and in conformance with sponsoring agency requirements.
- h. Obtain contracts for services in accordance with established District standards, and coordinate acquisition activities ensuring cost-effectiveness and quality by utilizing purchasing procedures that meet both District policy, state law, and the *Rules*.

Administration

Performance Standard 1-4: Provide efficient administrative support and infrastructure, such that District operations are executed reliably and accurately, meet staff and local stakeholder needs, and conform to District policies and with federal and state requirements.

Metric	Frequency	Score	Documentation
1. Absence of claims of OMA and PIA violations by external parties	Annual, if applicable	Met No violations or claims	<ul style="list-style-type: none"> • Copy of current TSLAC –approved records retention schedule. • Copy of list of approved-destroyed records. • Copy of annual TML Rerate Exposure Summary.
2. Lack of staff complaints about continuing problems with support services and infrastructure	Annual, if applicable	Met No formal complaints	

Example Board-Level Activities

- Receive training on and comply with Open Meetings Act (OMA) and Public Information Act (PIA) requirements.
- Provide budget allocation for the required administrative activities on continuing basis.

Example Staff-Level Activities

- Ensure that directors and appropriate staff receive training in and stay current with OMA and PIA requirements, and that daily District operations comply with those standards.
- As administrative liaison to Board, develop, post, and distribute District Board agendas, meeting materials, and backup documentation in a timely and required manner; post select documents on the District website, and maintain official records, files, and minutes of Board meetings appropriately.
- As Records Management Officer, maintain, retain, and control all District records in accordance with the Texas State Library and Archives Commission-approved District Records Retention Schedule to allow for safekeeping and efficient retrieval of any and all records, and annually audit records for effective management of use, maintenance, retention, preservation and disposal of the records' life cycle as required by the Local Government Code.
- As needed, update retention schedule in accordance with the Texas Administrative Code requirements, and file any amended retention schedule with the Texas State Library.
- Maintain the office building and grounds, office equipment, and supplies to provide an efficient work environment that meets the needs of the staff and stakeholder community.

- f. Perform cost-benefit analyses on all District insurance and employee-benefit policies before renewal, and acquire or renew all District policies in a timely fashion.
- g. Maintain District vehicles in good operational condition.
- h. Maintain and evaluate needed enhancements to the District computer system and network to facilitate District productivity and to support District programs and projects.

Administration

Performance Standard 1-5: Provide mechanisms to align District *Rules*, policies, and programs with the will of its collective and precinct-level constituencies, within the constraints of statutes governing the District.

Metric	Frequency	Score	Documentation
1. Maintaining a full Board; properly conducted director elections	Annual	Met Precincts 1,3, and 4 incumbent Directors ran unopposed	<ul style="list-style-type: none"> Board communications documentation required under PS 4-1 Directors' Board meeting attendance reports Copy of election documents (only required to retain for 2 years)
2. Effective participation in Board activities and representation of constituents by each of the five (5) Board members	Annual	Met	
3. Properly conducted director elections	Biennial, if at all	Met Incumbents ran unopposed, Elections cancelled	

Example Board-Level Activities

- a. Regularly visit with a spectrum of stakeholder interests in the single-member precincts and with the legislative community being represented by the directors as to their needs and concerns.
- b. Solicit candidate(s) to campaign every four (4) years for each director precinct place on Board, authorize or cancel an election, and canvass election results, as warranted.
- c. Authorize and participate in decennial and other re-districting, ensuring Department of Justice (DOJ) pre-clearances and conformance with statutory requirements.
- d. Utilize advisory groups to calibrate stakeholder inputs and possible responses, as needed.

Example Staff-Level Activities

- a. Support District's general counsel in re-districting director precincts the year after each decennial census, including timely submission of all DOJ-required data and documents for successful pre-clearance, as necessary.
- b. Make internal preparations for and conduct elections for the two or three directorships up for election biennially in even-numbered years in concert with county election offices, and in accordance with state and federal election laws, and as required by TWC Chapter 36.
- c. Prepare all election contracts with associated entities including election services contracts and joint election agreements, and all necessary orders and notices to conduct or to cancel an election.

General Management

Performance Standard 1-6: Provide leadership in promoting legislation and regulations that benefit the protection of the District's groundwater resources and opposing legislation and regulations that harm those resources.

Metric	Frequency	Score	Documentation
1. Preparation of a <i>Legislative Agenda</i> report before the end of each even-numbered fiscal year that reflects the consensus of the Board concerning the next session	Bi-Annual, even # years (Due: 2016)	N/A	<ul style="list-style-type: none"> • <i>Legislative Agenda Report</i> on file • <i>Legislative Debriefing Report</i> on file • Minutes of the Board meeting(s) where collective judgments were made on file
2. Preparation of a <i>Legislative Session De-briefing</i> report before the end of each odd-numbered fiscal year that assesses specific legislation that affects the District, both individually and as a GCD political subdivision, that passed and did not pass, and generally why that occurred	Bi-Annual, odd # years	Met Report provided on 6/22/17	
3. Collective judgment of the Board as to appropriateness of what was pursued legislatively, what actions were taken, and what outcomes were achieved	Bi-Annual, odd # years	Met Approved by Board on 6/22/17	
4. Collective judgment of the Board as to appropriateness of what litigation or contested-cases were pursued, what actions were taken, and what outcomes were achieved	Annual	N/A No new litigation	

Example Board-Level Activities

- Propose and support legislation and regulatory initiatives that control and prevent point/nonpoint-sources of pollution and cross-formational contamination of the aquifers managed by the District.
- Oppose legislation or regulatory initiatives that don't ensure protection of groundwater quantity and quality, including non-compliance with DFCs.
- Meet with local legislators and relevant committee members to foster an effective working relationship.
- Seek legal remedies as warranted and feasible to minimize or avoid impacts on groundwater quantity and quality of aquifers in the District.

Example Staff-Level Activities

- Support District's general counsel in re-districting director precincts the year after each decennial census, including timely submission of all DOJ-required data and documents for successful pre-clearance, as necessary.
- Make internal preparations for and conduct elections for the two or three directorships up for election biennially in even-numbered years in concert with county election offices, and in accordance with state and federal election laws, and as required by TWC Chapter 36.

c. Prepare all election contracts with associated entities including election services contracts and joint election agreements, and all necessary orders and notices to conduct or to cancel an election.

Objective 2 – Promulgate a fair and efficient regulatory program.

Note: The 'example activities' for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board's actions indicating the District's current intent as to their scope and their priority with respect to other activities.

Regulatory Compliance			
Performance Standard 2-1:	Review and modify the Rules as warranted to provide and maintain a sound statutory basis for continued District operations and to ensure consistency with both District authority and programmatic needs.		
Metric	Frequency	Score	Documentation
1. Rulemaking process is initiated and conducted in accordance with all statutory requirements and required timeframes	Annual, if applicable	N/A	<ul style="list-style-type: none"> • Rule concepts and draft rule documents on file • Hearing notices (published, county, mailed/e-mailed, etc.) for rulemaking on file • Audio of hearing maintained on file
2. Rules are in alignment with District policies and objectives as determined by the Board with PAC input in even-numbered years	Bi-Annual, even # years (Due: 2016)	N/A	<ul style="list-style-type: none"> • Minutes of meetings approving rules on file • Adopted rules on website
Example Board-Level Activities		Example Staff-Level Activities	
a. Provide direction and input to staff to guide the development of proposed rule concepts and draft rules.	a. Periodically review and provide proposed rule concepts to the Board to address necessary updates and revisions.		
b. Appoint and convene <i>ad hoc</i> policy advisory committees to review and comment on District policies and proposed rules revisions as warranted.	b. Consider rule updates and revisions needed to address specific needs of separate management zones for the different areas and aquifers within the District.		
c. Conduct public hearings for proposed rule changes.	c. Upon direction by the Board, prepare draft rules based on vetted rule concepts and Board input.		
d. Adopt necessary rule updates and revisions as warranted.	d. Schedule and provide required notification of public hearings for proposed Rule changes.		
	e. Make the adopted revised Rules available to the public after adoption by the Board.		

Regulatory Compliance

Performance Standard 2-2:

Process and review all well registrations, permit renewals, and applications for permits, permit amendments, and authorizations in accordance with the *Rules, Well Construction Standards*, and other District guidelines in accordance within specified procedural timeframes.

Metric	Frequency	Score	Documentation
1. Requests for permits and authorizations are processed in accordance with all statutory requirements and required timeframes.	Annual	Met	<ul style="list-style-type: none"> • Permit and registration applications and associated documents maintained on file • Hearing notices (published, county, mailed/e-mailed, etc.) for permits on file, if applicable • Audio of hearing maintained on file • Minutes of meetings approving permits on file, if applicable • Hydrogeological reports maintained on file, if applicable • Permit application fact sheets maintained on file, if applicable • Minutes from Board meetings approving permit renewals

Example Board-Level Activities

- a. Conduct public hearings for certain permits and authorizations.
- b. Take appropriate action on certain requested permits and authorizations presented to the Board considering application information, staff recommendations, and the District *Rules and Bylaws*.

Example Staff-Level Activities

- a. Register all new wells.
- b. Review and process well registration forms, plugging authorizations, and permit-by-rule authorizations.
- c. For all other applications, review and make determinations of administrative completeness.
- d. Require and receive results of aquifer tests for certain production permits and amendments.
- e. Assist applicants with planning and execution of all aquifer tests in accordance with the District's Aquifer Test Guidelines.
- f. Evaluate complete production and transport permit applications on the basis of: beneficial use, non-speculative needs, reasonable demand, the ability to comply with drought management requirements, and the ability to conform to management zone requirements.
- g. Evaluate all complete permit and authorization requests on the basis of potential for impact to sustainable groundwater

- quantity and quality, public health and welfare, contribution to waste, unreasonable well interference.
- h. Provide recommendation formed on the basis of staff evaluation for Board or General Manager consideration of certain permits and authorizations.
 - i. Schedule and provide required notification of public hearings for certain requested permits and authorizations.
 - j. Perform well site inspections before and after the drilling of each new well.
 - k. Prior to permit renewal, review all permits for compliance with District *Rules and Bylaws*.

Regulatory Compliance

Performance Standard 2-3: Monitor existing District wells for compliance with the *Rules*, and *Well Construction Standards*.

Metric	Frequency	Score	Documentation
1. Specified minimum number of permittee inspections completed or exceeded each year;	Annual	Met 39 inspections/site visits conducted	<ul style="list-style-type: none"> • Routine inspection documentation maintained on file • Database report of reported and collected meters readings • Enforcement plan on website • Minutes of Board-approved enforcement actions on file • Investigations reports on file • NOAVs and enforcement orders on file
2. The majority of all documented violations are brought into compliance or are addressed by a Board Order within six (6) months of the staff-established compliance deadlines;	Annual, if applicable	N/A No formal enforcement actions taken	
3. During drought, all required meter readings are submitted or collected each month.	Annual, if drought declared	N/A no drought declared	

Example Board-Level Activities

a. Provide direction to staff for enforcement of unresolved violations of the *Rules* as warranted.

Example Staff-Level Activities

- a. Register all newly identified unregistered wells.
- b. Conduct inspections of at least ten selected permittee systems (not including NDUs) each fiscal year for compliance with the *Rules*.
- c. Identify and notify individual permittees of any rule violations and take appropriate steps to ensure compliance.
- d. Notify abandoned well owners and monitor to ensure wells are properly plugged or brought into compliance.
- e. Perform well site inspections before each well plugging.
- f. Obtain meters readings by site inspections from individual permittees who fail to submit after late submittal notification has been provided.
- g. Monitor usage of individually permitted wells monthly and NDUs at least annually.
- h. Provide compliance updates and enforcement recommendations to the Board as warranted in accordance with the adopted enforcement plan.

Administration

Performance Standard 2-4: Efficiently process permittee meter readings, water use fee invoices and payments, conservation credits, permit renewals and related communications.

Metric	Frequency	Score	Documentation
1. Timely processing of permit renewals, conservation credits, and meter readings within timeframes specified in <i>Rules</i> or policies.	Annual	Met	<ul style="list-style-type: none"> • Annual conservation credit spreadsheet and minutes from Board meeting where presented. • Database reports. • Copy of permittee mailing lists. • Copy of underpumpage analysis spreadsheet and minutes from Board meeting where presented. • Copy of permittee billings spreadsheets and minutes from Board meeting where permits are conditionally renewed.

Example Board-Level Activities		Example Staff-Level Activities	
a. Issue conservation credits annually based on the annual conservation credit audit and staff recommendations.			<ol style="list-style-type: none"> a. Require timely-submitted monthly readings from individually permitted wells, enter all meter readings into the database, and file all monthly meter reading forms. b. Maintain permittee mailings lists and contact information in database. c. Annually renew compliant production and transport permits by September 1 of each year. d. Perform annual underpumpage analysis as warranted and provide recommendations for Board consideration. e. Perform annual conservation credit audit.

Objective 3 – Develop and implement an effective drought management program that achieves the adopted Desired Future Conditions (DFCs) of each relevant aquifer in the District.

Note: The ‘example activities’ for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board’s actions indicating the District’s current intent as to their scope and their priority with respect to other activities.

Regulatory Compliance			
Performance Standard 3-1:	Metric	Frequency	Score
Assist permittees in developing drought and conservation planning strategies, permit conversion strategies, pricing strategies, and enforce compliance with drought management rules during District-declared drought to achieve DFCs during extreme drought.	Assist permittees in developing drought and conservation planning strategies, permit conversion strategies, pricing strategies, and enforce compliance with drought management rules during District-declared drought to achieve DFCs during extreme drought.	Annual, during declared drought	N/A No Drought Declared
	1. Achieve overall monthly pumpage reductions within 10% of the aggregate pumpage reduction (volumetric) goal of the prevailing drought stage.		<p>Documentation</p> <ul style="list-style-type: none"> Database drought analysis reports UDCP templates and/or guidance documents on website and file Drought notifications sent to permittees on file Overpumpage notices sent to permittees on file Enforcement plan on website Written correspondence, memos to Board, and other pertinent documentation related to pre-enforcement and enforcement activity on file Annual Drought Compliance Report, with monthly “horseblankets” in appendix, on file
Example Board-Level Activities			
a. Provide direction to staff for enforcement and fee assessment for permittee violations of the Rules and applicable provisions of permittee’s User Drought Contingency Plans (UDCPs).			<p>Example Staff-Level Activities</p> <ol style="list-style-type: none"> Assist and support permittees with the development, implementation, and interpretation of User Conservation Plans (UCPs) and UDCPs in accordance with the Rules and as warranted. Review and approve submitted UCPs and UDCPs in accordance with the Rules. Require that all outdated UCPs and UDCPs are updated prior to annual permit renewal in accordance with the Rules. Upon declaration of drought, send notification to all permittees of requirement to implement and comply with all applicable provisions of their prevailing UDCP.

- e. Perform monthly evaluation of individual permittee compliance with monthly pumpage limits in accordance with the adopted enforcement plan.
- f. Send notices of overpumpage to all noncompliant permittees each month.
- g. Evaluate, stipulate, and enforce conservation-tier pricing for water-provider permittees to reduce demand by end-users. *Directors note that by rulemaking the Board has restricted the scope of this activity to providing information and incentives to help permittees develop and deploy conservation-oriented water pricing structures and not include enforcement of a particular pricing structure. This comprises a possible future correcting amendment of the Management Plan.*
- h. Identify occurrences of noncompliance that warrant possible enforcement action and are subject to assessment of drought management fees.
- i. Provide compliance updates and enforcement recommendations to the Board in accordance with the adopted enforcement plan.

Aquifer Science

<p>Performance Standard 3-2:</p>	<p>Monitor and declare drought stages on the basis of the analysis of data from the District's defined drought triggers and in accordance with the adopted drought trigger methodology.</p>		
<p>Metric</p>	<p>Monitor and declare drought stages on the basis of the analysis of data from the District's defined drought triggers and in accordance with the adopted drought trigger methodology.</p>	<p>Score</p>	<p>Documentation</p>
<p>1. Acceptable-to-Board proportion of timely updates of all drought related information during drought.</p>	<p>Annual</p>	<p>Met</p>	<ul style="list-style-type: none"> • Copies of Drought Chart for periods of declared drought
<p align="center">Example Board-Level Activities</p>			
<p>a. Make drought declarations considering the current aquifer conditions relative to defined drought triggers, the adopted drought trigger methodology, and staff recommendations.</p>	<p align="center">Example Staff-Level Activities</p> <ul style="list-style-type: none"> a. Review relevant aquifer data on a monthly basis when not in drought. b. Periodically provide updates to the Board on current aquifer conditions and provide recommendations of drought declarations as warranted. c. Confirm drought flows from Barton Springs that are indicated by monitoring well data with in-stream discharge (e.g., flow-meter) measurements sufficient to produce or verify a reliable stage-discharge relationship. d. When any drought trigger drops below average levels, monitoring will be done biweekly, and estimates will be made as to when either indicator will reach drought levels. e. Produce and update charts showing the status of the defined triggers on a biweekly basis during a District-declared drought. f. Produce and update charts showing the status of the defined triggers on a weekly basis during an Emergency Response Period. g. Collect and evaluate data for the assessment of the Middle and Lower Trinity Aquifers and how they might be impacted and regulated by drought. 		

Education & Outreach

Performance Standard 3-3: Inform and educate permittees and the public about declared drought stages and the severity of drought, and encourage practices and behaviors to reduce water use.

Metric	Frequency	Score	Documentation
1. Timeliness and adequacy of response to requests for information.	Annual	Met 14 TPIA requests received and processed	<ul style="list-style-type: none"> Record of newsletter, press releases, and drought updates sent to Press, Permittees, and email subscribers. Availability of drought stage road signs and bill inserts for permittee use.
2. Absence of complaints received concerning water utility permittees' unwarranted actions.	Annual	Met No complaints	<ul style="list-style-type: none"> Public information requests and responses on file. Responses to residents' inquiries about drought restrictions or inappropriate water use.

Example Board-Level Activities

a. Authorize and participate in efforts to disseminate information related to aquifer conditions during drought and practices that could facilitate demand reduction.

Example Staff-Level Activities

- Provide public awareness of declared drought stages and drought severity by at least monthly communications which may include written and electronic correspondence, newspaper articles and advertisements, press releases, the District website, District newsletter, and special permittee newsletters.
- Support permittees' efforts to inform their end users of drought stages and water conservation measures with by creating general drought stage information and informational materials on water conservation.

Objective 4. Demonstrate leadership in external communication, collaboration, coordination and joint planning with respect to groundwater and related resources.

Note: The 'example activities' for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board's actions indicating the District's current intent as to their scope and their priority with respect to other activities.

General Management			
Performance Standard 4-1:	Metric	Frequency	Score
Performance Standard 4-1:	Cultivate and communicate effectively and routinely with stakeholders of all types that affect and are affected by the District's programs and policies.	Quarterly	Met
	1. Collective judgment of the Board once each quarter as to whether communications between the District and its stakeholder community, including constituents and other public officials, are providing an effective basis for District decision-making and for identifying any needed remedial actions.		Documentation <ul style="list-style-type: none"> Directors' compensation forms Directors' correspondence logs (if available) Minutes of activity reported in the Directors' Reports as reported in each regular Board meeting Minutes of Board action providing collective judgment
Example Board-Level Activities			
	a. Cultivate balanced relationships with and among stakeholders, precinct residents, and policy makers to promote the District's mission.		a. Cultivate balanced relationships between District staff and stakeholders.
	b. Represent the District with legislative community, other political subdivisions, and related groups.		b. Represent the District with legislative community, other political subdivisions, and related groups.
			c. Represent the District in alliances and other organizations with common interests.
Example Staff-Level Activities			

Regulatory Compliance

Performance Standard 4-2:		Collaborate with joint Groundwater Management Area (GMA) and regional water planning efforts on policies, regulations, and activities affecting water quality or desired future conditions of the aquifers managed by the District.		
Metric	Frequency	Score	Documentation	
1. Percent of GMA meetings attended;	Annual	Met GMA 9 - 100% attendance GMA 10 –100% attendance	<ul style="list-style-type: none"> Region K and L attendance reports GMA 9 and 10 attendance reports GMA GCD management plan reviews on file Minutes of Board meetings where GMA (or RWPG, if applicable) representatives were appointed. Minutes of Board meetings where GMA/RWPG issues where considered Notices of DFC hearings conducted/attended 	
2. Timely provision of responsive comments on management plans of other GCDs in GMA 9 and 10;	Annual, if applicable	N/A		
3. Participation in public hearings on DFCs and management plans	Annual, if applicable	Met		
4. Timely discussion and voting on GMA items	Annual, if applicable	Met		
Example Board-Level Activities		Example Staff-Level Activities		
<ul style="list-style-type: none"> Utilize the data, results, and staff recommendations associated with water quality and/or desired future conditions to direct staff and develop policy in accordance with the District's mission. Designate a District representative to participate in and serve as a voting member of GMA 9 and GMA 10. Review and comment on management plans of other GMA member districts for consistency with DFCs of shared or hydrologically connected aquifers. 		<ul style="list-style-type: none"> Provide information and input to current and proposed rules, standards, and planning efforts related to regional development and water/wastewater management. Apply standards specified in the Regional Water Quality Protection Plan (2005) where applicable. <i>Directors note that "standards" here do not refer to enforceable regulatory standards but are interpreted to be in the sense of consensus "principles".</i> Provide recommendations to the Board on management plans of other GMA member districts for consistency with DFCs of shared or hydrologically connected aquifers. Develop and implement a cost-effective method for evaluating and demonstrating compliance with the DFCs of the relevant aquifers in the District, in collaboration with other GCDs in the GMAs. Support by attendance and in-kind consultation services in meetings of GMAs 9 and 10, as appropriate. 		

- f. Seek public inputs on concerns that help articulate DFCs.
- g. Vote on applicable items requiring GMA joint planning approvals.

Aquifer Science

<p>Performance Standard 4-3:</p>	<p>Provide technical assistance as warranted to federal, state and local entities; organizations; and individuals on the geology, hydrogeology, and karst features impacted by groundwater-utilizing land use activities.</p>		
<p>Metric</p>	<p>Frequency</p>	<p>Score</p>	<p>Documentation</p>
<p>1. Qualitative judgment by the Board as to how well the District's directors are promoting groundwater protection with other entities.</p>	<p>Annual</p>	<p>Met</p>	<ul style="list-style-type: none"> • Quarterly Director Activity Reports on file • WPAP reviews and comments on file
<p>Example Board-Level Activities</p>			
<p>a. Establish standards and criteria specified in the Regional Water Quality Protection Plan to be used by District staff in evaluating deleterious impacts to recharge water quality.</p>	<p>Example Staff-Level Activities</p>		
<p>a. Provide information to developers, roadway contractors, the regulated community, and local and state agency personnel about the locations and sources of vulnerability of the District's groundwater resources, and the steps they can take to mitigate the threats of contamination.</p> <p>b. Apply standards and criteria specified in the Regional Water Quality Protection Plan (2005), as applicable and warranted, for the evaluation of various land uses requiring or affecting groundwater supplies and the associated potential for recharge water quality degradation or waste.</p> <p>c. Review and provide comments, where applicable, for Water Pollution Abatement Plans or other environmental site assessments associated with any permits or authorizations submitted to the TCEQ, COA, small cities, counties, or other political jurisdictions in order to mitigate potential degradation of the District's groundwater resources.</p>			

Education & Outreach

Performance Standard 4-4: Through education and public outreach, inform groundwater users and the general public of the connectivity of recharge and discharge, importance of water quality protection, and the relationship between surface water and groundwater.

Metric	Frequency	Score	Documentation
1. Number of workshops/seminars with acknowledged District participation;	Annual	Met	<ul style="list-style-type: none"> • Documentation in monthly team activity reports. • Database tracking for Friends of the Aquifers email subscriptions. • Summary list of outreach activities.
2. Number of District-sponsored outreach meetings and info distribution events;	Annual	Met	
3. Trends in number of page views and amount of "click-throughs" for District website;	Annual	Met	
4. Number of new subscriptions to the Friends of the Aquifers email contact list.	Annual	Met	

Example Board-Level Activities	Example Staff-Level Activities
<p>a. Communicate with constituents of their respective single-member precincts to ensure fair representation.</p> <p>b. Facilitate dissemination of education and public outreach information within respective single-member precincts.</p> <p>c. Help promote and/or participate in District-sponsored events.</p>	<p>a. Offer and/or recommend workshop(s) and/or presentations that educate local residents on the District, its management, District aquifers, Texas groundwater and surface resources, and indoor/outdoor water conservation practices.</p> <p>b. Use electronic and printed media and in-person visits to deliver accurate and timely information to community groups that are interested in and/or affect the groundwater resource and its use, both upon request and on a proactive basis.</p> <p>c. Organize and conduct events that allow the District to work cooperatively with area residents, including youth, in demonstrating the important relationships between surface and groundwater quality.</p> <p>d. Maintain up-to-date District and aquifer information and literature that are available to the public via the website, print materials, and an electronic newsletter.</p>

General Management

Performance Standard 4-5:

Prepare, submit, and maintain a draft and final Habitat Conservation Plan (HCP) and provide support of related National Environmental Policy Act documentation and processes for obtaining an Incidental Take Permit from the US Fish & Wildlife Service (FWS) for the endangered species at Barton Springs.

Metric	Frequency	Score	Documentation
1. Satisfactory progress toward completion of the HCP that is acceptable to FWS, as judged by the Board and with the use of an annual HCP Status Report prepared by District Staff near the end of each fiscal year;	Annual, if and when applicable	Met dHCP/dEIS published for comment on 7/18/17	<ul style="list-style-type: none"> • HCP Annual Report on file • Incidental Take Permit on file • MAC's Annual HCP Progress Report, on file • Minutes of MAC meetings • Rules & Bylaws that reduce permitted withdrawals during Emergency Response Period droughts to requisite amounts
2. Upon its receipt, success in maintaining a Section 10(a) Incidental Take Permit;	Annual, if and when applicable	N/A	
3. Establishment and convening meetings at least annually of an HCP Management Advisory Committee;	Annual, if and when applicable	N/A	
4. Promulgation of a regulatory program that achieves the Extreme Drought Withdrawal Limitation that is based on the MAG for the prevailing drought DFC for the Freshwater Edwards Aquifer.	Annual	Met	

Example Board-Level Activities

- a. Assess and authorize needed measures within the District's authority, on a continuing basis, to minimize take and prevent jeopardy of the endangered species that are specified in the HCP.
- b. Fund on a continuing basis the primary and adaptive management measures to minimize take and prevent jeopardy of the endangered species in the HCP.

Example Staff-Level Activities

- a. Prepare a draft HCP, respond to public comments, and prepare and submit a final HCP that are acceptable to FWS.
- b. Establish, periodically convene, and utilize an HCP Management Advisory Committee to assess independently the effectiveness of the HCP measures and recommend changes necessary to improve effectiveness, if warranted.
- c. Employ an adaptive management strategy to respond effectively to unforeseen and/or changed circumstances.

Objective 5. Extend current groundwater supplies by encouraging supply-side and demand-side improvements.

Note: The 'example activities' for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board's actions indicating the District's current intent as to their scope and their priority with respect to other activities.

Regulatory Compliance			
Performance Standard 5-1:	Metric	Frequency	Score
On at least a bi-annual basis, assess the availability and feasibility of regional alternative water supplies and encourage District permittees to diversify their water supplies by fostering arrangements with available water suppliers.	1. A report completed in odd-numbered years summarizing the above activities, grant activities, and active alternative supply projects in the District, and making recommendations.	Bi-Annual odd # years (Due: 2017)	<p>Met</p> <ul style="list-style-type: none"> Alternative Water Supply Status Report on file
Documentation			
Example Board-Level Activities		Example Staff-Level Activities	
<p>a. Provide input to District staff about policy considerations of alternative water supplies.</p> <p>b. Provide active leadership in promoting and pursuing alternative water supplies, including but not limited to participating in speakers' bureaus, working with water providers, legislative community and agencies such as TWDB and TCEQ, and assessing political and economic efficacy and paths.</p>		<p>a. Identify available alternative water resources and supplies (e.g., saline Edwards desalination, ASR, reuse, rainwater, etc.).</p> <p>b. Evaluate viability of alternative water sources by considering:</p> <ul style="list-style-type: none"> available/proposed infrastructure financial factors logistical/engineering factors potential secondary impacts (development density/intensity or recharge water quality). <p>c. Develop relationships/agreements with area surface water providers and encourage service to District permittees during extreme drought where appropriate.</p> <p>d. Explore possible incentives to District permittees to implement the use of alternative water supplies through pricing, permit terms, and other mechanisms where appropriate. <i>Directors note that exploration of these incentives requires Board authorization and involvement.</i></p>	

This comprises a possible future correcting amendment of the Management Plan.

- e. Remove/reduce institutional barriers to use of alternative sources as feasible.
- f. Produce a bi-annual report for the Board to serve as a summary of regional alternative supplies and activities [related to this objective]

Aquifer Science

Performance Standard 5-2: Conduct investigations and, as warranted and feasible, physically alter discrete recharge features that will lead to an increase in recharge to the Edwards Aquifer.

Metric	Frequency	Score	Documentation
1. Annual oral presentation in even-numbered years on progress in these activities, to enable the Board to assess the progress;	Bi-Annual even # years (Due: 2016)	N/A	<ul style="list-style-type: none"> • Alternative Water Supply Status Report on file • Minutes of Board meeting in which oral presentation on this topic was made. • Photographs of work being conducted in these recharge features
2. Inclusion of these activities in the biennial Alternative Water Supplies Report in odd-numbered years;	Bi-Annual odd # years (Due: 2017)	Met	
3. Number of excavations conducted in caves, sinkholes, or recharge features annually (with at least one being satisfactory).	Annual	Met	

Example Board-Level Activities	Example Staff-Level Activities
<p>a. Participate in discussions about activities related to recharge enhancement.</p> <p>b. Establish policies concerning recharge enhancement projects.</p> <p>c. Fund approved projects, including seeking external funding partners.</p>	<p>a. Determine locations, cost-effective methods, and efficacy of potential recharge maintenance and enhancement for at least one additional recharge feature during the five-year term of this <i>Plan</i>.</p> <p>b. Seek both internal and external funding to study and construct BMPs that are capable of diverting surface waters into the District aquifers.</p> <p>c. Excavate sediment and other material from at least one recharge feature, such as caves, sinkholes, and BMPs, each year so that the capacity of the feature to recharge the aquifer will be at least maintained if not increased.</p> <p>d. Identify and pursue grant funding, as appropriate, Board-authorized and available pertaining to recharge enhancement and nonpoint source pollution, and manage grant projects in accordance with grant requirements and good project management practice to meet milestones on budget and schedule.</p>

Aquifer Science

Performance Standard 5-3:

Conduct investigations, as warranted and feasible, to evaluate the potential for the saline zone of the Edwards Aquifer to provide water for a desalination facility, and to evaluate the potential for the Edwards saline zone and the Trinity aquifers beneath the freshwater Edwards as reservoirs for an Aquifer Storage and Recovery (ASR) system.

Metric	Frequency	Score	Documentation
1. Annual oral presentation in even-numbered years on progress in these activities to enable the Board to assess the progress;	Bi-Annual even # years (Due: 2016)	Met	<ul style="list-style-type: none"> • Alternative Water Supply Status Report on file • Minutes of Board meeting in which oral presentation on this topic was made • Abstracts, reports, or publications summarizing results of these studies
2. Inclusion of these activities in the biennial Alternative Water Supplies Report in odd-numbered years.	Bi-Annual odd # years (Due: 2017)	Met Regular monthly reporting at Board meetings	
Example Board-Level Activities			
<ol style="list-style-type: none"> a. Provide input of the extent of investigations of the saline zone and the level of interest of the Board on desalination and ASR. b. Assist in developing and approve a business plan if and as necessary for co-funded investigations. c. Authorize funding for a portion or all of investigations on the Edwards saline zone. 	Example Staff-Level Activities <ol style="list-style-type: none"> a. Install monitor well in saline zone for sampling and aquifer parameter testing. b. Cooperate with other organizations for installing a test well in the saline zone and for evaluating the feasibility of desalination and/or ASR in the saline zone. c. Conduct aquifer tests of Trinity aquifers to determine if they could serve as reservoirs for an ASR system. 		

Education & Outreach

Performance Standard 5-4: Maintain and develop programs that inform and educate District groundwater users and area residents of all ages about water conservation practices and resources and use of alternate water sources including gray water/condensate reuse and rainwater harvesting.

Metric	Frequency	Score	Documentation
1. Preparation and dissemination of material shared with District groundwater users and area residents that will inform them about water conservation and alternate water sources.	Annual	Met	<ul style="list-style-type: none"> • Social media posts, newsletter articles, and email bulletins highlighting upcoming events. • Monthly team activity status report • documentation of permittee communications about conservation credits and education events (via mail or email). • High volume private well owner list updates and tracking of materials sent.

Example Board-Level Activities			
a. Provide direction and input to staff on messages that the Board would like to convey to the public about water conservation and alternate water sources.			
Example Staff-Level Activities			
a. Support and publicize other local-area water conservation initiatives using print and presentation opportunities.			
b. Maintain up-to-date water conservation and alternate water source information and literature that is available to the public via the website and print materials.			
c. Provide District groundwater permittees and end-users with water conservation and alternate water source presentations upon request where possible.			
d. Offer and/or recommend educational events annually that address topics such as leak detection, water audits, irrigation audits, indoor water conservation, water use behavior, native landscaping, or rainwater harvesting.			
e. Engage and solicit participation of permittees and other stakeholders on the District's conservation credit policy.			

Objective 6. Increase understanding of all District aquifers so that appropriate policy and regulatory decisions are made.

Note: The 'example activities' for directors and staff listed below are intended by the Management Plan and therefore in this annual assessment to be only illustrative ones for this Objective and Performance Standard, and should not be construed as restrictive or mandatory in each or any one year. In addition, all are subject to the Board's actions indicating the District's current intent as to their scope and their priority with respect to other activities.

Regulatory Compliance			
Performance Standard 6-1:	Metric	Frequency	Score
Assess aquifer conditions by sampling and collecting groundwater data from selected wells.			
			Documentation
1. Information collected on wells within the District entered into District database		Annual	<p>Met</p> <ul style="list-style-type: none"> • Annual well sampling tracking spreadsheet • Database reports
Example Board-Level Activities			
a. Provide direction and input to staff about how the Board would like to have data collected, maintained, and reported.			<p>Example Staff-Level Activities</p> <p>a. Collect water-quality and groundwater-level information annually from:</p> <ul style="list-style-type: none"> - All individually permitted wells (except for public supply wells) scheduled for routine compliance inspections - All newly drilled wells - Abandoned wells where sample collection is possible prior to District-authorized plugging - Five (5) other selected wells of interest. <p>b. Record data in District databases and use to assess groundwater quality and quantity.</p>

Aquifer Science

Performance Standard 6-2: Conduct scientific studies to better determine groundwater availability, to understand and prevent threats to water quality, to minimize impacts to water-supply wells and springs, and to provide sound science on which to base District policy.

Metric	Frequency	Score	Documentation
1. An annual report of publications produced by the District that affects or will affect current or future Board decision-making	Annual	Met	<ul style="list-style-type: none"> • Compendium of publications and presentations by District staff and directors on file • Abstracts, reports, or publications summarizing results of these studies
2. Qualitative judgment by Board as to adequacy of the type of scientific information provided to them	Annual	Met	

Example Board-Level Activities

- Provide guidance on policy issues that involve scientific evaluation.
- Authorize funding for a portion or all of investigations related to aquifer science.

Example Staff-Level Activities

- Collect, maintain, and interpret relevant data such as water levels, water quality, stream flow, rainfall, and aquifer properties, including water-level information from at least ten (10) monitor wells and stream or spring flow measurements at least three (3) times annually.
- Periodically and regularly measure and evaluate the accuracy and precision of the discharges at the Barton Springs complex, and promote improvements in the reliability of such measurements.
- Identify and pursue grant funding, as appropriate and available to conduct aquifer studies, and manage grant projects in accordance with grant requirements and good project management practice to meet milestones on budget and schedule.
- Assess effects of "urban leakage" and its consequences for groundwater model calibration and outputs.
- Collaborate on aquifer studies with other agencies and institutions by participating in at least five meetings each year with other groundwater scientists and engineers to discuss topics of current and direct interest to the District staff.
- Evaluate the various groundwater models to determine which ones best suit the needs of the District for groundwater availability analyses, or consider other model software that has not yet been applied to District studies.

- g. Prepare presentations, abstracts, and papers to present at scientific meetings and conferences or for publication by the District or other scientific organizations.
- h. Appoint and convene when appropriate an *ad hoc* technical advisory committee to review and comment on District investigations and analyses. ***Directors note that only the Board may appoint and convene advisory committees, and that staff involvement will be in administering and utilizing outputs of such committees. This comprises a possible future correcting amendment of the Management Plan.***

Basis for Board of Directors'

Evaluation of Progress on Objectives and Performance Standards

Basis for Evaluation of Progress on Objectives and Performance Standards

Teams:	General Management	Administration	Education & Outreach	Aquifer Science	Regulatory Compliance
--------	--------------------	----------------	----------------------	-----------------	-----------------------

Objective 1. Assure the long-term sustainability of the District to carry out its mission as a Groundwater Conservation District with excellence.

PS 1-1: Hire, equip, train, evaluate, and motivate appropriate staff to achieve the District's mission within budgetary constraints.

- The Board conducted the General Manager's FY 2017 performance review and objectives assessment at its regularly scheduled meeting on August 10, 2017. The Board took action determining that the General Manager's performance in FY 2017 was satisfactory and that the FY 2017 District Goals and General Manager (GM) objectives were met or exceeded. The Board went further to award a cost of living salary increase, a performance bonus, and the incentive compensation for achieving the objectives.
- There were no instances of unresolved personnel issues and none were referred to the Board.
- The District had one resignation in FY 2017 therefore the net turnover rate was 9%. The position of Regulatory Compliance Technician was vacated with the resignation in January of 2017. The vacant position was upgraded and posted as a Regularly Compliance Specialist which was then filled with the hiring of Zachery Garza in February of 2017. The Regulatory Compliance Team managed the temporary reduction in staff and subsequent training of the new hire with limited disruption.
- Annual performance and salary reviews were completed for all regular staff in FY 2017. On the basis of the reviews, staff was collectively awarded a 2.95% raise in salaries which was within the FY 2017 budgeted amount for salaries and wages. Incentive compensation for completed projects was also awarded according to the incentive compensation plan
- Collectively, staff attended approximately ten courses for purposes of directed training and professional development in FY 2017. This support is in addition to more than 19 technical/policy conferences, seminars, workshops, webinars, and symposia in which one or more District staff members and directors participated. There was one out-of-state conference attended in Nevada. In all, approximately \$16,501 was spent on professional development, training, tuition, and career advancement for staff members and directors in FY 2017.
- The District has implemented a regular schedule of spring and fall staff-only retreats involving field trips and excursions in and around the District's area, and team building exercises to build relationships and maintain staff morale. Staff morale was maintained and generally good throughout the year.

PS 1-2: Align District plans, policies, and programs with the District's mission and vision, and regularly review and revise them, as warranted, to respond to changing circumstances that affect their need, effectiveness, or implementation.

- Staff continued to operate in accordance with the objectives of the 2013 Management Plan (MP) and the methodology developed for measuring progress towards satisfying the plan objectives. Staff also invested substantial effort in preparing an updated MP in anticipation of the 2013 plan's expiration in January of 2018. The initial project tasks involved forming up guiding principles and a conceptual approach to be presented to the appointed Board committee (Mary Stone and Craig Smith) for approval. The guiding principles included:
 - Utilize a framework consistent with the Texas Water Development Board (TWDB) goal structure.
 - Incorporate the Habitat Conservation Plan (HCP) conservation measures as baseline objectives to provide a direct link between the HCP and the 2018 MP.
 - Expand the scope of the baseline HCP measures to include core administrative functions, the shared territory, and management of non-Edwards aquifers (primarily the Trinity aquifers).
 - Streamline by removing any non-essential content, objectives, standards, and activities.
 - Should be sufficiently comprehensive to maintain current authority and emphasize key management strategies.

The Board committee held two meetings on March 20 and May 23, 2017 to develop the guidelines for the revision and provide input into the content, objectives, and performance standards in accordance with those guidelines. The draft content was initially presented to the full Board on May 25 and then work-shopped at the June 23rd regular Board meeting. On July 13, 2017, the Board approved the preliminary draft for submittal to the TWDB for pre-review. The TWDB conducted their pre-review and provided minimal comments that required only minor edits which were approved by the Board on August 24, 2017. The Board set and held a public hearing on the draft MP on September 28th, 2017 and then approved the plan with minor revisions to be submitted to the TWDB for final review and approval.

- The District did not formally initiate rulemaking in FY 2017 but made substantial progress towards developing rule concepts related to the District's authority to permit and regulate Aquifer Storage and Recovery (ASR) systems. The ASR rule concepts were presented by the Regulatory Compliance Team to the Board at the August 10th Board meeting. The Board Rules Committee (Bob Larsen and Blayne Stansberry) has been engaged, and a process to vet the concepts through a Technical Advisory Committee (TAC) and develop the draft rules will continue through FY 2018.
- The MP requirement to develop a Contingency and Risk Management Plan (CRMP) is satisfied through the commitment to measures of the draft HCP which specifies pre-determined responses to the certain Changed and Unforeseen Circumstances. The Board has determined in the three previous annual reports that these HCP measures serve the same function as a CRMP; therefore, a unique plan is not needed, and is judged by staff to be "met."

- The District timely completed and the Board approved its annual budget and fee schedule for FY 2017 on July 21, 2016 and approved subsequent budget revisions on January 12, 2017 and June 22, 2017. The staff developed and the Board approved the proposed FY 2018 budget in late FY 2017 on August 10, 2017. The FY 2018 fee schedule was approved by the Board on July 13, 2017.
- The Board continued the convention of strategic planning through the setting of annual goals by adopting its FY 2017 goals on October 6, 2016. These annual goals provide policy-level direction to the GM and staff, and serve to guide the District's expenditure of staff time and resources. The Board conducted the end-of-year assessment of the FY 2017 goals at their regular Board meeting on August 10, 2017 and judged that the District demonstrated sufficient progress towards achievement of the goals.
- The Board convened and actively engaged the Management Advisory Committee (MAC), which serves as the principle advisory group, to assist in the development of the District HCP and the Incidental Take Permit (ITP) application which was filed with the U.S. Fish and Wildlife Service (USFWS) in late 2013. There has been little activity to necessitate convening the MAC to support additional HCP activities since the ITP has been in review by the USFWS and is pending. Staff does intend to convene a TAC in FY 2018 to assist with and vet ASR rules.

PS 1-3: Ensure the District has the near-term and long-term financial basis and contractual wherewithal to support its mission.

- District Board and staff members maintained their financial resources in a manner that maximizes liquidity while maintaining the greatest return on District fund balances by investing in securities or investment pools that operate in low risk investments and are backed by the state and/or federal government.
- The District developed, implemented and modified, as needed, a balanced FY 2017 annual budget that the Board initially approved on July 21, 2016, and then revised on January 12, 2017, and again on June 22, 2017.
- The District successfully operated within its budgeted operating expenses, although the District Board did approve the use of reserve funds (\$215,000 in Budget Revision 2) to balance the budget.
- The District obtained new contracts for services in accordance with established District standards that meet or exceed the requirements of state law and the District's Rules and Bylaws; this includes the second round of Master Services Contracts that administration has engaged in.
- The District submitted an application to the TWDB for a Regional Facility Planning Grant on January 28, 2015 to assess the Saline Edwards Aquifer as a potential water supply. The District was awarded grant funding in the amount of \$240,000 to support the District's grant project. The contract with TWDB for the grant project was approved by the Board and executed on

August 27, 2015. The actual well drilling site work did not begin until August 2016. The grant contract was amended in October 2017 with a new expiration date of December 31, 2017.

- The District's investment officer, Dana Christine Wilson, completed the official Public Funds Investment Act (PFIA) training on October 10, 2016 (completed earlier than April which is the usual timing), a biennial requirement, and will be renewing this requirement in April 2018.

PS 1-4: Provide efficient administrative support and infrastructure, such that District operations are executed reliably and accurately, meet staff and local stakeholder needs, and conform to District policies and with federal and state requirements.

- A cost-benefit analyses was performed on all District insurance and employee-benefit policies before renewal; and the District acquired, amended and renewed all District benefit policies in a timely fashion.
- All District records were maintained, retained, and controlled in accordance with the Texas State Library and Archives Commission-approved District Records Retention Schedule to allow for safekeeping and efficient retrieval of any and all records. Records are audited for effective management of use, maintenance, retention, preservation and disposal of the records' life cycle as required by the Local Government Code.
- Maintained and upgraded (e.g. remodeling projects) the office building and the grounds, office equipment, and supplies to provide an efficient work environment that meets the needs of the staff and stakeholder community. Facilities upgrades for FY 2017 were a shelving addition to the library space to improve function and efficiency, and to allow more space for records storage.
- District Board agendas and pertinent meeting materials and backup documentation were developed, posted, and distributed in a timely manner. Select documents that were pertinent and necessary, were posted on the District. Official records, files, and minutes of Board meetings were also appropriately maintained and made available for public viewing on the District website.

PS 1-5: Provide mechanisms to align District Rules, policies, and programs with the will of its collective and precinct-level constituencies, within the constraints of statutes governing the District.

- Effective participation may be demonstrated by the documentation of Board activity communications described under PS 4-1. This process and methodology was developed during FY 2013. The formal judgment of the effectiveness of the Board's communications was available for the entire FY 2017. The efforts of each Director to engage the full spectrum of stakeholder interests was observed and demonstrated by their attendance in the majority of all Board meetings, work sessions, stakeholder meetings, District-sponsored activities, and individual communications.

- District elections occur every two years. An election was held in November 2016 (our FY 2017) without the District's participation as the three board members that were up for re-election, were unopposed for Precincts 1, 3, and 4. The election processes were conducted in accordance with newly redistricted precinct boundaries, State and Federal law, and as required by Chapter 36 of the Texas Water Code, and the rules set forth in the Texas Election Code.

PS 1-6: Provide leadership in promoting legislation and regulations that benefit the protection of the District's groundwater resources and opposing legislation and regulations that harm those resources.

- The GM served as the primary point of contact, and coordinated with Brian Sledge of Sledge Law, the District's legislative consultant, and the appointed Board committee members (Blayne Stansberry and Bob Larsen) to monitor bills of interest to the District including two bills that were filed on the District's behalf (HB 2424 and HB 3071). Efforts included bill tracking and analysis, meeting and providing information to legislators, and providing testimony at legislative committee hearings on certain bills. The following is a synopsis of the fate of certain priority bills of direct interest to the District:
 - **HB 2424** by Howard (District annexation bill). HB 2424 was filed to align the District's boundaries with the boundaries of the aquifer. The bill was filed but was never referred to committee and therefore, did not pass.
 - **HB 3071** by Rodriguez (District fee equalization bill). HB 3071 was a cleanup bill to reconcile fee structure inequity between the exclusive and annexed shared territory created by HB 3405 in 2015. The Board President, Blayne Stansberry, testified in support of the bill at the House Natural Resource Committee (NRC) hearing on April 19, 2017. The bill passed the House but did not receive a hearing by the Senate Intergovernmental Relations Committee and therefore, did not pass.
 - **HB 4121** by Kacal (Transfer of groundwater conservation district territory). HB 4121 was filed to authorize a process to allow the transfer of parcels of land located in two or more groundwater conservation districts (GCDs) into one GCD. The GM provided testimony against the bill at the House NRC hearing on April 5, 2017. The substituted version of the bill passed the House and was referred out of the Senate Agriculture, Water, and Rural Affairs Committee (AWRAC) but did not pass the Senate.
 - **HB 922** by Workman (Southwestern Travis County GCD bill). HB 922 failed to pass but the language of the House and Senate versions of the bill were added to HB 4345 (related to creation of the Rio de Vida MUD) which passed. The GCD is created on September 1, 2017, the effective date of the bill, and is subject to a confirmation election in May of 2018.
 - **SB 862** by Perry (GCD attorney's fees bill). HB 862 was filed to remove the liability protection afforded to GCDs for legal costs associated with certain legal proceedings. Board President, Blayne Stansberry, testified against the bill at the Senate AWRAC on April 3, 2017. The substituted bill passed the Senate but did not get out of the House NRC and therefore, did not pass.

- **SB 1392** by Perry (Omnibus GCD bill). HB 1392 was filed as a comprehensive overhaul of Chapter 36 that would have had significant impacts on the District. The GM and Board President, Blayne Stansberry, testified against the bill at the Senate AWRAC hearing on April 10, 2017.
- A legislative debriefing report was provided by Sledge Law at the June 22, 2017 Board meeting. The Board adopted the report and accepted the report as satisfying this performance standard.
- With the concurrence of the Board and advice of its counsel, the District did not enter into any new litigation or contested-cases with and for other jurisdictions in FY 2017.

Objective 2. Promulgate a fair and efficient regulatory program.

PS 2-1: Review and modify the *Rules* as warranted to provide and maintain a sound statutory basis for continued District operations and to ensure consistency with both District authority and programmatic needs.

- In FY 2017, Rules were not amended; however, the District continued its ongoing initiatives associated with development of alternative water supplies for the District. Staff held multiple meetings with Texas Commission on Environmental Quality's (TCEQ) staff and management team to better understand the interpretation of state rules and to understand the authority limitations resulting from legislative changes. These discussions helped inform the further development of ASR Rule Concepts.
- During FY 2017, the USFWS officially posted the notice for the District's draft HCP and the USFWS's draft Environmental Impact Statement (EIS) listing in the Federal Register, and announced the 60-day public comment period. Written comments were received by September 18, 2017. A public meeting hosted by the Service was held on August 22, 2017 at the District office. Only three comments were received before the comment period closed, and the District prepared responses to those. The HCP and associated documents, an overview of the development process, and more information are available on the [District HCP website](#). The HCP is currently under USFWS review, and an ITP has not been issued. Upon approval and issuance of an ITP, staff will propose rule changes necessary to address the efforts of the HCP and ITP.

PS 2-2: Process and review all well registrations, permit renewals, and applications for permits, permit amendments, and authorizations in accordance with the *Rules*, *Well Construction Standards*, and other District guidelines in accordance within specified procedural timeframes.

- During FY 2017, the District continued with an online registration system to receive well registration applications from well owners. The online registration system was implemented in June 2015 in response to recent annexation efforts associated with the passage of HB 3405. Approximately <10 registration surveys were received and processed. Additionally, all newly drilled or modified wells were registered at the time of application.
- As reported in the "District Programs-Team Highlights" section of the Annual Report, the following applications were received and processed in FY 2017. All applications were processed in conformance with the District's information requirements, procedural requirements, and time frames. All current production and transport permits were renewed at the end of the respective permit terms as well.

TOTAL Permit Applications	FY16	FY 17
Minor Amendment	1	4
Major Amendments	0	0
New Exempt Well	5	9
Limited Production Permit (Nonexempt Domestic Wells)	13	22
Individual Production Permit	6	4
New Individual Well Drilling Authorizations /Modification	3	5
Test Well	2	0
Well Plugging	12	10
Replacement Well	2	0
Temporary Permit	21	NA
Regular Permit (Temporary Permit Conversion)	16	NA
TOTAL	81	54

TOTAL New Wells	FY16	FY 17
New Exempt Wells	5	9
Nonexempt Domestic Wells (LPPs)	13	22
Individual Wells	2	4
Test Wells	6	0
Replacement Wells	2	0
TOTAL	22	35

Annual Volume	New Production Permits	Permit Type	Aquifer
1	150,000 Deborah Bates	Conditional Edwards – Class C	Edwards
2	150,000 Driftwood Diesel LLC	Conditional Edwards – Class A	Edwards
3	900,000 McCollum Savell Holding LLC (dba Jumping Jack Dog Ranch)	Conditional Edwards – Class C	Edwards
4	1,240,000 Eskew Place Ltd	Conditional Edwards – Class A	Edwards

PS 2-3: Monitor existing District wells for compliance with the *Rules*, and *Well Construction Standards*.

- During FY 2017, the Regulatory Compliance Team conducted a number of inspections relating to the processing of permit applications. The following is a list of those activities.

TOTAL Inspections/ Investigations/ Onsite Visits	39
Exempt Well Inspections	6
Limited Production Permit Inspections	14
Individual Production Permit Inspections	5
Test Well Inspections	0
Plugging Inspections	10
Special Investigation Inspections	0
Other Permittee Inspections	0

- There were no formal enforcement actions initiated in FY 2017.
- Monthly meter readings were collected from all individual permittees each month with the large majority reported in a timely manner. Permittees failing to submit timely reports were provided with notices of the District’s intent to collect meter readings. Most delinquent permittees were generally responsive once the notice was received. Meter readings not received after the notice was provided were collected by staff and a fee was assessed to those permittees, in accordance with the Rules.
- The annual meter reading requirement for all Limited Production Permits were due in August 2017. Email correspondence and notifications were provided to the nonexempt domestic users in an effort to ensure compliance, however, approximately 10% did not timely submit a meter reading. This compliance effort will be carried over into FY 2018.

P-S 2-4: Efficiently process permittee meter readings, water use fee invoices and payments, conservation credits, permit renewals and related communications.

- District production permits are effective for the duration of the District fiscal year (September 1st to August 31st) and are generally automatically renewed by the Board, contingent on absence of compliance issues, unpaid balances, etc., at the end of each fiscal year for the following fiscal year. The Board approved conditional renewal of all District production permits for FY 2018 during its regular meeting on July 13, 2017.
- District Rule 3-6.4 requires that an audit be conducted in the first quarter of each fiscal year to determine eligibility for conservation credits and the amount of credits earned by permittees in the preceding fiscal year. The audit for FY 2017 was completed and then reported to the Board at the regular Board meeting on September 28, 2017 where the directors approved issuance of \$23,297 (which was \$9,086 less than the previous year of FY 2016 where there was \$32,383

in earned credits). Permittees received \$14,561 in credits, and the City of Austin received their 60% share of \$8,737.

- A staff-initiated under-pumpage analysis was not performed in FY 2017. Such analysis was judged by the GM not to be warranted this fiscal year.
- In FY 2017, all permittee water use fee invoices and payments and meter readings were processed in accordance with specified procedures and timeframes. This included the temporary production permits that became permanent production permits, stemming from the District annexation of the new Shared Territory as required from HB 3405.

Objective 3. Develop and implement an effective drought management program that achieves the adopted Desired Future Conditions of each relevant aquifer in the District.

PS 3-1: Assist permittees in developing drought and conservation planning strategies, permit conversion strategies, pricing strategies, and enforce compliance with drought management rules during District-declared drought to achieve desired future conditions (DFCs) during extreme drought.

- The majority of permittees have current User Drought Contingency Plans (UDCPs) on file and are currently compliant with District Rules. Permittees have the option to revise drought charts no more than once per year but must update their plans at least every five years.
- The District declared No-Drought status on January 29, 2015 and remained in No-Drought status throughout FY 2017.
- In FY 2017, the Regulatory Compliance Team did not have to conduct any pre-enforcement meetings for non-compliance.

PS 3-2: Monitor and declare drought stages on the basis of the analysis of data from the District's defined drought triggers and in accordance with the adopted drought trigger methodology.

Staff monitored the District's two drought trigger sites (Barton Springs and Lovelady monitor well) plus numerous other indicators of drought conditions relating to the Edwards Aquifer within and nearby the District. The United States Geological Survey (USGS) is responsible for the equipment, and maintaining data on their website. District staff frequently verified water-level values that were measured by the equipment at the Lovelady monitor well. During periods of District-declared drought and during times preceding potential drought, staff provided timely updated reports of aquifer conditions at each Board meeting. Data from Trinity monitor wells were also collected and evaluated at these times. There were no District-declared droughts in FY 2017.

PS 3-3: Inform and educate permittees and the public about declared drought stages and the severity of drought, and encourage practices and behaviors to reduce water use.

- eNews Bulletins: Nine monthly eNews and one summer eNews were released to subscribers. The list of subscribers increased through the fiscal year ending at 2,996 in August 2017. Additionally, three press releases announced the cancelling of Director elections, beginning of the Water Conservation Period, and the HCP public comment period. Two announcements were sent to alert well owners to a sewage spill and to remind well owners of the well water checkup event.
- Mass Communication Efforts: The website template and content management system continue to facilitate access from various devices, including mobile phones and tablets. Graphics and

organization of the District website were adjusted to reflect programing changes and additional projects.

- Drought Stage Road Signs and Bill Inserts: not applicable since we did not enter into a drought stage in FY 2017.
- Public Information Requests: 15 public information requests were received and tracked. All 14 were answered satisfactorily and in a timely fashion.
- Residents' Inquiries About Drought Restrictions: The District did not receive any email/phone call concerns from area residents regarding water restrictions or reports of water waste.

Objective 4. Demonstrate leadership in external communication, collaboration, coordination and joint planning with respect to groundwater and related resources.

PS 4-1: Cultivate and communicate effectively and routinely with stakeholders of all types that affect and are affected by the District's programs and policies.

Evidence to support progress towards this standard is provided through Directors' Reports provided monthly at regular Board meetings, and through modified Director's Compensation forms that provide documentation of activities, correspondence, events attended, and other communications. For FY 2017, the Board reviewed the reported activities and correspondence of each individual Director, and formally approved the demonstration of effective communication for each quarter of the year.

PS 4-2: Collaborate with joint Groundwater Management Area (GMA) and regional water planning efforts on policies, regulations, and activities affecting water quality or desired future conditions of the aquifers managed by the District.

Joint Regional Groundwater Planning

The District has jurisdictional area and therefore designated voting representatives in both GMA 9 (Hill Country Trinity Aquifer) and GMA 10 (Edwards Aquifer). The District actively participated in the joint regional groundwater planning process by providing in-kind consultation services and by participating in voting on posted agenda items affecting the respective GMAs.

Groundwater Management Area 9

The designated District representative (Brian Hunt) and GM John Dupnik attended two of two GMA 9 meetings and workshops (100%) in FY 2017. They actively participated in meetings, providing technical review and input, and voting on posted agenda items affecting the GMA. Because in FY 2016 the DFC was adopted and the Explanatory Report (ER) submitted to the TWDB, there was very little activity in GMA 9 during FY 2017. Staff reported news and activities to the Board of Directors. Meeting activity of GMA 9 in FY 2017 included:

- GMA 9 Meeting. March 27, 2017 Dripping Springs

The meeting agenda was focused on filed legislation. There was a full GMA 9 group and many elected officials including Representative Kyle Biedermann, County Commissioner Ray Whisenant, and a few GCD board members.

- GMA 9 General Managers Meeting. July 24, 2017 Boerne

The primary discussion topic was proactive measures that GCDs could be taking to prepare for legislative charges that would look at inconsistency in rules among GCDs over shared aquifers. Most could be attributed to differences in statutory authority, which was a creation of the legislature. Some rule differences were more related to localized aquifer conditions. The result

of all this was that it was agreed to form a committee that would work on a report that would provide a rule comparison of GCDs in GMA 9 and some adjacent GMAs.

In response to questions by the District Board and others in GMA 9 regarding the actual physical status of the DFC, the District wrote a technical memo (2016-0415) outlining a method and preliminary results for monitoring the DFC for the middle Trinity Aquifer. As of writing this report, GMA 9 is waiting on TWDB to process the DFC and ER.

Groundwater Management Area 10

The designated District representative for GMA 10 is John Dupnik. In FY 2017, Mr. Dupnik attended five of five GMA 10 meetings (100%). GMA 10 continued progress from FY 2016 towards completing the second round joint planning. Noteworthy activity:

- Public comments on the proposed DFCs were reviewed and considered by the GMA 10 planning group. A response to comments document was prepared and approved by GMA 10 to be included with the explanatory report.
- After public comments were considered, the draft explanatory report supporting the proposed DFCs was completed.
- On June 26, 2017, the GCD representatives of GMA 10 approved the comment summaries and responses, considered and adopted the proposed DFCs by Resolution, approved the explanatory report, and authorized the chairman to formally submit the DFCs and required documentation to the TWDB.

With the conclusion of the second round of joint regional planning, GMA 10 will shift emphasis in the initial year of the planning cycle from DFC planning towards other groundwater management initiatives utilizing the framework of the GMA. Such initiatives would likely involve more coordinated planning, data sharing, and collaboration to better understand each District's management approach, compare rules and policies, and explore opportunities to utilize similar rules where warranted.

Regional Water Planning Groups

The District has jurisdictional area in both Region K (Lower Colorado River Regional Water Planning Group) and Region L (South Central Texas Regional Water Planning Group); therefore, the District Board and staff continued to actively participate in the regional water planning processes of both Region K and Region L, which are engaged in a multi-year re-evaluation of water demand, water supplies and resources, and water management strategies. The District provided input to both of these regional water planning groups.

Region K

John Dupnik GM, and Robin Gary, Senior Staff, served as the Region K voting member and the designated alternate, respectively, for Region K. The District representatives to Region K attended

three of four meetings (75%) in FY 2017. Region K finalized the 2017 Regional Water Plan in December of 2016.

Other noteworthy activity of Region K in FY 2016 included:

- John Dupnik, GM, was nominated and appointed to serve on the executive committee.
- Tracked progress of an amendment to the plan to include a conservation project sponsored by Creedmoor-Maha Water Supply Corporation (WSC), a District permittee.
- Initiated review of draft population, municipal, and non-municipal demand projections.
- Considered new categories of water user groups and reporting units.
- Consideration of bills passed in the 85th legislative session that affected regional water planning, specifically SB 347 related to public notification of meetings, and SB 1511 related to implementation and feasibility of water supply strategies in the state water plan.

Region L

Brian Smith, District Principal Hydrogeologist, tracked the activity of Region L and attended two of four meetings (50%) in FY 2017, and Zachery Garza attended one meeting. Noteworthy activity of Region L in FY 2017 included:

- With the Initially Prepared Region Water Plan having been submitted to TWDB in FY 2016, Region L conducted fairly routine business, similar to Region K.
- Black & Veatch started as the contractor to work with Region L.
- Some items being considered are the Guadalupe-Blanco River Authority (GBRA) Mid-Basin ASR Project, the Texas Water Alliance Carrizo Project, and weather modification.

PS 4-3: Provide technical assistance as warranted to federal, state and local entities; organizations; and individuals on the geology, hydrogeology, and karst features impacted by groundwater-utilizing land use activities.

In FY 2017, staff reviewed 21 Water Pollution and Abatement Plans (WPAPs) that were received at the District to determine which development sites are relevant to the District's interests in protecting groundwater resources. Those plans that were determined to be of interest were reviewed in detail, and if it was appropriate, the sites were visited by staff. Sites of significant interest whose plans were reviewed in detail and visited by staff include: Centex Materials (Quarry), Sunset Valley Police Department, FM 1626 (at Onion Creek), MOPAC expansion, and State Highway 45.

PS 4-4: Through education and public outreach, inform groundwater users and the general public of the connectivity of recharge and discharge, importance of water quality protection, and the relationship between surface water and groundwater.

- The District participated in approximately 31 outreach events including field trips, conferences, workshops, meetings, and festivals. These presentations, events, and field trips reached more than 2,047 adults and 2,135 students.
- The District hosted or co-hosted Groundwater to the Gulf, the Kent Butler Symposium, 6th Annual Central Texas Water Conservation Symposium “Conservation Works: Building Programs from Simple to Sophisticated,” Rainwater Revival, Water Well Checkup, and 30th Anniversary Celebration.
- The District website has received 28,711 visits from 8,340 unique visitors. Facebook 'likes' increased from 512 to 605. The Twitter followers increased from 434 to 511.
- There were 127 new contacts added to the subscriber list. Additions include Permittees, Homeowner Association (HOA) contacts, and concerned residents and well owners in the Shared Territory.

PS 4-5: Prepare, submit, and maintain a draft and final HCP and provide support of related National Environmental Policy Act (NEPA) documentation and processes for obtaining an ITP from the USFWS for the endangered species at Barton Springs.

- The draft HCP and ITP application was submitted to the USFWS in December of 2014. In FY 2017, the GM continued to coordinate the work of the District’s HCP consultant and staff to work closely with USFWS staff to facilitate their review of the application. The bulk of this effort has involved responding to comments from the USFWS regional office in Albuquerque, New Mexico.
- The District addressed all comments in May and June of 2017 at which time the application was submitted and approved by the solicitor general for publication of the notice of availability in the Federal Register. The notice was published on July 18, 2017 initiating a 60-day comment period that expired on September, 18, 2017. During the comment period, the District also assisted the USFWS Austin office by hosting a public meeting on the draft HCP and EIS on August 22, 2017. The remainder of the process, which is largely the responsibility of the USFWS, will carry over into FY 2018 and FY 2019 and is anticipated to conclude with the issuance of an ITP in or around November of 2018.

Objective 5. Extend current groundwater supplies by encouraging supply-side and demand-side improvements.

PS 5-1: On at least a bi-annual basis, assess the availability and feasibility of regional alternative water supplies and encourage District permittees to diversify their water supplies by fostering arrangements with available water suppliers.

- The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2017. A grant was awarded by the TWDB in FY 2015 to do an engineering evaluation of desalination and ASR and to install a multiport well to help characterize the saline Edwards Aquifer. In FY 2017, the District completed field collection of data from its newly installed multiport monitor well (in FY 2016). District staff worked with Carollo Engineers who conducting the feasibility portion of this study. Staff completed a draft hydrogeologic report for the study. Expected completion of the overall feasibility report is in early FY 2018.
- A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities, and satisfies this reporting requirement. The Aquifer Science team also provided presentations at regular Board meetings on September 8, 2016, January 12, May 11, 2017, providing updates on various projects including projects related to development of alternative water supplies.

PS 5-2: Conduct investigations and, as warranted and feasible, physically alter discrete recharge features that will lead to an increase in recharge to the Edwards Aquifer.

- Antioch Cave is a recharge feature on District property that is capable of contributing a significant amount of water to the Edwards Aquifer when Onion Creek is flowing. A vault constructed over the cave entrance and automated valves allow for clean creek water to enter the cave and for contaminated storm water to be kept out. This system was maintained by District staff in FY 2017 so that the amount of clean creek water entering the cave was maximized.
- A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities, and satisfies this reporting requirement. The Aquifer Science team also provided presentations at regular Board meetings on September 8, 2016; January 12, 2017; and May 11, 2017, providing updates on various projects including projects related to development of alternative water supplies.
- In FY 2017, District staff replaced operational equipment and hardware at Antioch Cave to improve the operation and performance of the best management practice (BMP).

PS 5-3: Conduct investigations, as warranted and feasible, to evaluate the potential for the saline zone of the Edwards Aquifer to provide water for a desalination facility, and to evaluate the potential for the Edwards saline zone and the Trinity aquifers beneath the freshwater Edwards as reservoirs for an ASR system.

- The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2017. A grant was awarded by the TWDB in FY 2015 to do an engineering evaluation of desalination and ASR and to install a multiport well to help characterize the saline Edwards Aquifer. In FY 2017, the District completed field collection of data from its newly installed multiport monitor well (in FY 2016). District staff worked with Carollo Engineers who conducting the feasibility portion of this study. Staff completed a draft hydrogeologic report for the study. Expected completion of the overall feasibility report is in early FY 2018.
- In FY 2017, the District has been working with other entities in the area, such as City of Buda, City of Kyle, Edwards Aquifer Authority (EAA), and Ruby Ranch WSC to evaluate the potential for the Trinity Aquifers as reservoirs for ASR facilities. District staff worked cooperatively with the Ruby Ranch WSC to conduct two phases of ASR pilot testing. A status report was written and submitted to the TCEQ. A final phase of the testing is being done in early FY 2018.
- A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities, and satisfies this reporting requirement. The Aquifer Science team also provided presentations at regular Board meetings on September 8, 2016, January 12, May 11, 2017, providing updates on various projects including projects related to development of alternative water supplies.

PS 5-4: Maintain and develop programs that inform and educate District groundwater users and area residents of all ages about water conservation practices and resources and use of alternate water sources including gray water/condensate reuse and rainwater harvesting.

- Through eNews articles and activities such as the Water Conservation Toss, Build A Rain Barrel, and the Rainwater Harvesting Challenge, staff stressed the importance of water conservation and alternate supplies. By teaching teachers to incorporate pertinent and easy-to-use activities into their classroom and making the Water Conservation Toss available for youth groups to use at festivals and events, the District magnifies its ability to communicate this message. Events such as trainings, festivals, and workshops were posted on Facebook and promoted through eNews and on the website.
- In FY 2017, the District continues to research the feasibility of desalination and ASR technologies to supplement existing water supplies with saline Edwards water resources through grant research and ongoing collaboration with TDS. Additionally two ASR injection/withdrawal step tests were completed in collaboration with the Ruby Ranch WSC.

Objective 6. Increase understanding of all District aquifers so that appropriate policy and regulatory decisions are made.

PS 6-1: Assess aquifer conditions by sampling and collecting groundwater data from selected wells.

- The Aquifer Science Team collected 124 samples from sample sites including wells and springs from the Edwards and Trinity aquifers for major ions and isotopes.
- The Regulatory Compliance Team collected 22 water quality samples during routine permit inspections or from new well construction inspections.
- The District, in collaboration with Texas Well Owners Network and Texas AgriLife, offered a free water well screening for private wells in the area. Well owners collected their own samples and dropped them off at the District office to be taken for analysis; approximately 40 wells were sampled during Water Well Checkup.

PS 6-2: Conduct scientific studies to better determine groundwater availability, to understand and prevent threats to water quality, to minimize impacts to water-supply wells and springs, and to provide sound science on which to base District policy.

Some of the key activities of the Aquifer Science Team for FY 2017 under this performance standard include the following:

- Performed studies with the City of Austin and the Hays Trinity GCD and other independent geologists to characterize surface and groundwater interactions along Onion Creek. A paper was published of the findings at the Fall 2016 Gulf Coast Association of Geological Societies (GCAGS) conference. An additional paper was published in the South Texas Geological Society Bulletin (see Publications).
- Coordinated and participated in an aquifer test for the Electro Purification application in Central Hays County. This included establishing a well monitor network of period and continuous data collection and water quality sampling (with the EAA) over a period of months.
- Maintained a monitor well network of about 35 wells with instruments that collect hourly data. The District's weather station at the District office also collects hourly data. The District routinely measures water levels in the six existing multiport monitor wells that were completed in the Edwards and Trinity aquifers.
- Collected water quality data (major ions and isotopes) from about 125 sample locations in FY 2017 (TWDB partnership).
- Supported dye trace studies of the City of Austin by establishing monitoring sites in wells. Deployed the District's portable fluorimeter at Barton Springs. Results expected in early FY 2018.

- Developed, in cooperation with Magellan Pipeline Company, an annual sampling program in advance of operation of the Longhorn Pipeline that transports crude oil. In April 2017, staff sampled eight spring and well sites for hydrocarbon contaminants using a screening test of BTEX and TPH.
- Participated with Southwest Research Institute (SWRI), TWDB, Hays Trinity GCD, EAA, Travis County, and Blanco-Pedernales GCD staff to continue collecting hydrogeologic data regarding the Trinity Aquifer. These efforts are to improve the conceptual model of the Trinity Aquifer, a TWDB-funded grant project awarded to SWRI, and expected completion in FY 2019.
http://www.twdb.texas.gov/groundwater/models/gam/trnt_h/trnt_h.asp
- Continued development and data collection of a geologic database of the Edwards and Trinity Aquifers in central Texas. Outlined studies and data that will inform the conceptual model for the Trinity Groundwater Availability Model (GAM). These include the planned installation of additional multiport monitor wells in Hays and Travis Counties in FY 2017. Established traditional monitor wells and surface stream gaging sites in Hays and Travis Counties.
- Staff from the Aquifer Science Team gave technical presentations to a variety of audiences including: South-Central Geological Society of America (see Abstracts), Barton Springs University, Gulf Coast Association of Geological Societies, Texas Hydrogeology Workshop, University of Texas at San Antonio, South Central Water Resource Interest Group, and Texas A&M Kingsville,
- Drilled and installed two multiport monitor wells in cooperation with Hays and Travis Counties. Conducted water quality sampling and began permeability testing at the Hays and Travis County multiport wells.
- Assisted with the geologic mapping of the Mountain City Quadrangle by Dr. Thomas Grimshaw. Expected publication in FY 2018.
- Participated and provided data in the TWDB-funded study titled: Potential Brackish Groundwater Production Areas – Trinity Aquifer. The study was conducted by Southwest Research Institute. Final report anticipated early FY 2018.
http://www.twdb.texas.gov/innovativewater/bracs/projects/HB30_Trinity/index.asp.
- Aquifer Science (and other) Team members published technical papers and abstracts (see Publications).

FY 2017 Published Reports:

Hunt, B. B., B.A. Smith, M.O. Gary, A.S. Broun, D.A. Wierman, J. Watson, and D.A. Johns, and, 2017, Surface-water and Groundwater Interactions in the Blanco River and Onion Creek Watersheds: Implications for the Trinity and Edwards Aquifers of Central Texas. *South Texas Geological Society Bulletin*, v. 57, no. 5, January 2017, p. 33-53.

Hunt, B. B., A. S. Broun, D. A. Wierman, D. A. Johns, and B. A. Smith, 2016, Surface-water and groundwater interactions along Onion Creek, Central Texas: *Gulf Coast Association of Geological Societies Transactions*, v. 66, p. 261–282.

Smith, B.A., B.B. Hunt, and J. Camp, 2017, 30 years of Aquifer Science. BSEACD Fact Sheet 0817.

< http://bseacd.org/uploads/30-years-AS-brochure_final_rev2_small.pdf>

FY 2017 Abstracts:

Hunt, B.B., B.A. Smith, M.O. Gary, A.S. Broun, and D.A. Wierman, 2017, An Evolving Conceptual Model of the Middle Trinity Aquifer, Hays County, Central Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.

Hunt, B.B., and B.A. Smith, 2017, Model then Measure: Assessing and Monitoring the Potential for Unreasonable Impacts from a Pumping Well—Example from the Middle Trinity Aquifer, Hays County, Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.

Smith, B.A. and B.B. Hunt, 2017, Desalination and Aquifer Storage and Recovery Potential of the Saline Edwards Aquifer, Central Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.

Smith, B.A. B.B. Hunt, V. Escobar, K. Bell-Enders, and J. Dupnik, 2017, Considering Unreasonable Impacts in the Groundwater Production Permitting Process. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.

Watson, J.A., A.S. Broun, B.B. Hunt, D.A. Wierman, and B.A. Smith, 2017, Mapping the Upper Glen Rose Unit 3 Aquitard: Implications for Recharge to the Middle Trinity aquifer, Hays County, Texas. *Geological Society of America Abstracts with Programs*. Vol. 49, No. 1, South-Central Section Meeting, San Antonio, Texas, March 2017.