



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

**ANNUAL REPORT
FISCAL YEAR 2016**

Board-approved December 15, 2016

BOARD OF DIRECTORS (August 31, 2016)

| | | |
|-----------------------------------|------------|-------------------------------|
| 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, 2016

| | |
|---------------------|---|
| 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 Team Leader |
| Kendall Bell-Enders | Regulatory Compliance Coordinator |
| Stephen Davis | Regulatory Compliance Technician |

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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 2015, covering the period from September 1, 2014 to August 31, 2015.

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

1. The status of the aquifer and the District's programs;
2. A financial report to include the report of the annual audit and the security of any District investments;
3. A review and evaluation of professional services rendered to the District;
4. A status report of any capital projects of the District; and
5. 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 2016; 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 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, Goforth Special Utility District, 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 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, 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 2016, there was no District election held on November 8, 2016 for District precincts 1, 3, and 4, since each incumbent ran unopposed.

In accordance with District Bylaws, the Board elects its officers for one-year terms in December of each year. The elected officers in December 2015 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.

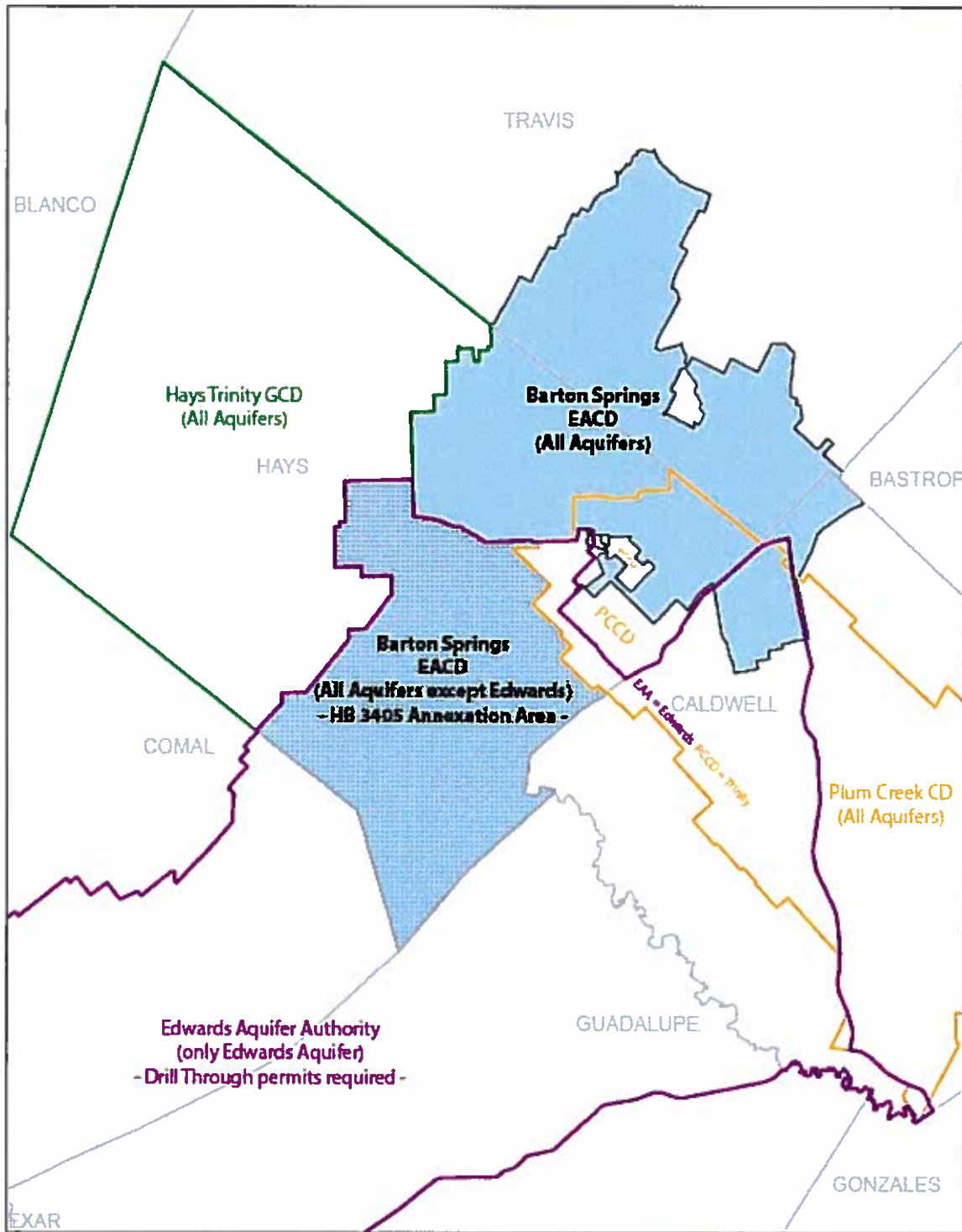


Figure 1 - The District's territory including the expanded Shared Territory and the adjacent Groundwater Conservation Districts and their respective jurisdiction over aquifers.

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. 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 2016

The District continues to use successfully 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 direct reports to their respective team leaders who are responsible for executing team-specific responsibilities and duties. Each team leader works under the supervision and direct 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 2016 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 Management Plan.

2.1 General Management

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 GM:

- Ensures 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.
- 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.

In FY 2016, some highlights for the Office of the GM included:

- Coordinated the conduct of all of the District's FY 2016 business within FY 2016 budget constraints with only one mid-year budget amendment to adjust with the evolving work load and objectives.
- Maintained a productive, efficient, and motivated staff, and providing interns to assist the regular staff in continuing scientific investigations in an atmosphere of change and substantial additional workload associated with annexation activities and other special projects.
- Coordinated with the District legislative consultant, Sledge Law Group, and the Board Legislative Committee, in tracking the interim committee hearings on charges of interest to the District which included providing written responses to the area legislators in response to committee testimony, and initiating discussion with Legislators on potential District legislative initiatives in the 85th Session.

- Continued to manage extraordinary workload associated with annexation of the Shared Territory in Hays County and the implementation of H.B. 3405 which included supervision of additional rule making, processing of the more complicated and complicated temporary permit conversions, and redistricting of all five director precincts.
- Coordinated the work of the District's HCP consultant and staff to work closely with USFWS staff and consultants to modify and revise the draft HCP and EIS where it was approved by the Austin office for submittal to the Regional USFWS office in Albuquerque for review.
- Participated with the District's engineering consultant in CTRMA's technical working group on State Highway 45 Southwest stormwater control designs in accordance with the District consent decree through monthly meetings and review of the design plans. This culminated in submittal of formal technical comments on February 11, 2016.
- 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 "proposal" of updated DFCs including a revised DFC for the Saline Edwards Aquifer.
- 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 were successful in getting District-supported water supply strategies including: brackish Edwards's desalination and Edwards/Trinity ASR into the Region K Initially Prepared Plan (IPP).

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 2016, including telecommuting one day per week.

The Administrative Programs 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 2016, some highlights for the Administrative and General Services Team included:

- Maintaining the financial records to receive a clean financial audit (see Appendix A);
- Administering the director elections, which was minimal for FY 2016 since the three directors ran unopposed;
- Supporting the District's biennium legislative process; which included supporting the legislatively-mandated Hays County Annexation process that added Shared Territory, required new rules, and acquired new permittees;

- 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; and
- Assisting the District's information technology (IT) consultant in making improvements to the IT infrastructure and resolving various staff IT issues.

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 2016, some highlights for the Aquifer Science Team included:

- Developed new technical reports, presented numerous technical talks with published abstracts, publishing technical papers, and attended technical conferences including:
 - South Central Texas Water Research Interest Group (Uvalde, 6/9/16)
 - Austin Geological Society: Austin Chalk Symposium and Field Trip Guidebook (10/17-18/15)
 - 14th Sinkhole Conference in Rochester, Minnesota (October 2015)
 - Karst Waters Institute conference on karst and public health in San Juan, Puerto Rico (January 2016)
 - South Central Texas Water Research Interest Group (Bandera, 12/3/15)
- Presented technical information and studies to the public and students:
 - Barton Springs University (9/18/16)
 - Hydrogeo Workshop, Cave Without A Name (10/1-2/16)
- Collected hourly water-level data from about 40 wells in the Edwards and Trinity Aquifers, and water-level data from the District's two multiport monitor wells.
- Established about 12 Trinity monitor wells and collected water-level data and other data from the newly annexed area of Hays County in anticipation of the Electro Purification aquifer test.
- Finalized and published "Guidelines for Hydrogeologic Reports and Aquifer Testing" May 2016.

- Determined and documented drought status, including keeping the District’s drought monitor blog up to date.
- Participated with GMA 10 in technical discussions.
 - Refined the Edwards Saline Zone DFC to be 75 ft of drawdown and estimated resulting MAG.
 - Worked with Intera on developing modeling tools to assess the influence of large-scale pumping on the Middle Trinity DFC (Intera technical memo May 2016).
- Participated with GMA 9 in technical discussions regarding the Trinity Hill Country DFC and the explanatory report.
 - Proposed DFCs and non-relevant aquifers were voted on and approved at the September 28, 2015 (Dripping Springs) meeting;
 - The District Board approved the DFCs and Explanatory Report; GMA 9 approval of the ER on 4/18/16 (Dripping Springs);
 - Published technical note: Hunt, B.B., and B.A. Smith, 2016, Desired Future Condition Monitoring of the Middle Trinity Aquifer, Groundwater Management Area 9, Central Texas. BSEACD Technical Note 2016-0415. April 2016, 9 pp.
- Published: Hunt, B.B., A. Andrews, and B.A. Smith, 2016, Hydraulic Conductivity Testing in the Edwards and Trinity Aquifers Using Multiport Monitor Well Systems, Hays County, Central Texas. Barton Springs/Edwards Aquifer Conservation District Report of Investigations. BSEACD RI 2016-0831, August 2016, 39 p.
- Performed studies with the Edwards Aquifer Authority to characterize the groundwater flow in the Blanco Watershed.
- Published paper: 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.
- Continued studies and data collection with the Hays Trinity GCD and the City of Austin to characterize the surface and groundwater interaction in the Onion Creek watershed.
- 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 the 319(h) grant from EPA and TCEQ, and maintaining a CWQMN site on behalf of TCEQ.
- Began work with the TWDB feasibility grant, including the drilling and installation of a multiport monitor well in the saline Edwards (August 2016).

- 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 2016, 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 2017.
- Assisted Drs. Thomas Grimshaw and Mark Helper (UT Austin) with the geologic mapping of the Mountain City Quadrangle. This included focused mapping areas such as the Rutherford Ranch.
- In cooperation with the Texas Water Development Board, Aquifer Science staff sampled about 30 wells and springs for major ions and isotope analyses.
- Worked with geochemist Bruce Darling to assess the quality of geochemistry database derived from the TWDB (Phase 1).
- Reviewed and analyzed the Needmore Water LLC aquifer test and hydrogeologic report (March 2016) and published a technical memo of the test and the potential for unreasonable impact from the permit request.
- Cooperated with Travis County on various groundwater studies including establishing a flow station at Shield Ranch, monitoring and logging some wells at Shield Ranch, and planning for installing a multiport monitor well in Travis County.
- Supported research in conjunction with the University of Malaga into the natural fluorescence and field parameters from the surface and groundwater.
- Brian Smith has continued serving on the City of Austin Environmental Commission.

2.4 Education and Community Outreach Team

Ms. Robin Havens Gary serves as the leader of the Education and Community Outreach Team. Ms. Gary, who 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 2016. 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. A new monthly digital newsletter began circulation in October. 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. Additionally, the website was overhauled and updated to increase accessibility and content management. Social media posts increased distribution of announcements and news and received high view rates. Maps of scientific research results, expanded territory and shared jurisdiction, Director precinct redistricting, and expanded

management zones are available through the District website, viewable at the District, and/or in District publications. The 2016 Well Water Check-up was showcased as an open house that 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. Finally, general program overview advertisements were placed in the 2016 Football Programs of San Marcos, Hays, Lehman, Austin, Travis, Bowie, Crockett, and Akins High Schools.

FY 2016 was a unique year in that the District was not in any declared drought stage. Instead, in June 2016 the water level in the Lovelady Monitor Well reached the highest level in 24 years. This landmark was highlighted in a press release, in the eNews, and on the Hydro blog. In August, heavy rain caused a sewage overflow, though the City of Austin took corrective action before it reached the recharge zone; nearby well owners were individually notified and a press release went out. With the recent annexation of the Shared Territory, Education and Outreach efforts focused on increasing awareness of the importance of coordinated management, helping new residents determine which Director represents them, and continuing to develop relationships with well owners in the new area.

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), COA, City of Sunset Valley, Colorado River Alliance, EAA, Greater Edwards Aquifer Alliance, Hill Country Alliance, Keep Austin Beautiful, Lady Bird Johnson Wildflower Center, 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 2016, some highlights of the Education and Community Outreach Team included:

- Transitioning to a monthly eNews bulletin with automated subscribe/unsubscribe capabilities,
- Participating in approximately 23 outreach events (including field trips, presentations, and events) that reached approximately 1,913 adults and 1,335 children,
- Hosting the fifth annual Water Conservation Symposium: " Conservation, Come Drought or High Water" in collaboration with the water providers and non-profits participating in the CTWEN,
- Hosting the 11th 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 2016 Rainwater Revival 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 Technician 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 2016:

- **Continued Implementation of H.B. 3405:** The District’s jurisdiction was expanded on June 19, 2015 through the passage of H.B. 3405, and well owners with an existing nonexempt use were immediately provided a three-month period to apply for a Temporary Permit. In early FY 2016 (September-October 2015) the District received and approved 21 Temporary Permit Applications. The Temporary Permits provided well owners with an interim authorization to operate a well prior to conversion to a Regular Historical Production Permit. The majority of those Temporary Permits were further evaluated and processed for conversion to a Regular Production Permit. At the April 28th Board Meeting, the District Board of Directors held a public hearing to approve 14 of the Temporary Permits for conversion to Regular Production Permits. There was a 20-day public comment period to provide an opportunity to submit comments or formal protests on proposed approval of the permit conversions. No comments were received and the Board approved all 14 permits as Historical Trinity Production Permits. In May – June 2016, two additional Temporary Permits (Texas Old Town &, Aqua Texas) were approved for conversion, and one Temporary Permit (Needmore Water LLC) remained under review for conversion as of August 2016.
- **Inspections & Investigations:** Staff completed a total of 32 inspections related to special investigations, site permittee inspections, and well permit applications.

| FY 16 TOTAL Inspections/ Investigations/ Onsite Visits | 32 |
|---|-----------|
| Exempt Well Inspections | 2 |
| Limited Production Permit Inspections | 4 |
| Individual Production Permit Inspections | 4 |
| Test Well Inspections | 0 |
| Plugging Inspections | 12 |
| Special Investigation Inspections | 6 |
| Other Permittee Inspections | 4 |

- **Conservation Credits:** The District issued a total of \$32,382.54 in credits in FY 2016 with \$20,239.09 being issued to 15 permittees, and \$12,143.45 being issued to the City of Austin.

Permittees donating credits back to the District's camp scholarship fund included Centex Materials (\$ 2,138.76), Creedmoor-Maha Water Supply Corporation (\$ 547.89), Goforth Special Utility District (\$ 600.00), Oak Forest Water Supply Corporation (\$ 130.22), and Texas Lehigh Cement Company (\$ 656.55).

- **Enforcement:** There were no formal enforcement actions initiated in FY 2016.
- **Rulemaking:** During FY 2016, the District adopted amendments and revisions to the Rules and Bylaws. A quorum of the District Board of Directors voted unanimously to adopt the proposed revisions at its regular meeting on April 28, 2016. The rule making process was formally initiated in January 2016 as part of an ongoing effort to implement H.B. 3405 which annexed new area in Hays County, and to better equip the District to manage prospective large-scale Trinity Aquifer water projects. There was a 20-day public comment period to provide an opportunity for rule review and to submit comments or formal protests on the proposed rules. A public hearing was held on March 24th and the Board delayed action on adoption of the rules to consider the entire set of comments received from the public. The proposed rule changes were further modified to address the public comments submitted and to better clarify the process and intent of the rules. The adopted rule amendments focused overall on:
 - Management strategies that will protect existing wells and preserve the long-term availability of water supplies from the Trinity Aquifer;
 - Aquifer test, notice, and monitoring requirements for large-scale groundwater projects; and
 - Establishing a policy and permitting framework for a science-based evaluation of the potential for unreasonable impacts to existing wells and the aquifer, and requirements to avoid or mitigate for such impacts.
- **External Reviews, Coordination, and Outreach.** Workgroups and projects involving staff participation included:
 - Aquifer Storage and Recovery Technical Workgroups,
 - SH 45 SW Technical Workgroups,
 - WPAP Wastewater Permit Reviews,
 - 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 2016.

Permitting Summary:

A summary of the new wells drilled in FY 2016 is provided in the table below.

| FY 16 TOTAL New Wells | | 22 |
|--|--|-----------|
| New Exempt Wells | | 5 |
| Nonexempt Domestic Wells (LPPs) | | 13 |
| Individual Wells | | 2 |
| Test Wells | | 6* |
| Replacement Wells | | 2 |
| <i>*Electro Purification's six Test Wells were drilled prior to annexation</i> | | |

A summary of permitting applications that were processed in FY 2016 is provided in the table below.

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

A summary of the individual production permits (including regular and temporary permits) that were processed in FY 2016 is provided in the table below.

| FY 16 Individual Production Permits Approved | | | |
|---|-------------------------------|------------------------|---------------------|
| | Permit Volume (gal/yr) | Permittee | Permit Type |
| 1 | 220,000 | Rick Seiders | Historical Trinity |
| 2 | 1,000,000 | Jump Creek LLC | Historical Trinity |
| 3 | 1,005,000 | Plant at Kyle | Historical Trinity |
| 4 | 80,000,000 | Onion Creek Golf Group | Historical Trinity |
| 5 | 1,260,000* | Mesa Oaks* | Historical Trinity |
| 6 | 270,000,000* | TJ Higginbotham* | Conditional Edwards |

**After permit approval these permits became expired/non-active during FY 2016*

FY 16 (H.B. 3405 Annexation) Temporary Production Permits Approved

| | Permit Volume (gal/yr) | Permittee | Permit Type |
|----|-----------------------------------|---|---------------------------|
| 1 | 100,000 | SWTX Pentecostal Church of God | Historical Trinity |
| 2 | 100,000 | Las Lomas HOA | Historical Trinity |
| 3 | 180,000 | Rolling Oaks Club Inc | Historical Trinity |
| 4 | 240,000 | General Telephone Southwest (Frontier) | Historical Trinity |
| 5 | 490,000 | Hays City Holdings | Historical Trinity |
| 6 | 500,000 | Tindol Restaurant Group LLC | Historical Trinity |
| 7 | 500,000 | St. John's Catholic Church | Austin Chalk/ Alluvial |
| 8 | 750,000 | St. Stephen's Episcopal Church | Historical Trinity |
| 9 | 1,000,000 | Tim deJong dba (Wimberley Glassworks) | Historical Trinity |
| 10 | 1,000,000 | St. Mark's Episcopal Church | Historical Trinity |
| 11 | 1,200,000 | First Christian Church | Historical Trinity |
| 12 | 2,000,000 | Log Cabin Plaza | Historical Trinity |
| 13 | 2,000,000 | Chuck Nash | Austin Chalk/Alluvial |
| 14 | 2,000,000 | Texas State University - Freeman Ranch | Historical Trinity |
| 15 | 10,000,000 | Texas Old Town | Historical Trinity |
| 16 | 30,000,000 | Aqua Texas - Sierra West | Historical Trinity |
| 17 | 32,590,000 | Electro Purification | Historical Trinity |
| 18 | 179,965,440 | Needmore Water LLC | Historical Trinity |
| 19 | General Permit - 500,000 | Alexandra's House Bed and Breakfast | Historical Trinity |
| 20 | General Permit - 500,000 | Sol De Mexico | Historical Trinity |
| 21 | Drilling Authorization | Dale Lowden | Middle Trinity Aquifer |

| FY 16 (H.B. 3405 Annexation) | | | |
|--|---------------------------|---|------------------------|
| Regular Production Permits (Temporary Permit Conversions) Approved | | | |
| | Permit Volume (gal/yr) | Permittee | Permit Type |
| 1 | 100,000 | SWTX Pentecostal Church of God | Historical Trinity |
| 2 | 100,000 | Las Lomas HOA | Historical Trinity |
| 3 | 180,000 | Rolling Oaks Club Inc | Historical Trinity |
| 4 | 240,000 | General Telephone Southwest (Frontier) | Historical Trinity |
| 5 | 490,000 | Hays City Holdings | Historical Trinity |
| 6 | 800,000 | Tindol Restaurant Group LLC | Historical Trinity |
| 7 | 500,000 | St. John's Catholic Church | Austin Chalk/ Alluvial |
| 8 | 750,000 | St. Stephen's Episcopal Church | Historical Trinity |
| 9 | 1,000,000 | Tim deJong dba (Wimberley Glassworks) | Historical Trinity |
| 10 | 1,000,000 | St. Mark's Episcopal Church | Historical Trinity |
| 11 | 1,200,000 | First Christian Church | Historical Trinity |
| 12 | 2,000,000 | Log Cabin Plaza | Historical Trinity |
| 13 | 2,000,000 | Chuck Nash | Austin Chalk/Alluvial |
| 14 | 2,000,000 | Texas State University - Freeman Ranch | Historical Trinity |
| 15 | 10,000,000 | Texas Old Town | Historical Trinity |
| 16 | 30,000,000 | Aqua Texas - Sierra West | Historical Trinity |

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 | 24 |
| Total Historic Trinity Permits Issued to Date | 26 |
| Total Alluvial/Austin Chalk Permits Issued | 2 |
| Total Individual Permitted Wells to Date | 186 |
| LPP General Permits | |
| Total Permits Issued | 109 |
| Total LPP Permitted Wells | 109 |

| Permitted Pumpage | | | |
|---------------------------|----------------------|--------------|------------------|
| Edwards MZs | gallons | cfs | acre-feet |
| Historical (Ind.) | 2,358,987,721 | 10.00 | 7,239 |
| Historical (LPP) | 2,500,000 | 0.011 | 8 |
| Total Historical | 2,361,487,721 | 10.01 | 7,247 |
| | | | |
| Conditional (Ind.) | 348,834,948 | 1.48 | 1,071 |
| Conditional (LPP) | 52,000,000 | 0.22 | 160 |
| Total Conditional | 400,834,948 | 1.70 | 1,230 |
| | | | |
| Total Edwards | 2,762,322,669 | 11.71 | 8,477 |
| | | | |
| Trinity MZs | gallons | cfs | acre-feet |
| Historical (Ind.) | 448,966,557 | 1.90 | 1,378 |
| | | | |
| Other Aquifers MZs | gallons | cfs | acre-feet |
| Historical (Ind.) | 2,500,000 | 0.01 | 8 |
| | | | |
| Total Permitted | 3,213,789,226 | 13.62 | 9,863 |

| | 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 2016 began in a status of No Drought following a very wet 2015 summer. Those summer rains augmented a trend which began back in September 2014 when water levels began to rise after above-average rainfall. Steady recharge 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. This change has remained in effect throughout FY 2016 as Edwards water levels have continued to rise. To note, recent measurements indicate the beginning of a decline starting October 11, 2016.

An overall wet FY 2016 produced long periods of recharge, resulting in the second highest water level elevation for the District's Edwards Aquifer drought index well, the Lovelady Monitor Well. Water levels peaked on October 5, 2016 at 545.8 ft-msl, second to the 547.2 ft-msl recorded on June 2, 1992. The Lovelady Monitor Well has recorded data since 1949.

Almost mirroring the rejuvenating effects of 2015, periods of heavy rainfall in FY 2016 have continued to boost the Edwards Aquifer. For close comparison, total rainfall for 2015, measured at Camp Mabry, was 59", and 2016 is coming in at a close 55."

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 2016. 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. A major portion of Category A of the project was the drilling and installation of a multiport monitor well near Creedmoor about a mile east of the fresh/saline water interface. The well was completed near the end of August 2016. Sampling and testing of the well was done in November 2016.

The District applied for grant funding from Rider 25 approved in the appropriations bill in the 84th Legislative session (HB1) for a feasibility and demonstration project for alternative water supplies available only through GCDs. However, the District was not awarded any funding from this grant program.

3.3 Professional Services

The District expended \$140,649 for professional services in FY 2016. This amount included legal fees of \$114,087 for general counsel support provided by Bickerstaff, Heath, Delgado & Acosta LLP of Austin. These fees included involvement of the District and its attorneys in the redistricting process and annexation of new shared territory.

There were no legal services associated uniquely with grant projects as grant-billable costs, as the grant project just got underway in August.

Additional professional services for FY 2016 also reported in the above amount include the District's third party retirement plan administrator, The Standard, for \$16,091.

The District retained Montemayor Britton Bender PC early in 2016 to perform its annual financial audit for FY 2015 (as the previous auditor quit doing governmental entity audits), and also for FY 2016. The fees for these professional services were \$9,000 for FY 2015 and \$11,000 for FY 2016, and are also included in the professional services total above.

Not included in the professional services total above, the District expended \$2,000 for the lobbying services of Sledge Law & Public Strategies for the 84th Legislative Session. The District has now 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 2016 that remodeled the library area for \$5,000. Also there was need for exterior fence replacement for \$4,949.

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 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

Texas Water Code §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 Management Plan. The Management Plan must be reviewed, revised as necessary, readopted, and reapproved at least once each five years. Under the code provisions, all GCDs are required to assess progress quantitatively toward the objectives in their prevailing Management Plan 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 2016 toward the goals, objectives, and performance standards identified in the prevailing District Management Plan.

On November 17, 2016, 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 2016 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.

APPENDIX A

Independent Annual Financial Audit Report

(Board-approved December 15, 2016)



Montemayor Britton Bender PC

CERTIFIED PUBLIC ACCOUNTANTS

BARTON SPRINGS/ EDWARDS AQUIFER CONSERVATION DISTRICT

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

AUGUST 31, 2016

**BARTON SPRINGS/EDWARDS AQUIFER
CONSERVATION DISTRICT**

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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 Conservative District (District) as of and for the year ended August 31, 2016, 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 August 31, 2016, 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

14 December 2016
Austin, Texas

Barton Springs / Edwards Aquifer Conservation District

Management Discussion and Analysis

Fiscal Year Ending August 31, 2016

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 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 Fund 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, 2016, 2015, and 2014

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------------------------|--------------------|--------------------|--------------------|
| Current assets | \$1,714,993 | \$1,253,929 | \$1,201,374 |
| Capital assets | <u>454,053</u> | <u>357,337</u> | <u>379,273</u> |
| Total assets | <u>\$2,169,046</u> | <u>\$1,611,266</u> | <u>\$1,580,647</u> |
| Total liabilities | <u>\$580,025</u> | <u>\$238,378</u> | <u>\$69,397</u> |
| Net position: | | | |
| Net investment in capital assets | 454,053 | 357,337 | 379,273 |
| Unrestricted (\$733,058 assigned) | <u>1,134,968</u> | <u>1,015,551</u> | <u>1,131,977</u> |
| Total net position | <u>1,589,021</u> | <u>1,372,888</u> | <u>1,511,250</u> |
| Total liabilities and net position | <u>\$2,169,046</u> | <u>\$1,611,266</u> | <u>\$1,580,647</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, 2016, 2015, and 2014

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------------------|--------------------|--------------------|--------------------|
| Operating revenues | \$2,003,708 | \$1,395,059 | \$1,446,465 |
| Operating expenses | <u>1,791,213</u> | <u>1,483,752</u> | <u>1,444,631</u> |
| Operating income | <u>212,495</u> | <u>(88,693)</u> | <u>1,834</u> |
| Non-operating revenues(expenses) | | | |
| Interest income | 3,638 | 594 | 489 |
| Interest expense | <u>0</u> | <u>0</u> | <u>0</u> |
| Total non-operating rev/(exp) | <u>3,638</u> | <u>594</u> | <u>489</u> |
| Change in net position | 216,133 | (88,099) | 2,323 |
| Beginning net position | <u>1,372,888</u> | <u>1,460,987</u> | <u>1,508,927</u> |
| Net position end of year | <u>\$1,589,021</u> | <u>\$1,372,888</u> | <u>\$1,511,250</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 increased by \$429,461 in FY 2016 from the prior year to \$1,813,421 from \$1,383,960 (a 31.0% increase). This substantial increase is attributed to the City of Austin Water Use Fee that was assessed in the amount of \$1,000,000. The fee was calculated based on an extensive analysis of the projected permitted pumping indicating a substantial increase in permit fees for FY 2016. The City of Austin fee was calculated in accordance with the prescribed statutory formula to be greater than this amount but was reduced to the statutory cap of \$1,000,000 established with H.B. 3405 in FY 2015. The City of Austin Water Use Fee for the prior year (FY 2015) was \$725,004 (37.9% less), and for the current year, FY 2017, is assessed at \$850,846.

Included in the Permittees' Production Fees budgeted amount of \$602,800 is a production fee of \$124,200 and a corresponding annual permit fee for \$50 and \$62,125 in associated late fees (described below) that were designated as a bad debt expense for a permittee that never fulfilled the conditions of the permit and then allowed the permit to expire. Once the permit expired, the collection of the unpaid fees was no longer pursued.

Included in these projected revenues are transport permit fees. There continue to be two District transport permits that generate \$124,000 in transport fees revenue in both FY 2016 and FY 2015.

Although budgeted for \$240,000 income and \$410,000 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). This decrease is due to the project being delayed such that all of income and the majority of the expenses associated with this project will be realized in FY 2017. This will be depicted in a future FY 2017 budget revision.

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 initially projected and budgeted to be \$14,350 and then was increased in Budget Revision 2 to \$16,250 to show the additional annual permit fee income from the 18 new Shared Territory Temporary Production Permits (that have since been converted to Regular Production Permits). Of that actual FY 2016 Other Fees revenue being shown in profit and loss statements (\$80,075), \$62,125 is a bad debt expense (described above) that was charged to late fees.

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 2016, therefore, there were no drought management fees assessed or collected.

There was no fee income from Enforcement Fines and Penalties in FY 2016 or FY 2015.

Interest income in FY 2016 as expected continues to be minimal but is a substantial increase (512%) from the prior year. Actual interest income received for FY 2016 is \$3,638 as compared to \$594 in FY 2015.

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING EXPENSES

Expenses for personnel salaries and wages for FY 2016 is \$793,506 which is \$30,595 more than the previous year's expense. The higher salaries in FY 2016 were a result of planned staffing and salary adjustments that includes a new regulatory compliance technician position. Also included is two fiscal years' worth of annual performance-based incentive bonuses, due to a change in the timing of these projects and the way that they are booked. Future books will only consist of one year's worth of incentive bonuses.

Actual expenses for employee payroll taxes and retirement benefits for FY 2016 are \$141,880 which is more than the previous year's expense of \$112,895. This slight increase of \$28,985 is directly attributed to salary increases and incentive bonuses.

Actual expenses for employee group insurance benefits in FY 2016 is \$98,743 which is less than the FY 2015 expense of \$107,986. This line item usually increases annually but there was a change in the health insurance carrier to one that is less expensive (but also with lesser benefits). Also, the vision insurance carrier was added to replace the self-insurance program for vision that used to be in place but became illegal with a change in the law last year. The annual vision premium is less than the annual self-insurance amounts.

Actual expense for directors' compensation for meetings in FY 2016 is \$39,850 which is barely less than the FY 2015 actual expenses of \$39,515 (a 0.9% 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 District's 2016 Management Plan objectives (Appendix B of the draft Annual Report) and within their budget and schedule constraints, which are the more important 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, expenses for legislative services tend to be biennial with the Texas Legislative Regular Sessions in odd-numbered fiscal years. So year-on-year expense can vary as much as 100%.

The majority of election expenses are incurred in the odd-numbered fiscal years building up to November elections in even-numbered calendar years. In FY 2013, election expenses totaled

\$26,492. Similar to FY 2013, the majority of the 2014 election expenses were incurred in FY 2015. The total election expenses incurred in FY 2015 were \$15,277 which was \$14,481 more than the previous election fiscal year's expense in FY 2014 of \$796. The total election expenses incurred in FY 2016 were \$1,088.

In FY 2015, there were expenses related to legislative lobbying in the amount of \$40,000, which was 100% of the budgeted amount. In FY 2014, there were \$0 legislative-related expenses, as the Legislature was not in session that year. The District has now changed the timing of when legislative support 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 one year there will be \$36,000 in legislative support expenses, and the following year there will be \$12,000 in legislative support expenses.

In FY 2016, Actual Professional Services expenses (excluding legal expense characterized below) are \$26,562 as compared to \$29,776 in FY 2015. These professional services include the annual financial audit, website and database improvements, the Standard retirement plan administration, and election expenses. One factor allowing the decrease was the cancellation of elections which were uncontested. Out of the \$5,000 budgeted for elections, only \$1,088 was expended. Also, out of the \$5,000 budgeted for the website and database account, only \$383 was expended. In the near future, the District is considering the switch to a new and improved database system.

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

Legal Services expense in FY 2016 is \$120,330 which is \$34,309 more than the previous year's expense of \$86,021 (a 39.9% increase). This increase is due to redistricting that was required by the legislatively-mandated annexation of the Shared Territory (\$27,083), Rules & Bylaws revisions that came directly from this annexation (\$23,417), and District review and comment on the Dripping Springs TPDES permit application. This expense account only includes continuing or planned legal representation and does not include more variable legislative services, which are characterized above.

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 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 Repairs, \$4,200 was spent to replace a fence that had deteriorated beyond repair. Also in FY 2016, construction in progress increased by \$127,705, this was related to the TWDB Regional Facilities Grant the well drilling.

KEY FACTORS INFLUENCING CHANGES IN CASH FUNDS

The available cash funds (two BB&T accounts and two TexPool accounts, excluding the contingency, and reserve funds) at the end of FY 2016 totaled \$405,209 which is \$17,048 more than the prior year's total of \$388,161. 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. For FY 2016, there was not much difference.

In FY 2015, the District transferred \$160,000 from its TexPool accounts in order to fund the installation of a Westbay monitoring well. The Westbay well was not installed until FY 2016 so the \$160,000 remained in the TexPool General account and was rebudgeted in the FY 2016 initial annual budget to be available for anticipated project start up in FY 2016. This grant project was started at the end of FY 2016 and funds were expended (but none received as grant billings are only to be invoiced after specific phases of the project, which had not occurred by the end of FY 2016). The expended grant funds will be invoiced by the District and reimbursed by the TWDB in FY 2017.

As previously mentioned, although \$410,000 was budgeted as expenses (\$38,349 actual) and \$240,000 was budgeted for revenue, these numbers will be revised to reflect actual expenses incurred in FY 2016 and true up anticipated expenses and grant revenue in the FY 2017 Budget Revision that is forthcoming.

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 2017:

- Installation of two multi-port monitor wells in Hays and Travis Counties respectively in accordance with Interlocal Agreements between the District and each county. The wells will be largely funded with cash contributions from the counties and in-kind contributions from the District. Income and expenses associated with these projects will be reflected in a forthcoming budget amendment.
- Pursuit of possible legislative initiatives associated with and that were carried over from H.B. 3405 requiring additional legal services for bill drafting and analysis.
- Possible receipt of compensation for easements to construct a pipeline for the Hays Caldwell Public Utility Agency through District property.

- Movement of team-budgeted contract support funds to the temporary employee/intern budget line items to support hiring of temporary staff to support ongoing projects.
- Assessment of database programs and services and possible RFQ and engagement with a firm to support database improvements.
- Additional contract support or temporary staff to support 30th anniversary planning and activities.
- Possible contested case or legal challenges associated with controversial permit applications in the shared territory.
- The possible onset of Drought conditions during FY 2017 may generate additional revenues from the assessment of drought management fees or drought enforcement penalties; however, such revenues are not budgeted sources of income and elevated aquifer conditions at the end of FY 2016 make the prospect of a drought declaration in FY 2017 unlikely.
- 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; multiport well installation; and possible recharge enhancement projects associated with Onion Creek flood mitigation measures.
 - 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
 - consulting services to support revision of the District Management Plan due in early FY 2018.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENT OF NET POSITION PROPRIETARY FUND
AUGUST 31, 2016

ASSETS

Current assets

| | |
|--|------------------|
| Cash | \$461,343 |
| Short-term investments (including \$733,058 designated by the Board for legal and other contingencies) | 1,141,022 |
| Accounts receivable | 110,339 |
| Other | <u>2,289</u> |
| | <u>1,714,993</u> |

Noncurrent assets

| | |
|---------------------------------|--------------------|
| Land | 165,415 |
| Construction in progress | 127,705 |
| Depreciable capital assets, net | <u>160,933</u> |
| | <u>454,053</u> |
| | <u>\$2,169,046</u> |

LIABILITIES AND NET POSITION

LIABILITIES

Current liabilities

| | |
|----------------------|----------------|
| Accounts payable | \$35,646 |
| Conservation credits | 32,383 |
| Accrued payroll | 101,011 |
| Deferred revenue | <u>410,985</u> |
| | <u>580,025</u> |

NET POSITION

| | |
|----------------------------------|--------------------|
| Net investment in capital assets | 454,053 |
| Unrestricted | <u>1,134,968</u> |
| | <u>1,589,021</u> |
| | <u>\$2,169,046</u> |

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

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED AUGUST 31, 2016

| | <u>Proprietary Fund</u> |
|---|-------------------------|
| OPERATING REVENUE | |
| Water permits and fees | \$1,893,496 |
| Grant | 110,162 |
| Other | <u>3,688</u> |
| | <u>2,007,346</u> |
| OPERATING EXPENSES | |
| Personnel and related | 1,034,129 |
| Bad debt | 186,375 |
| Legal | 120,330 |
| Aquifer Science | 48,124 |
| Directors compensation | 39,850 |
| Grant expense | 38,349 |
| Depreciation | 30,990 |
| Professional services | 26,562 |
| Education and outreach | 23,314 |
| Utilities | 22,422 |
| Regulatory compliance | 19,799 |
| Contracted support | 18,588 |
| Groundwater Management Areas joint planning | 18,114 |
| Maintenance | 16,788 |
| Equipment lease | 14,128 |
| IT maintenance | 12,000 |
| HCP project | 11,800 |
| Advertising | 10,248 |
| Other | <u>99,303</u> |
| | <u>1,791,213</u> |
| CHANGE IN NET POSITION | 216,133 |
| BEGINNING NET POSITION | <u>1,372,888</u> |
| ENDING NET POSITION | <u>\$1,589,021</u> |

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 AUGUST 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Receipts from water permit and other use fees | \$2,210,052 |
| Other cash receipts | 3,688 |
| Payments to employees for services | (1,066,929) |
| Payments to suppliers for goods and services | <u>(668,553)</u> |
| | <u>478,258</u> |

CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES

| | |
|----------------------------|------------------|
| Purchase of capital assets | <u>(127,706)</u> |
|----------------------------|------------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-------------------------|-----------------|
| Purchase of investments | <u>(24,628)</u> |
|-------------------------|-----------------|

NET CHANGE IN CASH 325,924

BEGINNING CASH 135,419

ENDING CASH \$461,343

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

| | |
|---------------------------------------|-------------------------|
| Operating income | \$216,133 |
| Depreciation | 30,990 |
| Change in accounts receivable | (110,339) |
| Change in prepaid expense | (173) |
| Change in accrued payroll liabilities | 7,050 |
| Change in accounts payable | 17,864 |
| Change in deferred revenue | 322,540 |
| Change in conservation credits | <u>(5,807)</u> |
| | <u><u>\$478,258</u></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 August 8, 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 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 November 30, 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

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.

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.

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

| | |
|--------------------------------|-------------|
| Buildings and improvements | 25-30 years |
| Office furniture and equipment | 3-10 years |
| Field equipment | 5-7 years |
| Vehicles | 5 years |

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.

DEFERRED REVENUE

Deferred revenue 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 requires 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.

NOTE 3: DEPOSITS AND INVESTMENTS

At August 31, 2016, the carrying amount of the District's cash deposits was \$50,358, and the bank balance was \$198,826. Short-term investments of \$1,141,022 are invested with TexPool. The carrying value of these deposits and investments approximates fair value.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3: DEPOSITS AND INVESTMENTS

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 August 31, 2016, the TexPool portfolio had a weighted average maturity of 42 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 worker's compensation. The District insures against risk through commercial insurance.

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 August 31, 2016 amounted to \$32,383.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6: RETIREMENT PLAN

Effective, September 1, 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, employee's 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 August 31, 2016 the District's contribution to the Plan were \$56,620.

NOTE 7: CAPITAL ASSETS

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---------------------------------|------------------------------|------------------|------------------|---------------------------|
| Capital assets not depreciated: | | | | |
| Land | \$165,415 | \$0 | \$0 | \$165,415 |
| Construction in progress | 0 | 127,706 | 0 | 127,706 |
| Depreciable assets: | | | | |
| Building and improvements | 268,588 | 0 | 0 | 268,588 |
| Office furniture and equipment | 33,253 | 0 | 0 | 33,253 |
| Field equipment | 376,488 | 0 | 0 | 376,488 |
| Vehicles | 78,339 | 0 | 0 | 78,339 |
| Accumulated depreciation | <u>(564,746)</u> | <u>(30,990)</u> | <u>0</u> | <u>(595,736)</u> |
| | <u>\$357,337</u> | <u>\$96,716</u> | <u>\$0</u> | <u>\$454,053</u> |

NOTE 8: ECONOMIC DEPENDENCY

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

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9: LITIGATION

The District was not actively involved in any litigation during fiscal year 2016. However, there were other legal proceedings that required and will likely continue to require a relatively minor amount of related legal services in fiscal year 2016:

A. With the passage of H.B. 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 H.B. 3405 continued from FY 2015 into FY 2016 requiring substantial legal expense to develop the necessary rules to implement the bill and the new permitting process in addition to a redistricting effort to redraw the three non-Austin precinct boundaries (Precincts 1, 2, and 3) to cover the annexed shared territory. Rules are in place and the majority of the temporary permits were converted to regular permits in FY 2016 without protest or contested cases. The District does, however, anticipate additional legal expense associated with the continued implementation of H.B. 3405 including expenses to address a likely contested case and/or legal challenge associated with the the one remaining temporary permit conversion.

B. The District has been actively involved in reviewing and providing comments to the TPDES 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 prepare comments, resolutions, and confer with the applicant and affected parties. The District has further stated opposition to the draft permit and anticipates continued legal expense in FY 2017 if the permit is contested.

NOTE 10: COMMITMENT

The District entered into a contract with an engineering firm in the amount of \$265,000 for Brackish Desalination Studies of the Edwards Aquifer. The contract can be canceled at any time with a five day notice.

APPENDIX B

Assessment of Progress toward Management Plan Objectives

(Board-approved November 17, 2016)

Record of Board Assessment of District Objectives (November 17, 2016)

| 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. | 4-0 | Mary | Bob |
| Objective 2. Promulgate a fair and efficient regulatory program. | 4-0 | Mary | Bob |
| 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. | 4-0 | Mary | Bob |
| Objective 4. Demonstrate leadership in external communication, collaboration, coordination and joint planning with respect to groundwater and related resources. | 4-0 | Mary | Bob |
| Objective 5. Extend current groundwater supplies by encouraging supply-side and demand-side improvements. | 4-0 | Mary | Bob |
| Objective 6. Increase understanding of all District aquifers so that appropriate policy and regulatory decisions are made. | 4-0 | Mary | Bob |
| | | | |

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. | 3 of 3 | |
| 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. | 2 of 2 | |
| 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</i> , and <i>Well Construction Standards</i> . | 3 of 3 | |
| 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. | N/A | |
| 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. | 1 of 1 | |
| 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 | General Services | 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: | Metric | Frequency | Score | Documentation |
| | Hire, equip, train, evaluate, and motivate appropriate staff to achieve the District's mission within budgetary constraints. | | | |
| 1. | Overall score of General Manager's annual performance review for fiscal year | Annual | Met satisfactory review | <ul style="list-style-type: none"> GM annual performance review on file Reports of unresolved issues referenced to Board on file, if applicable. |
| 2. | Number of instances of unresolved issues referred to the Board | Annual | Met 0 | <ul style="list-style-type: none"> Calculated annual turnover rate on file Annual FY Budgets on website and file Staff performance evaluations and salary adjustments on file |
| 3. | Staff turnover rate net of reductions-in-force | Annual | Met 10% Reduction | |
| Example Board-Level Activities | | | | |
| a. | Hire, evaluate, and fairly compensate an effective General Manager. | | | Example Staff-Level Activities 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 MP completed in 2013 | <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 | Example Staff-Level Activities |
|---|---|
| <p>a. Develop and be guided by a "Director Job Description" that sets forth the roles, responsibilities, and expectations of a District Director.</p> <p>b. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, including risk management and contingency planning.</p> <p>c. Participate in developing and updating and then approve District <i>Management Plan</i>, and <i>Rules & Bylaws</i>.</p> <p>d. Provide liaison to staff concerning policy-level guidance and requests of individual staff through the General Manager.</p> <p>e. Establish and effectively utilize standing and <i>ad hoc</i> public advisory groups.</p> | <p>a. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, at Board's discretion and direction.</p> <p>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.</p> <p>c. Provide liaison between Board policy-level guidance/requests and staff direction.</p> <p>d. Help identify and recruit members of standing and <i>ad hoc</i> public advisory groups and administer their use.</p> <p>e. Provide quality assurance of District work product and deliverables.</p> <p>f. Establish and maintain a continuous improvement ethos and program.</p> |

General Services

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. |
| 2. Absence of vendor problems and contractual disputes | Annual, if applicable | Met None | <ul style="list-style-type: none"> • 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. |
| 3. Amount of activity concerning grant proposals and projects | Annual, if applicable | Met RWPG awarded | <ul style="list-style-type: none"> • 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. |
| 4. Biannual receipt of official Public Funds Investment Act (PFIA) certificate for completing required training | Bi-Annual "Within each 2-year period after the first year" | Met Completed October 10, 2016 | <ul style="list-style-type: none"> • Budgets and financial reports published on web-site. |

| Example Board-Level Activities | Example Staff-Level Activities |
|--|--|
| <p>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.</p> <p>b. Participate in developing and then approve fiscal-year budgets, including use of reserve funds and approval of budget amendments.</p> <p>c. Specify various financial-impact scenarios that should be included in contingency planning.</p> <p>d. Authorize and receive results of annual financial audits, and institute accepted recommendations on financial controls or procedures.</p> <p>e. Help identify and approve appropriate use of grant funding and resource commitments that will substantially enable progress toward District objectives.</p> | <p>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.</p> <p>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.</p> <p>c. Develop recommended elements and budgetary estimates for fiscal-year budgets and amendments.</p> <p>d. Contract for and participate in conducting an independent financial audit annually, including provision of financial records and preparation of management discussion and analysis, and</p> |

f. Establish purchasing policy and review and approve all contracts in accordance with the policy and upon legal review and approval as to form.

- submit year end reports to TCEQ and the Texas State Pension 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*.

General Services

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 | <p>Met</p> <p>No violations or claims</p> | <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 | <p>Met</p> <p>No formal complaints</p> | |

| Example Board-Level Activities | Example Staff-Level Activities |
|--|---|
| <p>a. Receive training on and comply with Open Meetings Act (OMA) and Public Information Act (PIA) requirements.</p> <p>b. Provide budget allocation for the required administrative activities on continuing basis.</p> | <p>a. 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.</p> <p>b. 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.</p> <p>c. 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.</p> <p>d. As needed, update retention schedule in accordance with the Texas Administrative Code requirements, and file any amended retention schedule with the Texas State Library.</p> <p>e. 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.</p> |

- 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.

General Services

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 | Example Staff-Level Activities |
|---|--|
| <ol style="list-style-type: none"> 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. | <ol style="list-style-type: none"> 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) | Met | <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 6-25-15 | |
| 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 6-25-15 | |
| 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 | Example Staff-Level Activities |
|---|--|
| <p>a. 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.</p> <p>b. Oppose legislation or regulatory initiatives that don't ensure protection of groundwater quantity and quality, including non-compliance with DFCs.</p> <p>c. Meet with local legislators and relevant committee members to foster an effective working relationship.</p> <p>d. Seek legal remedies as warranted and feasible to minimize or avoid impacts on groundwater quantity and quality of aquifers in the District.</p> | <p>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.</p> <p>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.</p> |

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 <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. | | |
| Metric | Frequency | Score | Documentation |
| 1. Rulemaking process is initiated and conducted in accordance with all statutory requirements and required timeframes | Annual, if applicable | Met Rules adopted 4-28-16 | <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 Minutes of meetings approving rules on file Adopted rules on website |
| 2. Rules are in alignment with District policies and objectives as determined by the Board with PAC input in even-numbered years | Annual, if applicable | Met Tech Committee Convened for 4-28 rules | |
| Example Board-Level Activities | | | |
| a. Provide direction and input to staff to guide the development of proposed rule concepts and draft rules. | the development of | Example Staff-Level Activities | |
| b. Appoint and convene <i>ad hoc</i> policy advisory committees to review and comment on District policies and proposed rules revisions as warranted. | | | |
| c. Conduct public hearings for proposed rule changes. | | | |
| d. Adopt necessary rule updates and revisions as warranted. | | | |
| e. Provide direction and input to staff to guide the development of proposed rule concepts to the Board to address necessary updates and revisions. | | | |
| f. Consider rule updates and revisions needed to address specific needs of separate management zones for the different areas and aquifers within the District. | | | |
| g. Upon direction by the Board, prepare draft rules based on vetted rule concepts and Board input. | | | |
| h. Schedule and provide required notification of public hearings for proposed <i>Rule</i> changes. | | | |
| i. Make the adopted revised <i>Rules</i> 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 32 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 | Met | |
| 3. During drought, all required meter readings are submitted or collected each month. | Annual, if drought declared | Met | |

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.

General Services

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

a. Issue conservation credits annually based on the annual conservation credit audit and staff recommendations.

Example Staff-Level Activities

- 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. | | | |
| 1. Achieve overall monthly pumpage reductions within 10% of the aggregate pumpage reduction (volumetric) goal of the prevailing drought stage. | | Annual, during declared drought | <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

Performance Standard 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.

| Metric | Frequency | Score | Documentation |
|--|-----------|-------|---|
| 1. Acceptable-to-Board proportion of timely updates of all drought related information during drought. | Annual | Met | <ul style="list-style-type: none"> • Copies of Drought Chart for periods of declared drought |

Example Board-Level Activities

a. Make drought declarations considering the current aquifer conditions relative to defined drought triggers, the adopted drought trigger methodology, and staff recommendations.

Example Staff-Level Activities

- 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 | Example Staff-Level Activities |
|---|---|
| a. Authorize and participate in efforts to disseminate information related to aquifer conditions during drought and practices that could facilitate demand reduction. | <p>a. 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.</p> <p>b. 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.</p> |

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: Cultivate and communicate effectively and routinely with stakeholders of all types that affect and are affected by the District's programs and policies. | | | |
| Metric | Frequency | Score | Documentation |
| 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. | Quarterly | Met | <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 | | Example Staff-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. | | |

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 - 85% attendance GMA 10 – 80% 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

- 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.

Example Staff-Level Activities

- 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. *Directors note that “standards” here do not refer to enforceable regulatory standards but are interpreted to be in the sense of consensus “principles”.*
- 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

Performance Standard 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.

| Metric | Frequency | Score | Documentation |
|--|-----------|-------|--|
| 1. Qualitative judgment by the Board as to how well the District's directors are promoting groundwater protection with other entities. | Annual | Met | <ul style="list-style-type: none"> • Quarterly Director Activity Reports on file • WPAP reviews and comments on file |

Example Board-Level Activities

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.

Example Staff-Level Activities

- 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.
- 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.
- 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.

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

- Communicate with constituents of their respective single-member precincts to ensure fair representation.
- Facilitate dissemination of education and public outreach information within respective single-member precincts.
- Help promote and/or participate in District-sponsored events.

Example Staff-Level Activities

- 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.
- 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.
- 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.
- 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.

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 HCP/ITP application approved for Regional office review | <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 | | | |
|--|--|--|--|
| Metric | Frequency | Score | Documentation |
| <p>Performance Standard 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.</p> <p>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.</p> | <p>Bi-Annual odd # years (Due: 2015)</p> | <p>N/A Due in 2017</p> | <ul style="list-style-type: none"> • Alternative Water Supply Status Report on file |
| 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. This comprises a possible future correcting amendment of the Management Plan.</i></p> | |

- 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) | 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. 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: 2015) | N/A Due in 2017 | |
| 3. Number of excavations conducted in caves, sinkholes, or recharge features annually (with at least one being satisfactory). | Annual | Met (1 – Antioch Cave) | |

| 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: 2015) | N/A Due in 2017 | |
| 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. | <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. | | |
| Example Staff-Level Activities | | | |

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

| | |
|--|---|
| <p>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.</p> | <p>Example Staff-Level Activities</p> <ol style="list-style-type: none"> 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. | | | |
| 1. Information collected on wells within the District entered into District database | | Annual | Met |
| | | | <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> <ul style="list-style-type: none"> a. Collect water-quality and groundwater-level information annually from: <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. b. Record data in District databases and use to assess groundwater quality and quantity. |

| 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 | | | |
| <ol style="list-style-type: none"> a. Provide guidance on policy issues that involve scientific evaluation. b. Authorize funding for a portion or all of investigations related to aquifer science. | Example Staff-Level Activities <ol style="list-style-type: none"> a. 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. b. 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. c. 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. d. Assess effects of "urban leakage" and its consequences for groundwater model calibration and outputs. e. 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. f. 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 | General Services | Education & Outreach | Aquifer Science | Regulatory Compliance |
|---------------|---------------------------|-------------------------|---------------------------------|------------------------|------------------------------|

Objective 1. Assure the long-term sustainability of the District to carry out its mission as a GCD 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 2016 performance review and objectives assessment at its regularly scheduled meeting on August 25, 2016. The Board took action determining that the General Manager's performance in FY 2016 was satisfactory and that the FY 2016 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 and for achieving the objectives.
- There were no instances of unresolved personnel issues and none were referred to the Board.

There were no losses of staff in FY 2016, therefore the net turnover rate was zero. The District staff was increased with the addition of one new FTE to provide a new Regular Compliance Technician in support of the Regulatory Compliance Team. This position was filled with the hiring of Stephen Davis in February of 2016.

- Annual performance and salary reviews were completed for all regular staff. On the basis of the reviews, staff was collectively awarded a 2.9% raise in salaries which was within the FY 2016 budgeted amount for salaries and wages. Incentive compensation for completed projects was also awarded according to the incentive compensation plan. Additionally, the Board budgeted and the GM awarded one-time performance bonuses to staff as compensation for the extraordinary workload associated with annexation activities.
- Collectively, staff attended approximately six courses for purposes of directed training and professional development in FY 2016. This support is in addition to more than 16 technical/policy conferences, seminars, workshops, webinars, and symposia in which one or more District staff members and directors participated. There were two out-of-state conferences attended (California and Minnesota). In all, approximately \$12,219 was spent on professional development, training, tuition, and career advancement for staff members and directors in FY 2016.
- The District staff continued to manage an extraordinary workload involving tasks associated with annexation of the Shared Territory in Hays County and the implementation of HB 3405 which became effective in June of 2015 and carried over into FY 2016. Implementation of

HB 3405 created additional workload including conversion of temporary permits to regular permits, a second round of rulemaking, updates to aquifer test guidelines, community outreach activities, and redistricting, among others. The additional workload strained resources across all teams and was managed through extra staff labor and some contracted consulting support.

- Given the atmosphere of substantial change and additional workload with the recent annexation, staff morale was maintained and generally good throughout the year. Morale was maintained with periodic events including the staff-only retreat in October, and a staff lunch at the District Antioch property in the spring.

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 MP objectives. The 2013 MP is due to be updated before January of 2018. Staff anticipates updates in the 2018 revision that will be needed to reflect the management objectives of the new Shared Territory. Other revisions will likely be needed to reflect evolving management objectives of the entire jurisdictional area as a whole.
- The District went through rulemaking and adopted rules on April 28, 2016 that were focused on improving management strategies that will protect existing wells and preserve the long-term availability of water supplies from the Trinity Aquifer. The principle objectives of these rules were:
 - Defining “unreasonable impacts” for permitting purposes;
 - Outlining guidance and requirements for aquifer testing, notice, and monitoring requirements for large-scale groundwater projects; and
 - Establishing a policy and permitting framework for a science-based evaluation of the potential for unreasonable impacts to existing wells and the aquifer, and requirements to avoid or mitigate for such impacts.
- The MP requirement to develop a Contingency and Risk Management Plan (CRMP) is satisfied through the commitment to measures of the Draft Habitat Conservation Plan (HCP) which specifies pre-determined responses to the certain Changed and Unforeseen Circumstances. The Board has determined in the two 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 2016 on July 30, 2015; and a subsequent budget revision on November 19, 2015. The staff developed and the Board approved the proposed FY 2017 budget in late FY 2016 on July 21, 2016. The FY 2017 fee schedule was approved by the Board on August 11, 2016.

- The Board continued the convention of strategic planning through the setting of annual goals by adopting its FY 2016 goals on October 8, 2015. 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 2016 goals at their regular Board meeting on August 11, 2016 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. The Staff did convene an *ad hoc* technical committee to provide input and advise rulemaking to assist staff in rules and procedures for determining unreasonable impacts to wells.

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 2016 annual budget that the Board initially approved on July 30, 2015, and then revised on November 19, 2015, and again on June 16, 2016.
- The District successfully operated within its budgeted operating expenses, although the District Board did approve the use of reserve funds (\$118,200) 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 Texas Water Development Board (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 District's investment officer, Dana Christine Wilson, completed the official Public Funds Investment Act (PFIA) training on October 10, 2016 (a biennial requirement).

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 2016 were a remodel of the library space to improve function and efficiency, and the replacement of the fence that borders the front of the office lot property.
- 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 2016. 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.
- 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 Board executed an amendment to the agreement with the Sledge Law Group to extend the terms of the agreement for an additional two years, and will continue to provide Legislative Consulting Services to the District through the 85th Legislative Session.
- Legislative activity in FY 2016, which was during an interim year, was focused on monitoring the activity related to the interim charges. To this end, the GM coordinated with Sledge Law Group and the Board Legislative Committee in tracking the interim committee hearings on charges of interest to the District. This included relaying summaries of relevant testimony and comments at the hearings, discussions of the Board, and convening Board committee meetings. With the direction from the Board and Board committee, the GM provided written responses to the area legislators in response to committee testimony, and initiated discussion with Legislators on potential District legislative initiatives in the 85th Session.
- The Board established a Legislative Committee to coordinate with the GM and legislative consultant on interim activity and developing any District legislative initiatives. On the basis of the advice of the District's legislative consultant, the Board elected to not develop a formal Legislative Agenda in the interim, therefore, a Legislative Agenda Report was not produced.
- 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 2016.

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.

- During FY 2016, the District adopted amendments and revisions to the Rules and Bylaws. A quorum of the District Board of Directors voted unanimously to adopt the proposed revisions at its regular meeting on April 28, 2016. The rule making process was formally initiated in January 2016 as part of an ongoing effort to implement HB 3405, which annexed new area in Hays County, and to better equip the District to manage prospective large-scale Trinity Aquifer water projects. There was a 20-day public comment period to provide an opportunity for rule review and to submit comments or formal protests on the proposed rules. A public hearing was held on March 24th and the Board delayed action on adoption of the rules to consider the entire set of comments received from the public. The proposed rule changes were further modified to address the public comments submitted and to better clarify the process and intent of the rules. The adopted rule amendments focused overall on:
 - Management strategies that will protect existing wells and preserve the long-term availability of water supplies from the Trinity Aquifer;
 - Aquifer test, notice, and monitoring requirements for large-scale groundwater projects; and
 - Establishing a policy and permitting framework for a science-based evaluation of the potential for unreasonable impacts to existing wells and the aquifer and requirements to avoid or mitigate for such impacts.
- 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. The Staff did convene an *ad hoc* technical committee to provide input and advise rulemaking to assist staff in rules and procedures for determining unreasonable impacts to wells.
- 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 2016, 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 97 registration surveys were received and processed. The District also hosted its annual Water Well Checkup where there were approximately 69 participants, of which < 20 were new well registrations.

- The District’s jurisdiction was expanded on June 19, 2015 through the passage of HB 3405, and well owners with an existing nonexempt use were immediately provided a three-month period to apply for a Temporary Permit. In early FY 2016 (September-October 2015), the District received and approved 21 Temporary Permit Applications. The Temporary Permits provided well owners with an interim authorization to operate a well prior to conversion to a Regular Historical Production Permit. The majority of those Temporary Permits were further evaluated and processed for conversion to a Regular Production Permit. At the April 28th Board Meeting, the District Board of Directors held a public hearing to approve 14 of the Temporary Permits for conversion to Regular Production Permits. There was a 20-day public comment period to provide an opportunity to submit comments or formal protests on the proposed approval of the permit conversions. No comments were received and the Board approved all 14 permits as Historical Trinity Production Permits. In May-June 2016, two additional Temporary Permits (Texas Old Town, and Aqua Texas) were approved for conversion, and one Temporary Permit (Needmore Water LLC) remained under review for conversion as of August 2016.

| | Annual Volume | Well Owner (Permittee Name) | | Annual Volume | Well Owner (Permittee Name) |
|---|---------------|--------------------------------|----|---------------|--|
| 1 | 100,000 | SWTX Pentecostal Church of God | 9 | 1,000,000 | Wimberley Glassworks |
| 2 | 100,000 | Las Lomas HOA | 10 | 1,000,000 | St. Mark's Episcopal Church |
| 3 | 180,000 | Rolling Oaks Club Inc | 11 | 1,200,000 | First Christian Church |
| 4 | 240,000 | General Telephone Southwest | 12 | 2,000,000 | Log Cabin Plaza |
| 5 | 490,000 | Hays City Holdings | 13 | 2,000,000 | Chuck Nash |
| 6 | 800,000 | Tindol Restaurant Group LLC | 14 | 2,000,000 | Texas State University - Freeman Ranch |
| 7 | 500,000 | St. John's Catholic Church | 15 | 10,000,000 | Texas Old Town |
| 8 | 750,000 | St. Stephen's Episcopal Church | 16 | 30,000,000 | Aqua Texas (Sierra West) |
| | | | | 0 | |
| | | | | 0 | |

- As reported in the “District Programs-Team Highlights” section of the Annual Report, the following applications were received and processed in FY 2016. 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 | 81 |
|---|-----------|
| Minor Amendment | 1 |
| Major Amendments | 0 |
| New Exempt Well | 5 |
| Limited Production Permit (Nonexempt Domestic Wells) | 13 |
| Individual Production Permit | 6 |
| New Individual Well Drilling Authorizations /Modification | 3 |
| Test Well | 2 |
| Well Plugging | 12 |
| Replacement Well | 2 |
| Temporary Permit | 21 |
| Regular Permit (Temporary Permit Conversion) | 16 |

| TOTAL New Wells | 22 |
|---------------------------------|-----------|
| New Exempt Wells | 5 |
| Nonexempt Domestic Wells (LPPs) | 13 |
| Individual Wells | 2 |
| Test Wells | 6* |
| Replacement Wells | 2 |

**Electro Purification's six Test Wells were drilled prior to annexation*

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

- During FY 2016, the Regulatory Compliance Team conducted a number of inspections, investigations, and onsite visits on existing permitted well systems in response to investigative matters or as part of the application review process. The following is a list of those activities.

| TOTAL Inspections/ Investigations/ Onsite Visits | 32 |
|---|-----------|
| Exempt Well Inspections | 2 |
| Limited Production Permit Inspections | 4 |
| Individual Production Permit Inspections | 4 |
| Test Well Inspections | 0 |
| Plugging Inspections | 12 |
| Special Investigation Inspections | 6 |
| Other Permittee Inspections | 4 |

- There were no formal enforcement actions initiated in FY 2016. District staff initiated approximately six special investigations or inspections and it was determined that no enforcement actions were necessary in these cases.

- 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.
- As a result of an adopted rule change in FY 2015, the monthly meter reading requirement for all nonexempt domestic users was relaxed to an annual meter reading requirement. In late FY 2016 (August 2016), staff prepared to enforce that rule requirement in which the annual meter readings were to be due in September 2016. Email correspondence and notifications were provided to the nonexempt domestic users in an effort to ensure compliance. This compliance effort will be carried over into FY 2017.

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., in August of each year for the following fiscal year. The Board approved conditional renewal of all District production permits for FY 2017 during its regular meeting on August 11, 2016.
- 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 2016 was completed and then reported to the Board at the regular Board meeting on October 6, 2016 where the directors approved issuance of \$32,383 (which was \$5,807 less than the previous year of FY 2015 where there was \$38,190 in earned credits).
- A staff-initiated under-pumpage analysis was not performed in FY 2016. Such analysis was judged by the GM not to be warranted this fiscal year.
- In FY 2016, 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 (DFCs) 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 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 2016.
- In FY 2016, 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 2016.

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.

- Friends of the Aquifers: To increase efficiency, circulation, and frequency of mass communications, the Friends of the Aquifers list was transitioned to a mass email service, establishing groups and automating subscriptions, and migrating newsletter efforts to a more frequent eNews blast. Starting in October 2015, monthly eNews were released to subscribers. The list of subscribers increased through the fiscal year ending at 2,116 in August 2016. Additionally, six press releases announced the closing of the temporary permit term, celebrated groundwater stewardship winners, invited comment on proposed rule changes, posted the finalized rule changes, announced the landmark high aquifer level, and promoted the redistricting process. 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 were upgraded to facilitate access from various devices, including mobile phones and tablets. Graphics and organization of the District website streamlined access to information and enhanced usability.
- **Drought Stage Road Signs and Bill Inserts:** not applicable since we did not enter into a drought stage in FY 2016.
- **Public Information Requests:** 14 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 a regular Board meeting, and through modified Director's Compensation forms that provide documentation of activities, correspondence, events attended, and other communications. For FY 2016, 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) attended 6 of 7 of GMA 9 meetings and workshops (85%) in FY 2016. He actively participated by participating in meetings, providing technical review and input, and voting on posted agenda items affecting the GMA. The District also contributed funds to support the work of a consultant to assist GMA 9 in preparing the Explanatory Report (ER) for the 2016 planning cycle. Mr. Hunt reported news and activities to the Board of Directors. Noteworthy activity of GMA 9 in FY 2016 included:

- Meetings and discussions in FY 2015 led up to an extended meeting on September 28, 2015 (Dripping Springs) that reviewed all elements and factors of the ER. Proposed DFCs and non-relevant aquifers were voted on and approved at this meeting;
- The District held public hearings for input into the proposed desired future conditions (DFCs);
- A technical meetings was held to discuss a method for monitoring the DFC on March 1, 2016 (Johnson City);
- District representative provided review and technical input into the ER;
- The District Board approved the DFCs and ER;

- GMA 9 approval of the ER was on April 18, 2016 (Dripping Springs); and
- GMA 9 DFCs and ER were mailed by the GMA 9 Chairman to the TWDB on April 25, 2016.

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 2016, Mr. Dupnik attended four of five GMA 10 meetings (80%) and served on a GMA 10 subcommittee on DFCs. GMA 10 achieved substantial progress towards completing the second round of DFCs during FY 2016 including approving “proposing DFCs” by the statutory deadline of May of 2016. Milestones in the process included:

- 2-11-16: Board action on direction to GM as GMA 10 representative
- 3-14-16: “Proposed” DFCs are approved by the GMA
- 3-21-16: 90-day comment period on proposed DFCs begins
- 5-26-16: District- held Public Hearing
- 6-20-16: Comment period expired

Other noteworthy activity of GMA 10 in FY 2016:

- The District contributed funds (\$15,044) to support the work of a consultant to develop an analytic superposition tool to evaluate the Trinity Aquifer in Hays County.
- The District, with the assistance of contracted support, provided edits to the District-relevant chapters of the ER.
- The District participated in a subcommittee consisting of the Plum Creek Groundwater Conservation District (GCD) and the Edwards Aquifer Authority (EAA) to discuss a supplemental technical evaluation for the Trinity Aquifer in Hays County.
- The 2016 DFCs proposed maintained the existing 2010 DFCs for the fresh Edwards Aquifer in the Northern Segment of GMA 10 and the Trinity Aquifer. The District proposed a revised Saline Edwards DFC to reflect an expression of maximum drawdown rather than effects on the fresh/saline interface. All District DFCs were approved as “proposed DFCs” by GMA 10 and will likely be approved by the GMA and each GCD in FY 2017.

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, District 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 four of six meetings (66%) in FY 2016. Region K finalized the 2017 Regional Water Plan in December of 2016.

Other noteworthy activity of Region K in FY 2016 included:

- Region K developed responses to comments provided by the TWDB to the Initially Prepared Plan (IPP) in the beginning of FY16.
- Participated in the Water Supply Strategy committee involving review of proposed strategies to be included in the final 2017 Regional Water Plan.
- Participated in the Policy Committee and worked to complete the Chapter 8 revisions for the final 2017 Regional Water Plan.
- Began discussions of preparations for next cycle of planning.

Region L

Brian Smith, District Principal Hydrogeologist, tracked the activity of Region L and attended two of four meetings (50%) in FY 2016. Noteworthy activity of Region L in FY 2016 included:

- The Initially Prepared Region Water Plan was finalized and submitted to TWDB.
- Black & Veatch was selected as the contractor to work with Region L.
- Updates were presented on the EAA HCP and legislative issues of interest that might affect regional water planning entities.

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 2016, staff reviewed 20 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. District staff identified two abandoned wells that needed to be properly plugged, and commented on one WPAP modification.

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 23 outreach events including field trips, conferences, workshops, meetings, and festivals. These presentations, events, and field trips reached more than 1,913 adults and 1,335 students.
- The District hosted or co-hosted Groundwater to the Gulf, the Kent Butler Symposium, 6th Annual Central Texas Water Conservation Symposium “Conservation, Come Drought or High Water,” Strategic Walk and Talk Homeowner Education Campaign, and Water Well Checkup.
- The new District website launched in April of 2016. Since then the site has received 10,897 visits from 8,725 unique visitors. Facebook 'likes' increased from 403 to 512. The Twitter followers increased from 323 to 434.
- There were 334 new contacts added to the subscriber list. Additions include Permittees, HOA contacts, Strategic Walk and Talk sign-ups, and concerned residents and well owners in the Shared Territory.

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 the US Fish & Wildlife Service (FWS) for the endangered species at Barton Springs.

- The draft HCP and ITP application was submitted to the FWS in December of 2014. In FY 2016, the GM continued to coordinate the work of the District’s HCP consultant and staff to work closely with FWS staff to discuss comments to the draft HCP and provide edits responsive to those comments.
- After several rounds of discussions of comments and suggested edits responsive to the comments, the FWS provided unofficial acceptance of the revised draft HCP. The GM presented the suggested edits to the Board committee and then the edits were approved at the regular Board meeting on January 14th, 2016.
- The GM, staff, and consultants then shifted towards assisting the FWS and HCP consultant, Hicks and Company, with completion of the draft Environmental Impact Statement (EIS). Although the agreed upon expenses with Hicks had been expended before completion of the draft EIS, the GM negotiated to have Hicks continue to support the completion of the draft EIS which was completed in June of 2016.
- Upon completion of the draft EIS, the ITP application was modified and provided to the FWS Austin office where it was approved for submittal to the USFW Regional office in Albuquerque for review.

- The GM negotiated and the Board approved on September 8, 2016 a contract amendment with Hicks and Company to continue to provide support and complete preparation of the final HCP and EIS to be noticed for comment, and to provide support to respond to any comments received.

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 developed rule concepts for guiding and regulating Aquifer Storage and Recovery (ASR) systems within the District. Since the passage of HB 655 and recent changes to Texas Commission on Environmental Quality (TCEQ) Rules TACD Chapter 30 Section 331, the District will make concerted efforts to integrate its ASR rules with those of TCEQ.
- The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2016. In FY 2016, the District began studies for a Regional Facility Planning (RFP) grant. This grant was applied for and was awarded funds by 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. Carollo Engineers was selected to conduct the feasibility portion of this study. The multiport well was installed in August 2016 about 1.5 miles east of the fresh/saline water interface.
- The District applied for a grant for ASR feasibility studies under Rider 25, which was approved with the appropriations bill (HB 1) by the Legislature in the 84th session. However, the District was not awarded the grant.

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 2016 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.
- In FY 2016, District staff worked in the field with the City of Austin to clean the grates over cave entrances of sediment and debris, and helped open another recharge feature.

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.

- The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2016. In FY 2016, the District began

studies for a RFP grant. This grant was applied for and was awarded funds by 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. Carollo Engineers was selected to conduct the feasibility portion of this study. The multiport well was installed in August 2016 about 1.5 miles east of the fresh/saline water interface.

- In FY 2016, the District has been working with other entities in the area, such as City of Buda, City of Kyle, EAA, and Ruby Ranch Water Supply Corporation to evaluate the potential for the Trinity Aquifers as reservoirs for ASR facilities.

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 Twitter.
- In FY 2016, , the saline Edwards Westbay multiport well at Texas Disposal Systems (TDS) was drilled and completed with 18 independent monitor zones. This multiport well will provide insight on water quality and permeability at various intervals (represented by the zones). 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.

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 130 samples from sample sites including wells and springs from the Edwards and Trinity aquifers for major ions and isotopes.
- The Regulatory Team collected 11 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 69 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 2016 under this performance standard include the following:
- Refined guidelines for conducting aquifer tests and hydrogeologic reports.
- Performed studies with the City of Austin (CoA) and the Hays Trinity Groundwater Conservation District (HTGCD), and other independent geologists to characterize surface and groundwater interactions along Onion Creek. A paper was published of the findings at the 2016 Gulf Coast Association of Geological Societies GCAGS conference (see publications).
- Performed studies with the EAA, HTGCD, and the University of Texas to characterize the groundwater in central Hays County. This included establishing more than eight continuous monitor wells, and water quality sampling.
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- 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 two existing multiport monitor wells that were completed in the Edwards and Trinity aquifers.
- Collected water quality data (major ions and isotopes) from about 25 sample locations in FY 2016 (TWDB partnership).

- Collected field parameter, natural fluorescence (District spectrofluorometer), lab data (bacteria, nutrient, and carbon) of surface and groundwaters of central Texas. The data is part of a Master's research project by a student from the University of Malaga, Spain.
- Supported dye trace studies of the CoA by collecting field samples at more than a dozen sites over a period of several months.
- 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 2016, staff sampled ten spring and well sites for hydrocarbon contaminants using a screening test of BTEX and TPH. Staff also worked on the location of the installation of two new monitor wells anticipated in FY 2017.
- Participated with HTGCD, EAA, and Blanco-Pedernales GCD staff to continue collecting hydrogeologic data regarding the Trinity Aquifer (a continuation of the Hydrogeologic Atlas project).
- 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 Trinity Groundwater Availability Model (GAM) Conceptual Model. 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 published technical notes, papers and abstracts (see publications).
- Staff from the Aquifer Science Team gave technical presentations to a variety of audiences including: SOS University (Sept 2015), HydroGeo Workshop (Sept 2015), and South Central Texas Water Research Interest Group (June 2016).
- Oversaw the drilling and installation of a deep (1,100 ft) multiport monitoring well on the TDS property as part of the TWDB-funded feasibility study for alternative water supply. Drilling and multiport completion of the well was largely completed at the end of FY 2016. The well has 18 zones primarily in the saline Edwards Aquifer with purging, sampling, and data collection to begin in early FY 2017.
- Installed a shallow multiport well at the Antioch Vault well.
- Oversaw the Needmore Water LLC aquifer test. The data was evaluated and projections made for the potential for unreasonable impacts. A technical memo was developed that recommended compliance levels (special conditions) for the permit request.
- Assisted with aquifer modeling performed by Intera for the purposes of evaluating the effects of pumping on the aquifers for the GMA 10 ER.
- Assisted with the geologic mapping of the Mountain City Quadrangle by Dr. Thomas Grimshaw. Expected publication in FY 2017.

FY 2016 Published Reports:

- Gary, M.O., Hunt, B.B. and Johnson, S., 2015, Hydrogeologic Response to Major Floods on the Blanco River and Edwards-Trinity Aquifers, Central Texas. Geological Society of America, Abstracts with Programs, 2015 GSA Annual Meeting in Baltimore, Maryland, USA, Paper No. 201-3. November 2015.
- Hunt, B.B., and B.A. Smith, 2016, Desired Future Condition Monitoring of the Middle Trinity Aquifer, Groundwater Management Area 9, Central Texas. BSEACD Technical Note 2016-0415. April 2016, 9 pp.
- 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.
- Hunt, B.B., A. Andrews, and B.A. Smith, 2016, Hydraulic Conductivity Testing in the Edwards and Trinity Aquifers Using Multiport Monitor Well Systems, Hays County, Central Texas. Barton Springs/Edwards Aquifer Conservation District Report of Investigations. BSEACD RI 2016-0831, August 2016, 39 p.
- Smith, B.A., B.B. Hunt, 2016, Recharge and Water-Quality Controls for a Karst Aquifer in Central Texas. Karst, Groundwater, and Public Health, San Juan, Puerto Rico, January 27 to February 1 2016.
- Svoboda, C., M. Helper, R. Gary, B.B. Hunt, 2015, Central Texas GIS Geologic Map Project: Phase I. BSEACD Technical Note 2014-1201. December 2014, 15 pp.
- Yeats, I.; Helper, M.; and Hunt, B.B., 2015, Application of Airborne Lidar to Geologic Mapping in Central Texas. Geological Society of America, Abstracts with Programs, 2015 GSA Annual Meeting in Baltimore, Maryland, USA, Paper No. 5-13. November 2015.