



Barton Springs Edwards Aquifer

CONSERVATION DISTRICT

ANNUAL REPORT

FISCAL YEAR 2013

Board-approved December 12, 2013

BOARD OF DIRECTORS (August 31, 2013)

Mary Stone, President	Precinct 1	Feb 2008 - November 2016
Gary Franklin, Vice President	Precinct 2	May 2006 - November 2014
Craig Smith, Secretary	Precinct 5	May 1998 - November 2014
Robert D. Larsen, PhD, Director	Precinct 4	May 2003 - November 2016
Blake Dorsett, Director	Precinct 3	Nov 2012 - November 2016

DISTRICT STAFF

August 31, 2013

W.F. (Kirk) Holland	Chief Operating Officer
John Dupnik	General Manager Senior Environmental Permit Specialist Regulatory Compliance Team Leader
Dana Christine Wilson	Senior Administrative Manager General Services Team Leader
Tammy Raymond	Administrative Assistant – Personnel
Shannon DeLong	Administrative Assistant – Accounting
Brian Smith	Principal Hydrogeologist Aquifer Science Team Leader
Brian Hunt	Senior Hydrogeologist
Alan Andrews	Hydrogeologist
Robin Gary	Senior Environmental Educator Education and Community Outreach Team Leader
Kendall Bell-Enders	Regulatory Compliance Coordinator
Vanessa Escobar	Regulatory Compliance Coordinator
Jeff Watson	Hydrogeological Intern (temporary)

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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 2013, covering the period from September 1, 2012 to August 31, 2013.

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 2013; 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 of the Barton Springs segment of the Edwards Aquifer and other 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's jurisdictional area is bounded on the west approximately by the western edge of the Edwards formation outcrop, and on the north by the Colorado River, which is the regional groundwater discharge boundary. The eastern boundary is generally formed by the easterly service area limits of the Creedmoor-Maha Water Supply Corporation, Goforth Special Utility District, and Monarch Utilities, Inc. The District's southern boundary is generally along the

“groundwater divide” that hydrologically separates the Barton Springs and the San Antonio segments of the Edwards Aquifer, generally along FM 150 west of Interstate 35 and its extension east of Interstate 35, roughly along the southern boundaries of the water utilities mentioned above. This area encompasses approximately 250 square miles in parts of three counties that are rapidly changing from rural to urban/suburban. A portion of the Barton Springs segment of the Edwards Aquifer was designated a Sole Source Aquifer by the Environmental Protection Agency (EPA) in 1997. It was estimated to be the primary source of drinking water for 45,000 people in a 1995 survey; the current estimate is about 70,000 people utilize the aquifers in the District as a water supply. Spring discharge from the Barton Springs segment of the Edwards Aquifer contributes to Lady Bird Lake and the Colorado River system, a surface-water resource heavily used for municipal supplies. Barton Springs provides significant recreational opportunities at Barton Springs Pool in Austin’s Zilker Park, and is home to the federally listed as endangered Barton Springs salamander and Austin blind salamander. Some wells in the District also produce water from the Taylor, Glen Rose, and Trinity 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. So in FY 2012, ending August 31, 2012, no elections were required to be held, and the first November director elections were held in FY 2013, in November 2012. The Board elects its officers annually, in the month following the one in which director elections are held, so the Board also took action in June 2012 to continue the terms of its current officers from June to December, as an outgrowth of the change in election dates. For the current annual reporting period, from September 2012 through August 2013, the elected officers were Mary Stone, President; Gary Franklin, Vice President; and Craig Smith, 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.

The District is not a taxing authority. Its only sources of income are groundwater usage fees, including water use fee supplement paid by the City of Austin; administrative processing fees; and from time to time, grants from various local, state, and federal programs.

1.2 District Mission and Vision Statements

The Board of Directors of the Barton Springs/Edwards Aquifer Conservation District has assessed and articulated not only the mission of the District but also the vision and overarching strategic purpose of the District today. These are some of the early outputs of a continuing strategic planning process that was initiated in FY 2005, providing a consensus basis for near-term, mid-term, and long-term planning that is ongoing.

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 was added in FY 2006 as 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.”

A more action-oriented, overarching strategic purpose was also articulated:

“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’s Board also 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 2013

The District continues to use successfully a matrix-type organizational structure, in which all staff members report for administrative supervisory purposes to the General Manager/Chief Operating Officer of the District, and both standing and *ad hoc* teams execute the programs. This section of the report summarizes the operational teams that existed throughout FY 2013 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 2013 District Management Plan.

2.1 General Management

Mr. W.F. (Kirk) Holland, P.G., served as the District's Chief Operating Officer for all of FY 2013, and as its General Manager (GM) from September 1, 2012 to June 24, 2013. Near the beginning of FY 2013, after the announcement by the GM of his intent to retire at the end of the fiscal year, Mr. John Dupnik, P.G., the Regulatory Compliance Team Leader, was named Assistant GM, forming the Office of the GM with Mr. Holland. On June 24, 2013, following an open solicitation and search, Mr. Dupnik was named GM of the District by the Board, and also became COO upon Mr. Holland's retirement as of September 1, 2013.

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 /Chief Operating Officer:

1. ensures the policies and direction of the Board of Directors are implemented effectively, appropriately, and efficiently;
2. provides leadership, both inside and outside the District organization, in accomplishing the mission, vision, and goals of the District; and
3. 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 2013, some highlights for the Office of the GM included:

- Soliciting and engaging a new GM, and then developing and executing a transition plan between the former and current GM/COO that effectively provided requisite orientation to the GM/COO role and protected ongoing District operations;
- Maintaining a productive, efficient, and motivated staff, including hiring a new staff member and providing an intern to assist the regular staff in a continuing scientific investigation;
- Participating actively in the joint groundwater planning processes of Groundwater Management Area (GMA) 9 and serving 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;
- Participating 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;
- Serving as the Secretary for the state-wide association of GCDs, the Texas Alliance of Groundwater Districts (TAGD), and also as an active member of TAGD's Executive and Legislative Committees;
- Developing tracking tools and reporting processes, then assisting in administering three contested director elections;

- Providing leadership in the planning and execution of the RWQPP's Next Wave event, and various follow-up initiatives;
- Supporting the District's legislative agenda, including holding discussions with key legislators, legislative committees, lobbyists, and stakeholders; writing draft bills and bill sections; providing testimony on selected bills; and follow-up to gauge support and resistances and plan responsive actions;
- Participating actively in advising the Board and supporting the general counsel on various legal matters, including the continuing City of Kyle case, GCD representation and the Hill Country PGMA contested case, and following up on a recently initiated Agreed Order with one permittee and initiating dialogue concerning a subsequent Agreed Order with another permittee;
- Serving as the point person for the District on many external communications and interfaces with various stakeholders and interested parties concerning groundwater and groundwater management;
- Providing a leadership role in planning the TAGD Texas Groundwater Summit and participating as panelists and presenters;
- Finalizing a revised District Management Plan that is more useful to District operations and priorities, culminating in review and approval by the TWDB in January 2013;
- Providing editing and quality assurance reviews on numerous technical papers and operational documents;
- Guided the HCP process, including establishing a Management Advisory Committee and restructuring/revising/further editing the HCP document;
- Developing and evaluating the basis for new personnel policies concerning labor categorization, time-off and related timekeeping, purchasing, and telecommuting; and
- Continuing the dialogue both internally with staff and directors and externally with many stakeholder entities, including an ad hoc advisory committee, concerning development of alternative water supplies, including especially desalination and aquifer storage and recovery (ASR), and the need for funding of field investigations to advance consideration of the Saline Edwards as a water supply and/or storage reservoir.

2.2 Administrative and General Services Team

Ms. Dana Christine Wilson serves as the Leader of the Administrative and General Services 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 2013, including telecommuting one day per week.

The Administrative Programs Team is responsible for banking, accounting, timekeeping administration, payroll administration, records retention and management, facilities and vehicle fleet management, human resources administration, director compensation and reimbursement administration, and state/federal grant administration.

In FY 2013, 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 final stages of the director election process (that began in the previous fiscal year);

- Continuing the process of electronically scanning historical hard-copy records for archival purposes;
- Supporting the District's biennium legislative process;
- Supporting the revisions of various parts of the Employee Policy Manual and subpolicies (including the Purchasing Policy revisions, Time Keeping Policy revisions, and the newly adopted Telecommuting Policy); 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 also supported by Senior Hydrogeologist Brian Hunt, P.G., Hydrogeologist Alan Andrews, and from time to time other staff members, including interns. In 2013, Jeff Watson provided notable support as an intern.

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 2013, some highlights for the Aquifer Science Team included:

- Developing new technical reports, giving numerous technical talks with published abstracts, publishing several technical papers, and attending national and regional conferences including:
 - South Central Geological Society of America
 - 13th Sinkhole Conference
 - Gulf Coast Association of Geological Societies Conference
 - National Ground Water Association Summit
 - Texas Groundwater Summit
- Collecting hourly water-level data from about 32 wells in the Edwards and Trinity aquifers and monthly water-level data from the District's two multiport monitor wells;
- Collecting water-quality and isotope data from about 21 wells and 8 springs in the Edwards and Trinity aquifers in a partnership with the TWDB;
- Determining and documenting when the District reached drought thresholds going into drought, including keeping the District's drought monitor blog up to date;
- Participating with Hays-Trinity GCD and Blanco-Pedernales GCD staff to continue to collect hydrogeologic data regarding the Trinity Aquifer (a continuation of the Hydrogeologic Atlas project);
- Performing studies with the Edwards Aquifer Authority and the University of Texas to characterize the groundwater flow in the Blanco Watershed. Results of preliminary work was published at the GSA (April) conference;

- Conducting field trip at the Antioch Recharge Enhancement Project for Texas A&M Kingsville Geology Students;
- Assisting the USGS to review historic water-level data for the Lovelady monitor well and the installation of USGS telemetry equipment at the Lovelady well;
- Conducting a hydrogeologic field trip to the District's recharge facility at Antioch for the Texas Water Development Board;
- Working with UT-Austin graduate students and Dr. Jay Banner to publish a paper on the results of studies regarding the interaction of the Edwards and Trinity aquifers. The paper was published in the peer-reviewed journal titled Groundwater;
- Continuing development and data collection of a geologic database and initial regional 3-D visualization model of the Edwards and Trinity aquifers in Central Texas;
- Analyzing historic hydrologic data to understand trends and potential influences on the hydrology; published paper in the Gulf Coast Association of Geological Societies (GCAGS) Transactions;
- Participating with GMA 9 in technical discussions and developing a draft methodology for monitoring compliance with the Trinity Hill Country DFC;
- Updating the Quality Assurance Project Plan (QAPP) for the Antioch Cave Recharge Enhancement Project as part of the 319(h) grant from EPA and TCEQ, and maintaining the two CWQMN sites on behalf of the TCEQ;
- Investigating, designing and promoting a saline-zone feasibility study and pursuing funding for projects to better understand the opportunities and issues associated with utilizing brackish groundwater as an alternative new water supply for the area; and
- Developing, in cooperation with Magellan Pipeline Company, an annual sampling program in advance of operation of the Longhorn Pipeline that transports crude oil. In March 2013 staff sampled 14 springs and well sites for hydrocarbon contaminants as a background prior to operation and used a screening test of BTEX and TPH. Staff also worked on the location for the installation of two new monitor wells anticipated in FY 2014.

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, is the primary member and team lead for the Education and Community Outreach Team in FY 2013. 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. The District was in drought for nine and a half months during FY 2013. The District declared drought on Nov. 15, 2012, and was in either Stage II Alarm Drought or Stage III Critical Drought for the remainder of the fiscal year. Education and outreach efforts focused on increasing awareness of the importance of water conservation and increasing the understanding of aquifer dynamics.

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, Save Barton Creek Association (SBCA), San Antonio River Authority, San Antonio Water System, Splash! Exhibit, Camp Fire, 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 2013, some highlights of the Education and Community Outreach Team included:

- Participating in approximately 41 outreach events (including field trips, presentations, and events) that reached approximately 4,130 adults and nearly 965 children,
- Hosting the third annual Water Conservation Symposium: "Success Through Innovation: Strategies to Effectively Save Water seminar" in collaboration with the water providers and non-profits participating in the CTWEN,
- Hosting the 8th Annual Groundwater to the Gulf Summer Institute for Educators in collaboration with other state, local, and non-profit water educators, which trained 43 teachers who in turn reach over 3,000 students annually, and
- Providing support for the award winning Camp Fire Kids, Balcones Council Absolutely Incredible Kids service learning program focused on water conservation. Water conservation efforts through this program reach hundreds of children and their families through after school programs, community events, clubs, and family outing groups.

2.5 REGULATORY COMPLIANCE

After transition to Assistant General Manager near the beginning of FY 2013 and then to General Manager in June of 2013, John T. Dupnik, P.G. continued to also serve as the Regulatory Compliance Team Leader. Ms. Kendall Bell-Enders was promoted to Regulatory Compliance Coordinator, and Ms. Vanessa Escobar was hired as a new Regulatory Compliance Coordinator in April of 2013. Other members of the staff also support this team from time to time.

The Regulatory Compliance Team is 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 plugging, 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 2013:

- **Database Enhancements:** The District's permitting and wells database was further enhanced by the creation of a utility application to help streamline necessary updates and changes that include deleting duplicate or incorrect records and changing permit types.

- **Inspections:** Staff completed five (5) routine permittee inspections and seven (7) inspections in response to new well applications.

- **Conservation Credits:** The District issued a total of \$46,443.60 in credits in FY 2013 with \$29,027.25 being issued to 29 permittees and \$17,416.35 being issued to the City of Austin.

Permittees donating credits back to the District's camp scholarship fund include: Creedmoor-Maha WSC (\$2,354.30), Goforth Special Utility District (\$150.00), St. Andrew's Episcopal School (\$218.37) and Texas Lehigh Cement Company (\$521.97).

- **Enforcement:** The District worked with Grey Rock Golf Club to complete the special provisions outlined in the Notice of Alleged Violation (NOAV) and Agreed Order that was issued in FY 2012. District staff also conducted four (4) initial pre-enforcement meetings and one (1) follow-up meeting in accordance with the District's drought management and enforcement plan.

- **Rulemaking:** Rulemaking initiated in FY 2012 was continued and concluded with the adoption of rules on October 11, 2012 (FY 2013). This round of rulemaking was the culmination of a compressed, stakeholder-driven process initiated to identify strategies and rule concepts to enable the District to be responsive to the Desired Future Conditions (DFCs) adopted by the Groundwater Management Areas (GMAs) in the first round of groundwater planning and their associated Modeled Available Groundwater (MAG) estimates from TWDB. Substantive rule changes included:

- Providing opportunity for applicants to have contested hearings conducted by State Office of Administrative Hearings (SOAH),
- Authorizing adjustments to permits to reflect reasonable non-speculative demand when warranted,
- Adding requirements for non-public water supply wells supplying multiple properties,
- Providing option to increase non-drought historical pumpage in exchange for additional drought curtailments,
- Adding procedures for recognizing purchases of permits for retirement purposes,
- Limiting pumping under Class C permits to monthly baseline volumes,
- Encouraging public water system permittees to adopt conservation-oriented rate structures,
- Requiring 50% curtailment of historical Edwards permits during an Emergency Response Period after a phase-in period, and
- Deleting requirement of 85% curtailment for historical Edwards permitted wells used for non-public water supply during an Emergency Response Period.

- **External Reviews, Coordination, and Outreach.** Work groups and projects involving staff participation included:

- Regions K and L Regional Water Planning Groups,
- Groundwater Management Areas 9 and 10,
- City of Austin well permitting and registration ordinance,

- Regular meetings of the Regional Water Quality Protection Plan workgroup,
 - “Next Wave” regional water quality conference,
 - RWQPP committee on wastewater management study,
 - SH 45 SW Technical Workgroup,
 - Hays Trinity GCD rule committee,
 - Longhorn pipeline monitoring and sampling planning,
 - Legislative workgroups on permitting and brackish groundwater,
 - South-Central Geological Society of America session on Texas groundwater planning,
 - Sunset Valley water planning, and
 - Well ownership and registration with real estate community.
- **Drought Management:** The District’s aquifers were in No Drought status for the first two and half months of FY 2013 but then entered Stage II Alarm Drought status on November 15, 2012. After prolonged dry conditions and minuscule rainfall, Stage III Critical Drought was declared on April 17, 2013, which persisted throughout the remainder of FY 2013. Staff continued to implement the District’s enforcement plan and monitor compliance with monthly pumping limits and initiating pre-enforcement and enforcement as prescribed in the plan throughout the duration of the District-drought.

Permitting Summary:

Permit activity during FY 2013 was minimal but included the approval of the District’s second Class C Conditional permit (not active therefore not included in summary below) and an amendment to decrease an Edwards Historical permit. Firm-yield Edwards pumpage was reduced by approximately 100,000 gallons with the retirement of the Diamondscape production permit. The retired portion was re-permitted under the General Conservation Permit which is preserved as the Ecological Flow Reserve. Don’s Grass Historical Middle Trinity Permit for 1,200,000 gallons was not renewed and therefore expired. A summary of permitting, new well drilling, and plugging is provided in the following tables:

Individual Permits	
New Permittees (landowners)	0
Total Permits Issued	86
Total Permitted Wells	162
NDU General Permits	
New Permittees (landowners)	6
Total Permits Issued	72
Total Permitted Wells	78

Permitted Pumpage			
Edwards MZs	gallons	cfs	acre-feet
Historical (Ind.)	2,370,987,721	10.05	7,276
Historical (NDU)	1,176,933	0.005	3.61
Total Historical	2,372,164,654	10.056	7,280
Conditional (Ind.)	348,684,948	1.48	1,070
Conditional (NDU)	22,605,648	0.096	63.37
Total Conditional	371,290,596	1.574	1,139
Total Edwards	2,743,455,250	11.63	8,419
Trinity MZs	gallons	cfs	acre-feet
Historical (Ind.)	91,525,000	0.388	281
Total Permitted	2,834,980,250	12.02	8,700

	Permitted Transport		
	gallons	cfs	acre-feet
FY 2013	0	0	0
Total Permitted	400,000,000	1.70	1,227.55
Well Drilling			
New Nonexempt Wells			0
New NDU Wells			6
New Exempt Wells			2
Total Wells Drilled			8
Well Plugging			
Total Wells Plugged			3

3.0 REQUIRED DATA AND INFORMATION

The District Bylaws and the 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 2013 began with the aquifer in non-drought conditions but with hydrographs for Lovelady monitor well and Barton Springs steadily decreasing. Stage II Alarm Drought was declared on November 15, 2012 after the preceding 3 months saw below average rainfall. Below average rain persisted through the winter into spring 2013 leading to continued drops in aquifer water levels and the declaration of Stage III Critical Drought on April 17, 2013. The fiscal year ended near the peak of the drought with minimum 10-day average flow at Barton Springs reaching about 16 cfs and water-level elevation at Lovelady monitor well dipping to 458.8 ft-msl.

3.2 Grant Programs

Unlike in the previous several years, there were no District programs funded by any type of grant in FY 2013.

3.3 Professional Services

The District expended \$61,601 for professional services in FY 2013.

This amount included legal fees of \$37,919 for general counsel support provided by Bickerstaff, Heath, Delgado & Acosta LLP of Austin. These fees included involvement of the District and its attorneys in 1) continuing to oppose and contest the application for a TCEQ TLAP by Jeremiah Venture, L.P., and eventually settling the case; and also 2) defending the District in a lawsuit brought by the City of Kyle, including negotiation of a settlement, and participation in discussions related to an appeal of the District court's decision by a putative intervener. Late in FY 2013, additional legal services were required to respond to the ongoing contested-case on the TCEQ recommendations for provision of groundwater conservation district protection to those areas of the Hill Country PGMA not covered by GCDs. There were no legal services associated uniquely with grant projects as grant-billable costs, as no such projects existed in FY 2013. .

Additional professional services for FY 2013 also reported in the above amount include the District's third party retirement plan administrator, The Standard, for \$11,582.

The District again retained Mike Figer and Company, CPA, to perform its annual financial audit for FY 2013; that audit report is included in this Annual Report as Appendix A. The fees for those professional services (to be expended in FY 2014) for the FY 2013 audit will be \$11,500 and are also included in the professional services total above.

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 two capital projects in FY 2013; first was continued interior office remodeling for \$6,000, and the second the remodel of an outside shed and lot clearing also for \$6,000.

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, 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 are found in the Annual Audit Report, included here as Appendix A.

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.

SB 660 and SB 737 of the 82nd Legislature significantly modified what information is required in any new or newly amended District Management Plans and how the contents of those plans are to be used and revised. These new laws took effect September 1, 2011, i.e., on the first day of FY 2012. However, the TWDB’s rules implementing those new laws were still in the process of being publicly reviewed and were not yet implemented on the last day of FY 2012.

The District’s prevailing, approved Management Plan at the end of FY 2012 was the plan approved by TWDB in September 2008. Statutorily, it would have been required to be reviewed, revised as needed, readopted, and approved at least once in FY 2013, no later than August 2013. However, the District was also required to at least consider the need to revise its Management Plan after TWDB established the final MAGs for each regulated aquifer that achieves the latest DFCs adopted by our two GMA Joint Planning Committees. The final MAGs were received in mid-FY 2012, enabling consideration of revisions to the Management Plan and, in turn, a major re-structuring of the Management Plan. The District staff and directors completed a public process that resulted in a new draft Management Plan at the end of FY 2012, with a set of prospective new objectives, performance standards, activities, and metrics designed to support the achievement and maintenance of the DFCs and the likely permit requirements associated with the federal Incidental Take Permit (ITP) issued by the FWS, pursuant to the District’s HCP. This new Plan was adopted by the District in the early part of FY 2013, and then approved by the TWDB in January 2013. Because the new District Management Plan is more responsive to the

need to achieve the DFCs, the newly promulgated procedural requirements of TWDB, and the ITP measures contained in a HCP, the District Board determined that it is more appropriate that this Annual Report be based on the provisions of the new, currently prevailing Management Plan, even though it was approved near mid-FY 2013, on January 7, 2013.

3.7.2 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 2013 toward the goals, objectives, and performance standards identified in the prevailing District Management Plan.

On November 21, 2013, 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 proper motions, seconds, and discussion in a properly noticed Open Meeting, the Board of Directors unanimously approved the progress toward each and all objectives in FY 2013 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

**BARTON SPRINGS/EDWARDS AQUIFER
CONSERVATION DISTRICT**

BASIC FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
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FIGER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

PARKSTONE OFFICE CENTRE
4101 PARKSTONE HEIGHTS DR., SUITE 220
AUSTIN, TEXAS 78746
TEL. 512.327.2266 FAX 512.327.3493

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Barton Springs/Edwards Aquifer Conservation District
Austin, Texas

We have audited the accompanying financial statements of Barton Springs/Edwards Aquifer Conservation District (District) as of and for the years ended August 31, 2013 and 2012, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 that 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 respective financial position of Barton Springs/Edwards Aquifer Conservation District as of August 31, 2013 and 2012, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Figer & Company

December 12, 2013

Barton Springs / Edwards Aquifer Conservation District

Management Discussion and Analysis

Fiscal Year Ending August 31, 2013

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 amounts and percentages shown in the Management Discussion & Analysis narrative are based on the comparisons of the Statements of Revenues, Expenses and Changes in Net Assets **before** any adjusting journal entries in the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Revenues, Expenses, and Changes in Net Assets present 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 assets.

Condensed Statement of Net Assets August 31, 2013, 2012 and 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current assets	\$ 1,187,886	\$ 1,138,729	\$ 1,265,867
Capital assets	407,776	438,731	446,606
Other assets	71	71	71
Total assets	<u>\$ 1,595,733</u>	<u>\$ 1,577,531</u>	<u>\$ 1,712,544</u>
Total liabilities	<u>\$ 86,806</u>	<u>\$ 77,423</u>	<u>\$ 448,517</u>
Net assets:			
Invested in capital assets	407,776	438,731	365,127
Restricted	0	2,415	0
Unrestricted	<u>1,101,151</u>	<u>1,058,962</u>	<u>898,900</u>
Total net assets	<u>1,508,927</u>	<u>1,500,108</u>	<u>1,264,027</u>
Total liabilities and net assets	<u>\$ 1,595,733</u>	<u>\$ 1,577,531</u>	<u>\$ 1,712,544</u>

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

Condensed Statement of Revenues, Expenses and Changes in Net Assets Years Ended August 31, 2013, 2012 and 2011

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 1,413,444	\$ 1,422,229	\$ 1,330,222
Operating expenses	<u>1,405,976</u>	<u>1,231,844</u>	<u>1,391,922</u>
Operating income (loss)	<u>7,468</u>	<u>190,385</u>	<u>(61,700)</u>
Nonoperating revenues			
Interest income	<u>1,351</u>	<u>1,227</u>	<u>1,319</u>
Total nonoperating revenue	<u>1,351</u>	<u>1,227</u>	<u>1,319</u>
Change in net assets	8,819	191,612	(60,381)
Net assets beginning of year	<u>\$ 1,500,108</u>	<u>\$ 1,308,496</u>	<u>\$ 1,324,408</u>
Net assets end of year	<u>\$ 1,508,927</u>	<u>\$ 1,500,108</u>	<u>\$ 1,264,027</u>

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING REVENUES

The discussion that follows is based on preliminary financial reports before adjustments and reclassifications in the audit process.

Permittees' Water Use and Annual Permit fees, Transport (export) fees, and City of Austin Assessment fees, increased by \$30,154 in FY 2013 from the prior year, to \$1,412,002 from \$1,381,848 (a small 2.2% increase). This revenue was close (96.1%) to what was budgeted for FY 2013 (\$1,469,713) with the shortfall primarily reflecting less growth in pumping fees and the associated City of Austin's calculated fee than was forecast in the annual pumpage analysis that was used in initial budgeting. Included in these revenues are transport permit fees. There continue to be two District transport permits; these yielded \$124,000 in transport fees revenue in both FY 2013 and FY 2012.

There was no revenue associated with Grants in FY 2013 but in the previous year (FY 2012) the District received \$10,000 from a grant to the National Wildlife Federation from the National Science Foundation, which defrayed a portion of the labor and related expenses of a District intern, who was working on a collaborative scientific investigation. This was an unbudgeted, one-off funding opportunity that did not recur in FY 2013.

All "Other Fees" revenue (derived from variable sources such as well development fees, well application and inspection fees, and drought management fees) was projected and budgeted to be \$4,000 but is actually \$10,097. Of that actual revenue, \$1,350 was Drought Management Fees for the months of November 2012 through the end of the fiscal year, arising as a result of permittee noncompliance with curtailments required by the drought declaration. While there was no fee income from Enforcement Fines and Penalties in FY 2013, in FY 2012 there were enforcement penalties levied and fees received in the amount of \$6,998 for 3 separate actions (\$800, \$2,760, and \$3,438).

Investment (interest) income in FY 2013 as expected continues to be small, primarily as a result of the continuing unfavorable money market with no significant change in the investment base. Actual investment income received for FY 2013 is \$1,351 (budgeted at \$1,000), with actual investment income in FY 2012 at \$1,227.

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING EXPENSES

The discussion that follows is based on preliminary financial reports before adjustments and reclassifications in the audit process.

Personnel salaries and wages expense for FY 2013 is \$722,058, which is \$78,007 more than the previous year's \$644,050, a 12.1% increase. This increase was planned and is the aggregate result of several staff salary adjustments, a temporary position created for Assistant General Manager, and an additional employee, who was hired in May 2013.

Staff payroll taxes and retirement benefit-related actual expense for FY 2013 are \$113,748, which is 21.7% higher than the prior year (\$93,485). (This account includes a fluctuating accrued vacation expense that changes monthly.) Actual expenses for group insurance benefits in FY 2013 are \$101,927, a 26.9% increase from the prior year (\$80,350). Both of these indirect expense categories are reflecting the effect of increased staff and staff salaries.

Actual expense for directors' compensation for meetings in FY 2013 is \$35,175, an increase of 22.5% from the FY 2012 actual expenses of \$28,725, and represents 78.2% of the amount budgeted. In this category, the maximum amount allowed by statute is always budgeted, which is \$9,000 per director per fiscal year for a total budget of \$45,000.

Direct expenses associated with the ongoing work of the various programmatic teams (Aquifer Sciences, Education and Community Outreach, Regulatory Programs) are not meaningfully comparable on a year-on-year basis, because the work programs of each vary year to year and also cross over fiscal years. These teams' efforts were substantially completed 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 even-numbered 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 years. So year-on-year expense changes for both these accounts approach 100%.

In FY 2012, there was no election and accordingly no election expenses owing to the statutorily enabled change of the date of director elections from May of even-numbered years (which are even-numbered fiscal years) to November of even number years (which are odd-numbered fiscal years). Accordingly election expenses will continue to be biennial but are now booked in odd-numbered years. Election expenses for FY 2013 are \$26,492 while FY 2012 election expenses were \$1,353 reflecting the small expenses incurred near the end of FY 2012 in the run-up to the November elections.

The 2013 legislative session created \$25,200 in related legislative lobbying expense, which was 100% of the budgeted amount. Since there was no legislative session in 2012, there were no associated expenses in the previous year.

Actual Professional Services expenses (excluding legal expense characterized below) slightly decreased in FY 2013 to \$23,682, compared to \$24,646 in FY 2012; this was 69.7% of what was budgeted, as the District did not incur anticipated general engineering services. Other professional services are team-specific and are now included in team budgets as contracted support expenses.

Legal Services expense in FY 2013 decreased by 34.1% from the prior year, from \$57,567 to \$37,919, against a budget of \$45,000. This expense account only includes continuing or planned legal representation and does not include more variable legislative services, which are characterized above. The substantial decreases in this expense account are related to the District's decennial redistricting that took place in the prior fiscal year and to the absence of litigation and the less-than-anticipated participation in contested cases in the current year.

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.

One expense account had a significant year-on-year increase but did not exceed the amount budgeted. Expenses associated with Computer Hardware/Plotter Supplies increased by 631.2%, because in FY 2012 only \$934 was expended for some small computer accessory items but in FY 2013 \$6,831 was expended on 4 new computer systems, related

accessories, and plotter supplies. However, this was less than the \$9,000 budgeted for this account

Sponsorships and Contributions increased from FY 2012 to FY 2013 by 135.6%, increasing from \$4,971 to \$11,710, which was 99.9% of the budgeted amount for FY 2013.

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 (1) year. Land is not depreciated.

In FY 2013, there were two capital improvement projects initiated and completed: (1) an interior remodeling project in November-December 2012, to reconfigure and modernize part of the existing office space that also increased the number of individual work offices in this space, for which \$6,000 of capital funds was authorized and expended; and (2) an exterior remodeling project in March 2013, to re-roof and expand the equipment shed and enclosed storage area and improve vehicular access and protection, for which another \$6,000 of capital funds was authorized and expended. These two projects account for the change in capital assets, net of their depreciation.

KEY FACTORS INFLUENCING CHANGES IN CASH FUNDS

The available cash funds (Citibank accounts and TexPool General Account, excluding contingency, capital, and reserve funds) at the end of FY 2013 was \$813,970, which is \$216,013 more than the prior year (\$597,957.) Differences in these funds from time to time, including year on year, 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 2013, the District transferred \$112,000 from its TexPool Capital fund account into the General operating account for 3 separate issues (\$100,000 for a Westbay monitoring well installation; \$6,000 for a December remodeling project; and another \$6,000 for continued remodeling; however, it also transferred from its General operating account back into the TexPool Contingency account the annual Board-approved transfer of \$5,000 plus an additional \$7,000. The Contingency account transfer was made at the outset of the fiscal year as routinely scheduled each year; and later in the fiscal year when the Board approved the 2 remodel projects, the Capital transfer occurred.

ANTICIPATED CHANGES

The following events 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 2014:

- New directors' compensation amounts for meetings have increased beginning September 1, the beginning of FY 2014.
- A transfer of \$100,000 from the TexPool Capital account has been made at the beginning of FY 2014 into the Aquifer Science Team budget (via the general operating account) in anticipation of installing a third Westbay well.

- Mandated reductions in water demand during district-declared drought continued from FY 2013 into FY 2014 and then discontinued in November 2013 as the declared drought ended. The combination of mandatory pumping restrictions in the beginning of the fiscal year and then the wetter than average conditions that contributed to discontinuing drought may lead to reduced pumping in FY 2014 and higher than normal conservation credits.
- The complete recovery from groundwater drought in the beginning of FY 2014 and the unlikely recurrence of groundwater drought conditions during the fiscal year makes unlikely generation of extraordinary revenues from drought management fees or drought enforcement penalties; however, such revenues are not budgeted sources of income.
- Self-funding of saline zone investigations and preliminary desalination feasibility studies.
- Larger amounts of contractual funding associated with various technical and legal professional services, including:
 - technical services on developing the HCP-related NEPA documentation for US FWS without grant funds;
 - contract efforts on completing the documentation and public review process for the HCP and applying for the Incidental Take Permit without grant funds;
 - legal expenses associated with PGMA hearings;
 - engineering and legal expenses associated with monitoring and review of major roadway projects including SH 45 SW;
 - technical services on prospective special projects, including wastewater management study and contracted consulting services for GMA planning activities.
- Transition from former General Manager at higher salary to new General Manager at lower salary was complete at the beginning of FY 2014 and will significantly reduce salaries and benefits expenses, with no additional staff changes currently planned.
- Additional exterior office remodeling has been initiated in FY 2014 and more is planned, which will change capital funds and capital assets.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENTS OF NET ASSETS
AUGUST 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,184,690	\$ 1,136,981
Accounts receivable	1,315	-
Prepaid expenses	1,881	1,748
Total current assets	<u>1,187,886</u>	<u>1,138,729</u>
Noncurrent assets		
Capital assets		
Land	165,415	165,415
Building and improvements	239,417	227,034
Office furniture and equipment	34,180	34,180
Field equipment	376,488	334,417
Vehicles	78,339	78,339
	<u>893,839</u>	<u>839,385</u>
Less accumulated depreciation	<u>(486,063)</u>	<u>(400,654)</u>
Total capital assets, net	407,776	438,731
Deposits	71	71
Total noncurrent assets	<u>407,847</u>	<u>438,802</u>
Total assets	<u>1,595,733</u>	<u>1,577,531</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,825	8,850
Conservation credits	46,429	37,526
Compensated absences	37,552	31,047
Total current liabilities	<u>86,806</u>	<u>77,423</u>
NET ASSETS		
Invested in capital assets, net of related debt	407,776	438,731
Restricted	-	2,415
Unrestricted	1,101,151	1,058,962
Total net assets	<u>\$ 1,508,927</u>	<u>\$ 1,500,108</u>

See accompanying notes to financial statements.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Water permit and other fees	\$ 1,413,195	\$ 1,404,213
Grant revenue	-	10,000
Miscellaneous	249	8,016
Total operating revenues	<u>1,413,444</u>	<u>1,422,229</u>
OPERATING EXPENSES		
Operational expenses	131,582	129,915
Salaries, wages and compensation	757,233	665,787
Employment taxes, insurance and benefits	216,175	173,737
Professional services	87,762	82,213
Team expenditures	127,815	90,401
Grant expenditures	-	7,585
Depreciation	85,409	82,206
Total operating expenses	<u>1,405,976</u>	<u>1,231,844</u>
Operating income (loss)	<u>7,468</u>	<u>190,385</u>
NONOPERATING REVENUES		
Interest revenue	<u>1,351</u>	<u>1,227</u>
Total nonoperating revenues	<u>1,351</u>	<u>1,227</u>
Change in net assets	8,819	191,612
Net assets beginning of year	<u>1,500,108</u>	<u>1,308,496</u>
Net assets end of year	<u>\$ 1,508,927</u>	<u>\$ 1,500,108</u>

See accompanying notes to financial statements.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water permit and other use fees	\$ 1,420,784	\$ 1,194,549
Grant receipts	-	10,000
Payments to suppliers and employees	(353,318)	(300,789)
Payments to employees and benefits	(966,903)	(845,331)
Grant expenses	-	(7,585)
Other receipts	249	8,016
Net cash provided by (used by) operating activities	<u>100,812</u>	<u>58,860</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	<u>(54,454)</u>	<u>(29,862)</u>
Net cash used by capital and related financing activities	<u>(54,454)</u>	<u>(29,862)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	<u>1,351</u>	<u>1,227</u>
Net cash provided by investing activities	<u>1,351</u>	<u>1,227</u>
Net change in cash and cash equivalents	47,709	30,225
Cash and cash equivalents beginning of year	<u>1,136,981</u>	<u>1,106,756</u>
Cash and cash equivalents end of year	<u>\$ 1,184,690</u>	<u>\$ 1,136,981</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		
Operating income (loss)	\$ 7,468	\$ 190,385
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:		
Depreciation	85,409	82,206
Change in assets and liabilities:		
Receivables, net	(1,315)	157,154
Prepaid and deferred expenses	(134)	208
Accounts payable and accrued expenses	(6,024)	1,532
Conservation credits	8,903	11,632
Compensated absences	6,505	(5,807)
Deferred revenue	-	(378,450)
Net cash provided by (used by) operating activities	<u>\$ 100,812</u>	<u>\$ 58,860</u>

See accompanying notes to financial statements.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Barton Springs/Edwards Aquifer Conservation District (the District) is a ground-water conservation district created in 1986 by the Texas Water Commission (now the Texas Commission on Environmental Quality), validated in 1987 by the 70th Legislature (Senate Bill 988), and confirmed by the voters on August 8, 1987. The District's statutory authority is Chapter 52 of the Texas Water Code, as amended by the 70th Legislature Senate Bill 988, further amended to reference Chapter 36 of the Texas Water Code upon the repeal of Chapter 52, effective through House Bill 2294 by the 74th Legislature.

The District encompasses approximately 225 square miles and serves southern Travis County, northern Hays County, and a portion of northwestern Caldwell County. The District is committed to providing for the conservation, preservation, protection, recharging, and prevention of waste of groundwater of the Barton Springs segment of the Edwards Aquifer.

The enabling legislation creating the District provides that the District may assess fees "on an annual basis, based upon the size of column pipe used in the wells, the production capacity of the well, or actual, authorized, or anticipated pumpage". The District may not assess and collect taxes. The enabling legislation, as amended by House Bill 2294 in the 74th Legislative Session, further provided that the City of Austin can be required to pay a usage fee not exceeding sixty percent of the sum of (1) the total water use fees received from all permitted users and (2) the usage fee of 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 with 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.

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 District's 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.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE A – Continued

Basis of Presentation

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 assets, financial position, and cash flows.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements.

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, all of which are considered to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded.

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 to 30 years
Office furniture and equipment	3 to 10 years
Field equipment	5 to 7 years
Vehicles	5 years

Prior Period Adjustment

Unrestricted net assets have been adjusted for acquisition and disposition of fixed assets not recognized in prior years. The correction has no effect on the results of the current year's activities; however, the cumulative effect increases beginning unrestricted net assets by \$44,469.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE A – Continued

Compensated Absences

The District accrues accumulated unpaid vacation leave and associated employee-related costs when earned by the employee. The liability for accrued leave at August 31, 2013 and 2012 is \$37,552 and \$31,047, respectively.

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.

Defining Operating Revenues and Expenses

The District's 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. Operating revenues and expenses also include amounts received and spent under the terms of the agreement with the National Wildlife Federation (see Note H). All other revenues and expenses are reported as nonoperating.

Net Assets

Net assets are divided into three components:

- Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets – consist of net assets that are restricted by the District's creditors, by the state enabling legislation, by grantors, and by other contributors.
- Unrestricted – all other net assets are reported in this category.

Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees and natural disasters. During the years ended August 31, 2013 and 2012, the District was under contract with Texas Municipal League Intergovernmental Risk Pool to cover property and general liabilities. In addition, the District purchased commercial insurance to cover commercial crime coverage and public official bonds. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE B – BUDGETARY CONTROL

The District's Board of Directors adopts an annual budget of anticipated revenues and expenses prior to the beginning of each fiscal year. This budget is prepared on substantially the same basis used to reflect actual revenues and expenses, except that capital outlay is budgeted in addition to depreciation expense and transfers to contingency and reserve funds are budgeted as non-cash disbursements. Amendments to the initial budget are approved by the Board as warranted at its regular meetings.

NOTE C – DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

The District's cash deposits as of and during the years ended August 31, 2013 and 2012 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

The District is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. Among the items that must be addressed in the policy are the following: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, and (7) investment staff quality and capabilities. The Act also determines the types of investments which the District is authorized to invest in. These include: (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. Finally, the Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act.

The District participates in the Texas Local Governmental Investment Pool (TexPool), which is an external investment pool offered to local governments. TexPool is not SEC registered; however, it is regulated by the State Comptroller of Public Accounts. These investments are stated at fair value which is the same as the value of the pool shares. At August 31, 2013 and 2012, the District's investment in TexPool amounted to \$1,104,947 and \$1,063,638, respectively.

The District is in substantial compliance with the requirements of the Public Funds Investment Act and with local policies.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended August 31, 2013 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Land	\$ 165,415	\$ 0	\$ 0	\$ 165,415
Building and improvements	227,034	12,383	0	239,417
Office furniture and equipment	34,180	0	0	34,180
Field equipment	334,417	42,071	0	376,488
Vehicles	<u>78,339</u>	<u>0</u>	<u>0</u>	<u>78,339</u>
Total capital assets	\$ 839,385	54,454	0	\$ 893,839
Accumulated depreciation	<u>(400,654)</u>	<u>(85,409)</u>	<u>0</u>	<u>(486,063)</u>
Total capital assets, net	<u>\$ 438,731</u>	<u>\$ (30,955)</u>	<u>\$ 0</u>	<u>\$ 407,776</u>

Capital asset activity for the year ended August 31, 2012 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
Land	\$ 165,415	\$ 0	\$ 0	\$ 165,415
Building and improvements	227,034	0	0	227,034
Office furniture and equipment	34,180	0	0	34,180
Field equipment	334,417	0	0	334,417
Vehicles	<u>61,997</u>	<u>29,863</u>	<u>(13,521)</u>	<u>78,339</u>
Total capital assets	\$ 823,043	29,863	(13,521)	\$ 839,385
Accumulated depreciation	<u>(331,969)</u>	<u>(82,206)</u>	<u>13,521</u>	<u>(400,654)</u>
Total capital assets, net	<u>\$ 491,074</u>	<u>\$ (52,343)</u>	<u>\$ 0</u>	<u>\$ 438,731</u>

Depreciation charged to expense for the fiscal years ended August 31, 2013 and 2012 amounted to \$85,409 and \$82,206, respectively.

NOTE E – 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 the fiscal years ended August 31, 2013 and 2012 amounted to \$46,429 and \$37,526, respectively.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE F – NET ASSETS

The Board has designated a portion of its net assets as follows:

<u>Designation</u>	<u>Balance at August 31, 2013</u>	<u>Balance at August 31, 2012</u>
Reserve for contingencies	\$ 161,838	\$ 216,473
Reserve for payment of compensated absences	45,174	45,127
Reserve for future capital acquisitions	213,407	325,150
	<u>\$ 420,419</u>	<u>\$ 586,750</u>

Amounts equal to these reserves have been segregated into separate TexPool accounts. Such designations represent management's plans for the use of resources and do not have the same status as restrictions on net assets. Therefore, the reserves may be used by the District at any time, as directed by the Board.

Restricted net assets include the unexpended portion of a grant for an intern's salary from the National Wildlife Federation. Balances for restricted net assets as of August 31, 2013 and 2012 were \$0 and \$2,415 respectively.

NOTE G – RETIREMENT PLAN

Effective September 1, 1991, the District's Board of Directors established a defined contribution pension 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. For fiscal years ended August 31, 2013 and 2012 both the District and the eligible employees contributed 7.5% of compensation. Both the District and eligible employees' actual contributions for the years ended August 31, 2013 and 2012 were \$49,291 and \$44,864, respectively.

As of August 31, 2013 and August 31, 2012, the defined contribution pension plan assets are summarized as follows:

<u>Investment Type</u>	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Short-term investments	\$ 221,093	\$ 13,914
Mutual funds – equity	1,137,456	933,267
Mutual funds – fixed income	32,235	181,214
Total plan assets	<u>\$ 1,390,784</u>	<u>\$ 1,128,395</u>

During the plan year ended August 31, 2013, eleven persons were employed by the District, but only nine met eligibility requirements and were participants in the Plan. There are no participants who terminated prior to September 1, 2013, that have account balances in the plan. No persons were receiving survivors' benefits from the plan at any time during the year ended August 31, 2013.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE H – CONTRACT AGREEMENTS

In May 2012, The District entered into a Memorandum of Agreement with the National Wildlife Federation (NFW). The agreement provides that the District will hire an intern to assist in the collaboration regarding improving the understanding and management of the Edwards Aquifer, particularly as it related to the interconnection between the portion of the aquifer supporting flow at Barton Springs and the portion supporting flow at San Marcos and Comal Springs. The grant is not to exceed \$10,000 with a grant period of May 24, 2012 through September 30, 2012. For the year ended August 31, 2012, the District recognized \$10,000 in grant revenue. Expenses incurred by the District for the years ended August 31, 2013 and 2012 amounted to \$2,415 and \$7,585, respectively.

NOTE I – LITIGATION

The District was not actively involved in any litigation during fiscal year 2013. However, there were two legal proceedings that were initiated in prior years and extended into the reporting year that required a relatively minor amount of related legal services in fiscal year 2013:

1. In the previously settled and then remanded case between the District (defendant) and the City of Kyle (plaintiff), SOS Alliance appealed the denial of its party status in the proceedings, styled *SOS Alliance v. City of Kyle, Goodman et al., and the Barton Springs/Edwards Aquifer Conservation District*. In fiscal year 2013, even though the City of Kyle carried most of the burden in responding to the appeal, there were some legal coordination and document reviews required of the District's general counsel associated with the legal process, protection of the District's regulatory interests, and toward the end of fiscal year 2013 settlement discussions with SOS. The District will continue to have some additional legal expenses in this matter, but in light of the previously agreed settlement with the City of Kyle and issuance of its permit under mutually agreeable terms, the District is not anticipating extraordinary legal or financial exposure for the District as this legal process is finally brought to a close, probably in fiscal year 2014.
2. In fiscal year 2010, TCEQ issued its final (and revised) recommendations concerning provision of GCD protection to the areas in the Hill Country Priority Groundwater Management Area that did not have GCDs. The nature of these recommendations, which included ordering the District to consider annexing a large area in southwestern Travis County among other actions, and the subsequent responses by stakeholders resulted in a contested-case hearing by the State Office of Administrative Hearings (SOAH). The hearing process required some generally small initial legal costs associated with establishing party status and reviewing the Administrative Law Judges' preliminary findings and documents and the other parties' documents and motions, in fiscal years 2011 - 2012. However, in early fiscal year 2013 the hearing was abated until after the 2013 legislative session in late fiscal year 2013, at which

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

NOTE I – Continued

point a larger amount of legal expenses began to be incurred by the District as a previous party. It is likely that a relatively larger amount of legal expenses may be required as the contested-case hearing proceeds, but most of those will be in fiscal year 2014 and possibly later years. The ongoing legal action itself should not produce extraordinary financial or other involuntary exposure for the District.

NOTE J – MAJOR CUSTOMER

Approximately \$748,008 and \$725,025 of the District's revenue for fiscal years ended August 31, 2013 and 2012, respectively, was received from the City of Austin. This revenue accounts for approximately 53% and 51% of the total District's operating revenues for the years ended August 31, 2013 and 2012, respectively.

NOTE K – SUBSEQUENT EVENTS

Subsequent to August 31, 2013, the District transferred \$100,000 from the TexPool capital account to the general operating account to cover the Aquifer Science Team budget for a second Westbay well installation. In addition, the District initiated additional office remodel projects. Subsequent events have been evaluated through December 12, 2013, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(GAAP Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
OPERATING REVENUES				
Water use fees - permittees	\$ 721,704	\$ 721,705	\$ 701,520	\$ (20,185)
Water use fees - City of Austin	748,008	748,008	748,008	-
Conservation credits	-	-	(46,429)	(46,429)
Grant revenue	-	-	-	-
Other fees	4,000	4,000	10,097	6,097
Miscellaneous	500	500	249	(251)
Total operating revenues	<u>1,474,212</u>	<u>1,474,213</u>	<u>1,413,445</u>	<u>(60,768)</u>
OPERATING EXPENSES				
Operational expenses	180,304	200,804	131,582	69,222
Salaries, wages and compensation	737,245	787,245	757,233	30,012
Employment taxes, insurance and benefits	215,893	224,294	216,175	8,119
Professional services	66,000	104,200	87,762	16,438
Team expenditures	363,375	334,867	127,815	207,052
Grant expenditures	-	-	-	-
Depreciation	50,000	50,000	85,409	(35,409)
Total operating expenses	<u>1,612,817</u>	<u>1,701,410</u>	<u>1,405,976</u>	<u>295,434</u>
Operating income	<u>(138,605)</u>	<u>(227,197)</u>	<u>7,469</u>	<u>234,666</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,000	1,000	1,351	351
Transfers to (from) reserves	88,000	176,500	-	(176,500)
Total nonoperating revenues (expenses)	<u>89,000</u>	<u>177,500</u>	<u>1,351</u>	<u>(176,149)</u>
Change In net assets	<u>(49,605)</u>	<u>(49,697)</u>	<u>8,820</u>	<u>58,517</u>
Net assets beginning of year	<u>1,324,408</u>	<u>1,324,408</u>	<u>1,500,108</u>	<u>-</u>
Net assets end of year	<u>\$ 1,274,803</u>	<u>\$ 1,274,711</u>	<u>\$ 1,508,928</u>	<u>\$ 58,517</u>

Appendix B

Assessment of Progress toward Management Plan Objectives

Record of Board Assessment of District Objectives (November 21, 2013)

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

Staff Assessment of Performance Standards and Metrics

Met	Partially Met	Not Met
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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.	2 of 2	
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</i> , <i>Well Construction Standards</i> , and other District guidelines in accordance within specified procedural timeframes.	1 of 1	

PS 2-3: Monitor existing District wells for compliance with the <i>Rules</i> , and <i>Well Construction Standards</i> .	2 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.	1 of 1	
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.	0 of 1 <i>(Extenuating Circumstances)</i>	
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.	1 of 2	
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 the US Fish & Wildlife Service (FWS) for the endangered species at Barton Springs.	2 of 2	

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.	0 of 0	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.	1 of 1	
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.	0 of 0	N/A
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
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Objective 1 – Assure the long-term sustainability of the District to carry out its mission as a GCD with excellence.

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

General Management					
Performance Standard 1-1:	Hire, equip, train, evaluate, and motivate appropriate staff to achieve the District’s mission within budgetary constraints.				
Metric	Frequency	Score	Documentation		
1. Overall score of General Manager’s annual performance review for fiscal year	Annual	Met satisfactory review	<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 0% Reduction			
Example Board-Level Activities			Example Staff-Level Activities		
a. Hire, evaluate, and fairly compensate an effective General Manager.	a. Assign and supervise staff in roles that utilize their strengths and promote teamwork.				
b. Address appropriately unresolved personnel issues between the General Manager and staff members, or upon request by the General Manager.	b. Evaluate staff performance regularly and constructively.				
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> .	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				

<p>d. Communicate perceived concerns about staff performance issues and other personnel matters to the General Manager.</p>	<p>development. e. Maintain and improve staff morale and commitment to their job and the District.</p>
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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 FY2013	<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 • Contingency & Risk Management Plan 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)	N/A	
3. Timely budgeting and amendments	Annual	Met	
Example Board-Level Activities			
a. Develop and be guided by a "Director Job Description" that sets forth the roles, responsibilities, and expectations of a District Director.			<p style="text-align: center;">Example Staff-Level Activities</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>
b. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, including risk management and contingency planning.			
c. Participate in developing and updating and then approve District <i>Management Plan</i> , and <i>Rules & Bylaws</i> .			
d. Provide liaison to staff concerning policy-level guidance and requests of individual staff through the General Manager.			
e. Establish and effectively utilize standing and <i>ad hoc</i> public advisory groups.			

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. • Copy of PFIA certificate.
3. Amount of activity concerning grant proposals and projects	Annual, if applicable	Met	<ul style="list-style-type: none"> • Proof of audit submission (transmittal letters) to TPRB and TCEQ annually (they send receipt letters). TPRB within 210 days after end of FY, and TCEQ within 135 days after end of FY. • Budgets and financial reports published on web-site.
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 April 1, 2013	

Example Board-Level Activities

- 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.
- Participate in developing and then approve fiscal-year budgets, including use of reserve funds and approval of budget amendments.
- Specify various financial-impact scenarios that should be included in contingency planning.
- Authorize and receive results of annual financial audits, and institute accepted recommendations on financial controls or procedures.
- Help identify and approve appropriate use of grant funding and resource commitments that will substantially enable progress toward District objectives.

Example Staff-Level Activities

- 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.
- Provide effective and efficient accounting and financial records management and necessary investment training, in accordance with federal and state law, the *Rules*, and Board direction.
- Develop recommended elements and budgetary estimates for fiscal-year budgets and amendments.
- Contract for and participate in conducting an independent financial audit annually, including provision of financial records and preparation of management discussion and analysis, and submit year end reports to TCEQ and the Texas State Pension

<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.</p>	<p>Review Board as required by law.</p> <p>e. Help identify appropriate grant funding and resource commitments and utilize grant resources to leverage existing resources substantially with minimum opportunity costs.</p> <p>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.</p> <p>g. Acquire and manage projects in accordance with good project accounting and management practice and in conformance with sponsoring agency requirements.</p> <p>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 <i>Rules</i>.</p>
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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	Met No violations or claims	<ul style="list-style-type: none"> • Copy of current TSLAC –approved records retention schedule. • Copy of list of approved-destroyed records. • Copy of annual TML Rerate Exposure Summary.
2. Lack of staff complaints about continuing problems with support services and infrastructure	Annual, if applicable	Met No formal complaints	
Example Board-Level Activities			
<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>	Example Staff-Level Activities <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</p>		

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.

- 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.
- 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.
- 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.
- 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	<ul style="list-style-type: none"> Board communications documentation required under PS 4-1 Directors' Board meeting attendance reports
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	

Example Board-Level Activities	Example Staff-Level Activities
<ol style="list-style-type: none"> 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. 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. Authorize and participate in decennial and other re-districting, ensuring Department of Justice (DOJ) pre-clearances and conformance with statutory requirements. Utilize advisory groups to calibrate stakeholder inputs and possible responses, as needed. 	<ol style="list-style-type: none"> Support District's general counsel in re-districting director precincts the year after each decennial census, including timely submission of all DOJ-required data and documents for successful pre-clearance, as necessary. Make internal preparations for and conduct elections for the two or three directors 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. 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: 2014)	N/A	<ul style="list-style-type: none"> • <i>Legislative Agenda Report</i> on file • <i>Legislative Debriefing Report</i> on file • Minutes of the Board meeting(s) where collective judgments were made on file
2. Preparation of a <i>Legislative Session De-briefing</i> report before the end of each odd-numbered fiscal year that assesses specific legislation that affects the District, both individually and as a GCD political subdivision, that passed and did not pass, and generally why that occurred	Bi-Annual, odd # years	Met Completed: 7-25-13	
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 Completed: 7-25-13	
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	Met	
Example Board-Level Activities 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. b. Oppose legislation or regulatory initiatives that don't ensure protection of groundwater quantity and quality, including non-compliance with DFCs. c. Meet with local legislators and relevant committee members to foster an effective working relationship. d. Seek legal remedies as warranted and feasible to minimize or avoid impacts on groundwater quantity and quality of aquifers in the District.		Example Staff-Level Activities 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.	

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	<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	
Example Board-Level Activities		Example Staff-Level Activities	
<ul style="list-style-type: none"> a. Provide direction and input to staff to guide the development of proposed rule concepts and draft rules. 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. 	<ul style="list-style-type: none"> a. Periodically review and provide proposed rule concepts to the Board to address necessary updates and revisions. b. Consider rule updates and revisions needed to address specific needs of separate management zones for the different areas and aquifers within the District. c. Upon direction by the Board, prepare draft rules based on vetted rule concepts and Board input. d. Schedule and provide required notification of public hearings for proposed <i>Rule</i> changes. e. 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 with 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:	Metric	Frequency	Score
Monitor existing District wells for compliance with the <i>Rules</i> , and <i>Well Construction Standards</i> .	1. Specified minimum number of permittee inspections completed or exceeded each year; 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; 3. During drought, all required meter readings are submitted or collected each month.	Annual Annual, if applicable Annual, if drought declared	Not Met Met Met
Documentation			
<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 			
Example Board-Level Activities			
a. Provide direction to staff for enforcement of unresolved violations of the <i>Rules</i> as warranted.	<ol style="list-style-type: none"> 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 <i>Rules</i>. 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 		
Example Staff-Level Activities			

- e. properly plugged or brought into compliance.
- f. Perform well site inspections before each well plugging.
- g. Obtain meters readings by site inspections from individual permittees who fail to submit after late submittal notification has been provided.
- h. Monitor usage of individually permitted wells monthly and NDUs at least annually.
- i. 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
1. Timely processing of permit renewals, conservation credits, and meter readings within timeframes specified in <i>Rules</i> or policies.	Annual	<p style="text-align: center;">Met</p> <p>Documentation</p> <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.		<p>a. Require timely-submitted monthly readings from individually permitted wells, enter all meter readings into the database, and file all monthly meter reading forms.</p> <p>b. Maintain permittee mailings lists and contact information in database.</p> <p>c. Annually renew compliant production and transport permits by September 1 of each year.</p> <p>d. Perform annual underpumpage analysis as warranted and provide recommendations for Board consideration.</p> <p>e. Perform annual conservation credit audit.</p>
Example Staff-Level Activities		

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:	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.		
Metric	Frequency	Score	Documentation
1. Achieve overall monthly pumpage reductions within 10% of the aggregate pumpage reduction (volumetric) goal of the prevailing drought stage.	Annual, during declared drought	Met	<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 <i>Rules</i> and applicable provisions of permittee’s User Drought Contingency Plans (UDCPs).			<p>Example Staff-Level Activities</p> <ul style="list-style-type: none"> a. Assist and support permittees with the development, implementation, and interpretation of User Conservation Plans (UCPs) and UDCPs in accordance with the <i>Rules</i> and as warranted. b. Review and approve submitted UCPs and UDCPs in accordance with the <i>Rules</i>. c. Require that all outdated UCPs and UDCPs are updated prior to annual permit renewal in accordance with the <i>Rules</i>. d. Upon declaration of drought, send notification to all permittees

	<p>of requirement to implement and comply with all applicable provisions of their prevailing UDCP.</p> <p>e. Perform monthly evaluation of individual permittee compliance with monthly pumpage limits in accordance with the adopted enforcement plan.</p> <p>f. Send notices of overpumpage to all noncompliant permittees each month.</p> <p>g. Evaluate, stipulate, and enforce conservation-tier pricing for water-provider permittees to reduce demand by end-users. <i>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.</i></p> <p>h. Identify occurrences of noncompliance that warrant possible enforcement action and are subject to assessment of drought management fees.</p> <p>i. Provide compliance updates and enforcement recommendations to the Board in accordance with the adopted enforcement plan.</p>
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Aquifer Science		
Performance Standard 3-2:	Monitor and declare drought stages defined drought triggers and in accordance with the adopted drought trigger methodology.	on the basis of the analysis of data from the District's
Metric	Frequency	Score
1. Acceptable-to-Board proportion of timely updates of all drought related information during drought.	Annual	Met
		Documentation
		<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 <p>a. Review relevant aquifer data on a monthly basis when not in drought.</p> <p>b. Periodically provide updates to the Board on current aquifer</p>	

	<p>conditions and provide recommendations of drought declarations as warranted.</p> <p>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.</p> <p>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.</p> <p>e. Produce and update charts showing the status of the defined triggers on a biweekly basis during a District-declared drought.</p> <p>f. Produce and update charts showing the status of the defined triggers on a weekly basis during an Emergency Response Period.</p> <p>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.</p>
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Education & Outreach			
Performance Standard 3-3:	Metric	Frequency	Score
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.	Annual	Met
1.	Timeliness and adequacy of response to requests for information.	Annual	Met
2.	Absence of complaints received concerning water utility permittees' unwarranted actions.	Annual	Met No complaints
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>Provide public awareness of declared drought stages and drought severity by at least monthly communications which may include written and electronic correspondence, newspaper</p>

articles and advertisements, press releases, the District website, District newsletter, and special permittee newsletters.

- 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.

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

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

General Management			
Performance Standard 4-1:	Metric	Frequency	Score
Cultivate and communicate effectively and routinely with stakeholders of all types that affect and are affected by the District's programs and policies.	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	Partially Met
			Documentation
			<ul style="list-style-type: none"> Directors' compensation forms Directors' correspondence logs (if available) Minutes of activity reported in the Directors' Reports as reported in each regular Board meeting Minutes of Board action providing collective judgment
Example Board-Level Activities		Example Staff-Level Activities	
<ol style="list-style-type: none"> Cultivate balanced relationships with and among stakeholders, precinct residents, and policy makers to promote the District's mission. Represent the District with legislative community, other political subdivisions, and related groups. 		<ol style="list-style-type: none"> Cultivate balanced relationships between District staff and stakeholders. Represent the District with legislative community, other political subdivisions, and related groups. 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 (100% attendance)	<ul style="list-style-type: none"> • Region K and L attendance reports • GMA 9 and 10 attendance reports • GMA GCD management plan reviews on file
2. Timely provision of responsive comments on management plans of other GCDs in GMA 9 and 10;		Annual, if applicable	Partially Met (GMA-9: prepared, not scheduled in FY 2013)	<ul style="list-style-type: none"> • 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
3. Participation in public hearings on DFCs and management plans		Annual, if applicable	N/A	
4. Timely discussion and voting on GMA items		Annual, if applicable	N/A	

Example Board-Level Activities	Example Staff-Level Activities
<ol style="list-style-type: none"> a. 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. b. Designate a District representative to participate in and serve as a voting member of GMA 9 and GMA 10. c. Review and comment on management plans of other GMA member districts for consistency with DFCs of shared or hydrologically connected aquifers. 	<ol style="list-style-type: none"> a. Provide information and input to current and proposed rules, standards, and planning efforts related to regional development and water/wastewater management. b. Apply standards specified in the Regional Water Quality Protection Plan (2005) where applicable. <i>Directors note that "standards" here do not refer to enforceable regulatory standards but are interpreted to be in the sense of consensus "principles"</i>. c. Provide recommendations to the Board on management plans of other GMA member districts for consistency with DFCs of shared or hydrologically connected aquifers. d. 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.

- e. 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.	<p>a. Provide information to developers, roadway contractors, the regulated community, and local and state agency personnel about the locations and sources of vulnerability of the District's groundwater resources, and the steps they can take to mitigate the threats of contamination.</p> <p>b. Apply standards and criteria specified in the Regional Water Quality Protection Plan (2005), as applicable and warranted, for the evaluation of various land uses requiring or affecting groundwater supplies and the associated potential for recharge water quality degradation or waste.</p> <p>c. Review and provide comments, where applicable, for Water Pollution Abatement Plans or other environmental site assessments associated with any permits or authorizations submitted to the TCEQ, COA, small cities, counties, or other political jurisdictions in order to mitigate potential degradation of the District's groundwater resources.</p>		
Example Staff-Level Activities			

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

General Management

Performance Standard 4-5:

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

Metric	Frequency	Score	Documentation		
1. Satisfactory progress toward completion of the HCP that is acceptable to FWS, as judged by the Board and with the use of an annual HCP Status Report prepared by District Staff near the end of each fiscal year;	Annual, if and when applicable	Met	<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			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Example Board-Level Activities</p> <p>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.</p> <p>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.</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Example Staff-Level Activities</p> <p>a. Prepare a draft HCP, respond to public comments, and prepare and submit a final HCP that are acceptable to FWS.</p> <p>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.</p> <p>c. Employ an adaptive management strategy to respond effectively to unforeseen and/or changed circumstances.</p> </td> </tr> </table>				<p>Example Board-Level Activities</p> <p>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.</p> <p>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.</p>	<p>Example Staff-Level Activities</p> <p>a. Prepare a draft HCP, respond to public comments, and prepare and submit a final HCP that are acceptable to FWS.</p> <p>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.</p> <p>c. Employ an adaptive management strategy to respond effectively to unforeseen and/or changed circumstances.</p>
<p>Example Board-Level Activities</p> <p>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.</p> <p>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.</p>	<p>Example Staff-Level Activities</p> <p>a. Prepare a draft HCP, respond to public comments, and prepare and submit a final HCP that are acceptable to FWS.</p> <p>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.</p> <p>c. Employ an adaptive management strategy to respond effectively to unforeseen and/or changed circumstances.</p>				

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
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.	Bi-Annual odd # years (Due: 2015)	N/A	<ul style="list-style-type: none"> Alternative Water Supply Status Report on file
<p>Example Board-Level Activities</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>Example Staff-Level Activities</p> <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: <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> <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</p>			

appropriate. *Directors note that exploration of these incentives requires Board authorization and involvement. This comprises a possible future correcting amendment of the Management Plan.*

e. Remove/reduce institutional barriers to use of alternative sources as feasible.

f. Produce a bi-annual report for the Board to serve as a summary of regional alternative supplies and activities [related to this objective]

Aquifer Science			
Performance Standard 5-2:	Conduct investigations and, as warranted and feasible, physically alter discrete recharge features that will lead to an increase in recharge to the Edwards Aquifer.		
Metric	Frequency	Score	Documentation
1. Annual oral presentation in even-numbered years on progress in these activities, to enable the Board to assess the progress;	Bi-Annual even # years (Due: 2014)	N/A (Due: 2014)	<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: 2015)	
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			
a. Participate in discussions about activities related to recharge enhancement.	Example Staff-Level Activities 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 Plan. b. Seek both internal and external funding to study and construct BMPs that are capable of diverting surface waters into the District aquifers.		
b. Establish policies concerning recharge enhancement projects.			
c. Fund approved projects, including seeking external funding partners.			

- 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.
- 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.

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: 2014)	N/A (Due: 2014)	<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: 2015)	
Example Board-Level Activities			
<ul style="list-style-type: none"> a. Provide input of the extent of investigations of the saline zone and the level of interest of the Board on desalination and ASR. b. Assist in developing and approve a business plan if and as necessary for co-funded investigations. c. Authorize funding for a portion or all of investigations on the Edwards saline zone. 	Example Staff-Level Activities <ul style="list-style-type: none"> a. Install monitor well in saline zone for sampling and aquifer parameter testing. b. Cooperate with other organizations for installing a test well in the saline zone and for evaluating the feasibility of desalination and/or ASR in the saline zone. c. Conduct aquifer tests of Trinity aquifers to determine if they could serve as reservoirs for an ASR system. 		

Education & Outreach

<p>Performance Standard 5-4:</p>	<p>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.</p>		
<p>Metric</p>	<p>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.</p>	<p>Frequency</p> <p>Annual</p>	<p>Score</p> <p>Met</p>
<p>Documentation</p> <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. 			<p>Documentation</p>
<p>Example Board-Level Activities</p>			
<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>a. Support and publicize other local-area water conservation initiatives using print and presentation opportunities.</p>	<p>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.</p>	<p>c. Provide District groundwater permittees and end-users with water conservation and alternate water source presentations upon request where possible.</p>
<p></p>	<p></p>	<p>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.</p>	<p>e. Engage and solicit participation of permittees and other stakeholders on the District's conservation credit policy.</p>

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

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

Regulatory Compliance			
Performance Standard 6-1:	Metric	Frequency	Score
Assess aquifer conditions by sampling and collecting groundwater data from selected wells.			Documentation
1. Information collected on wells within the District entered into District database		Annual	Score 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.			Example Staff-Level Activities <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. 	<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. 		
Example Staff-Level Activities			

- 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 Evaluation of Progress on Objectives and Performance Standards

Teams:	General Management	General Services	Education & Outreach	Aquifer Science	Regulatory Compliance
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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.

- In FY 2013, in anticipation of the former GM's retirement at the end of the year, the Regulatory Compliance Team Leader was named Assistant GM, a new Regulatory Compliance Team member was hired, two Regulatory Compliance Coordinator positions were established using internal resources, and after an open solicitation, search, and evaluation process, the former Assistant GM was hired as the new GM; this was all planned and accomplished within the approved budget for staff costs.
- The District continued to make judicious and cost-effective use of interns, including budgeting for and hiring a former intern as a regular staff hydrogeologist in FY 2013 and extending the temporary employment of another summer intern through the fall to complete some strategically important field work.
- There were no losses of staff (other than the GM's retirement and replacement) in FY 2013, so the net turnover rate was zero.
- Annual performance and salary reviews were completed for all regular staff, and incentive compensation for completed projects was awarded according to the incentive compensation plan.
- Because of the change in the GM, there was no annual performance review of either the old or new GM by the Board this year. However, the incentive compensation awards served as a surrogate review, since the GM's, Assistant GM's, and District's goals were designed to be very similar, and both the GM and Assistant GM received the full complement of their respective incentive compensation. In addition, since the Board hired the Assistant GM as the new GM, that action indicated a general satisfaction with the performance of the Office of the GM.
- There were no instances of unresolved personnel issues and none were referred to the Board.

- The District provided opportunities for 10 staff members to attend approximately 13 courses for purposes of directed training and professional development in FY 2013. This support is in addition to more than 24 technical conferences, seminars, and symposia in which one or more District staff members and directors participated. In all, some \$25,000 was spent on professional development, training, tuition, and career advancement for staff members and directors in FY 2013.

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.

- At the outset of FY 2013, the programs of and requirements on the District were guided and authorized by the District's former Management Plan approved in 2008; only mid-way through FY 2013 did the new provisions of the then-newly adopted Management Plan become a requirement on the District. Some of those pertain to this Performance Standard.
- In the early part of FY 2013, the District completed the required revision of its Management Plan that is the principal vehicle for aligning the District's mission and goals with its plans, policies and programs. The Plan was approved by the TWDB on January 7, 2013.
- Substantial progress was also made in FY 2013 on a complete revision of the District's Draft Habitat Conservation Plan that further elaborated how the District's rules, policies, and programs were to serve as the implementation vehicle for the avoidance, minimization, and mitigation measures under the HCP. This included the establishment of a standing advisory committee for the Board and the US FWS to be used in reviewing and responding to HCP implementation progress.
- The District formed and utilized an *ad hoc* stakeholder advisory committee to help the District prioritize its efforts related to its role in, and the specific opportunities for, the development of alternative water supplies.
- The District amended its Rules and Bylaws near the outset of FY 2013, on October 11, 2012, to respond to new statutory requirements and also regulatory needs arising from the earlier stakeholder process on closing the gap between our MAG and our EDWL. Most of the substantial work preparing this omnibus rulemaking was performed in FY 2012, although final wording of a number of the key provisions and preparation of some of the documentation for the public were made in early FY 2013.
- At the end of FY 2013, the Director Job Description, and the Risk Management and Contingency Plan had not yet been initiated, but it should be noted that the District had not been operating under the new Management Plan, where those requirements were first established, for the entire FY 2013; in fact, the latter is not scheduled for completion until January 2014, a year after the new Management Plan was approved. These are more appropriately evaluated for completion in the next annual reporting process.

- The District timely completed and the Board approved its annual budget and fee schedule for FY 2013 on July 26, 2012, and amended it mid-FY 2013 on February 21, 2013, to keep it aligned with the District's goals and the Board's priorities. The staff developed and the Board approved the proposed FY 2014 budget and fee schedule in late FY 2013, on July 25, 2013.

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 2013 Annual Budget that the Board approved on July 26, 2012, and then revised once on February 21, 2013.
- The District successfully operated within its budgeted operating expenses and did not require the use of reserve funds, although the District Board did approve the use of reserve funds for the installation of a Westbay well, which ultimately did not happen during this budget cycle.
- 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 & Bylaws (Rules)*.

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.

- Performed cost-benefit analyses on all District insurance and employee-benefit policies before renewal, and acquired, amended and renewed all District benefit policies in a timely fashion.
- Maintained, retained, and controlled 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.
- Developed, posted, and distributed District Board agendas, meeting materials, and backup documentation in a timely and required manner; posted select documents on the District website, and maintained official records, files, and minutes of Board meetings appropriately.

- Maintained (and remodeled) 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.

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.

- A full Board was maintained throughout FY 2013.
- Effective participation may be demonstrated by the documentation of Board activity communications described under PS 4-1. Since this process and methodology were developed during FY 2013, the formal judgment of the effectiveness of the Board's communications was only available for the final quarter of FY 2013. In the previous three quarters, 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.
- Conducted director election contests in three director precincts, 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.

- Taking its cue from the legislative agenda discussion and exercise in the Board work session in the prior fiscal year, the staff and Board focused its efforts on the desal/ASR enabling bill and the wastewater re-use study bill, meeting numerous times with legislators, legislative aides, stakeholders, and potential partners, and responding with wording changes to proposed bills; testimony and follow-up were provided on these bills.
- Staff also followed many other bills that would directly or indirectly affect the District, and provided testimony and follow up meetings with legislators on several bills of direct import to the District.
- Staff members were active participants in the TAGD Legislative Committee and provided counsel and support to the TAGD Executive Director meetings on several such bills.
- The staff prepared and the Board approved a Legislative Debriefing Report in July 2013, with the Board's noting that the legislative agenda pursued by the District, actions taken, and outcomes achieved are judged to be appropriate.

- 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 2013. It continued to monitor developments in *SOS Alliance v. Kyle [and the District]*, and in the Jeremiah Venture TLAP procedures, but had previously settled its active roles in both of those actions.

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.

Rulemaking was initiated in FY 2012 in response to statutory changes coming out of the 82nd Legislative session and the issuance of MAGs in response to the GMA-adopted DFCs. The District convened a Stakeholders Advisory Committee (SAC) to assist the District in developing strategies to close the so-called “gap” between the associated MAG estimates and corresponding total permitted firm-yield and exempt pumpage. The SAC consisting of a select group of stakeholders representing a variety of interests worked through the remainder of FY 2012 to develop rules concepts and draft rules for the Board to consider.

After a public hearing, the Board adopted the proposed rules in FY 2013 on October 11, 2012. Pertinent rule changes that serve to facilitate preserving the DFC are summarized in the Regulatory Compliance Team Highlights section of this report.

The rulemaking process was initiated and conducted in accordance with all statutory requirements and required timeframes. The adopted rules represent the product of an exhaustive vetting process by the SAC and the Board which is considered to be evidence of alignment with District policies and objectives. Therefore, the metrics for this standard are judged to be met.

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.

- Thirty one (31) new or previously unregistered existing wells were identified and registered in FY 2013, 28 which were registered through the Water Well Checkup.
- As reported in the “District Programs-Team Highlights” section of the Annual Report, applications for six (6) new NDUs, one (1) new production permit, two (2) amendments, three (3) well plugging authorizations, and two (2) new exempt wells were received and processed in FY 2013. Of these, all were processed in conformance with the District’s information requirements, procedural requirements, and timeframes. All current production and transport permits were renewed at the end of the respective permit terms as well.

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

- The District conducted inspections on existing permitted well systems as part of the Regulatory Compliance Team’s routine inspection schedule and in response to applications received. Five (5) routine permittee inspections and seven (7) inspections of new wells and well sites were conducted in FY 2013. The number of routine permit inspections fell below the annual target in FY 2013 as a result of a Regulatory Compliance Team staffing shortage

during the first half of FY 2013, and a focus of team resources on drought management and other, higher priority tasks.

- There were no formal enforcement actions initiated in FY 2013. The Agreed Enforcement Order initiated against Grey Rock Golf Club in FY 2012 included compliance deadlines that were extended by Board action and completed in FY 2013 and within the mandatory compliance deadlines.
- 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*.

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 2014 during its regular meeting on August 8, 2013.
- District Rule 3-6.4 requires that an audit be conducted in the first quarter of each fiscal year to determine eligibility for credits and the amount of credits earned by permittees in the preceding fiscal year. The audit for FY 2013 was completed and then reported to the Board at the regular Board meeting on October 10, 2013, where the directors approved issuance of \$47,000 in earned credits.
- A staff-initiated under-pumpage analysis was performed in FY 2013 and considered by the Board at the on April 25, 2013. No action was deemed required, or taken.
- In FY 2013, all permittee water use fee invoices and payments and meter readings were processed in accordance with specified procedures and timeframes.

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 UDCPs on file and are currently compliant with District rules; fifteen (15) permittees have outdated UDCPs. Permittees have the option to revise drought charts no more than once per year but must update their plans at least every five (5) years. Staff also provided assistance during District-declared drought by assisting with drought plan implementation, drought rule interpretation, and by providing education materials to facilitate permittee to end-user outreach efforts.
- District staff assisted permittees in complying with the requirements of the Stage II Alarm Drought that was declared on November 15, 2012, and then with the requirements of the Stage III Critical Drought that was declared on April 17, 2013. The District remained in Stage III Critical Drought for the remainder of FY 2013.
- In accordance with the District enforcement plan, the District focused enforcement efforts on egregious and persistent occurrences of non-compliance which included pre-enforcement compliance meetings and monitoring of commitments by permittees to implement measures to improve compliance. In FY 2013, the Regulatory Compliance Team conducted four (4) initial pre-enforcement meetings and one (1) follow-up meeting. No further formal enforcement action was required due to the overall positive permittee response and record of compliance, as demonstrated in the tables below.
- The District has implemented all drought-related rules and curtailments in accordance with the District’s enforcement plan and drought management protocols. During FY 2013, the duration of the declared drought was from November 2012 – August 2013. Although the Board declared drought in November 2012, drought enforcement measures were not assessed until the first full month of declared drought which was December 2012. During Stage II Alarm Drought all permittees collectively reduced pumpage by an aggregate 59% (Figure 1).

Figure 1

Stage II Alarm Drought			
	Total Actual Monthly Pumpage	Curtailed Target for Month	Percent Curtailment
December 2012	110,652,866	138,285,034	64%
January 2013	95,831,520	136,299,844	56%
February 2013	98,286,715	137,582,873	57%
March 2013	115,334,343	145,115,556	64%
April 2013	108,160,407	162,011,238	53%
TOTAL	528,265,851	719,294,545	59%

- During Stage III Critical Drought all permittees collectively reduced pumpage by an aggregate 51% (Figure 2).

Figure 2

Stage III Critical Drought			
	Total Actual Monthly Pumpage	Curtailed Target for Month	Percent Curtailment
May 2013	120,513,019	162,122,049	52%
June 2013	137,329,361	189,176,368	51%
July 2013	156,085,650	223,677,442	49%
August 2013	165,590,685	222,375,986	52%
TOTAL	579,518,715	797,351,845	51%

The pumping reductions during drought readily met the metric for achieving overall the curtailment targets during the prevailing drought stages, and in fact achieved such performance in every month.

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 plus numerous other indicators of drought conditions relating to the Edwards Aquifer within and nearby the District. During periods of District-declared drought and during times preceding potential drought, staff provided timely updated reports of aquifer conditions to the Board at each Board meeting. Data from Trinity monitor wells were also collected and evaluated at these times.

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.

- Mass communication efforts: 3 Aquifer Bulletin Newsletters and 1 Aquifer Update were published. There were 10 press releases circulated, including two drought declarations, updates on elections results, and the rule change process.
- Friends of the Aquifers email notices: The Friends of the Aquifers email list includes Press (~80), Permittees (~110), HOAs (~110), Teachers (~370), Partners (~46) and the general public. Email notices can target specific groups or be released to the entire list (~1700 emails). A total of 23 email notices were circulated.
- Drought stage road signs and bill inserts were available within a week of both the November 15, 2012 and the April 17, 2013 drought declarations. Approximately 17 of the 24 water

supply companies (70%) requested road signs and/or bill inserts for either or both drought stage entries.

- Public Information Requests: We received and tracked 20 public information requests. All 20 were answered satisfactorily and in a timely fashion.
- Residents' inquiries about drought restrictions: The District received and answered 11 email/phone call concerns from area residents regarding water restrictions or inappropriate water use by a neighbor. Follow-up calls were made to the appropriate water provider, or letters and education information were sent if the source of concern were private well owners. This year, a high volume-use well owner list was started to help facilitate continued education to that set of well owners through direct mail (including well registration info, well owner guide, and quarterly newsletters). This list included 18 well owners in FY 2013. There were no complaints about water utility permittees' unwarranted actions.

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.

- The current management plan includes a metric to provide a quarterly assessment of the effectiveness of Board communications that had not been required of previous management plans. The Board developed the means for providing this assessment through discussion in its regular meeting on August 8, 2013. The Board determined that the evidence of their communications would be provided through Directors' Reports provided at each regular meeting and through modified Director's Compensation forms that provide documentation of activities, correspondence, events attended and other communications.
- Since the process for judging the collective judgments of effective communications was being developed in FY 2013, only one quarterly assessment, on October 10, 2013, was conducted for the last quarter of FY 2013. Therefore, this metric was only partially met.

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 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 for GMA 9 is Brian Hunt. In FY 2013, Mr. Hunt attended 2 of 2 GMA 9 meetings, and 2 of 2 managers meetings. He actively participated by providing in-kind consultation services and by participating in voting on posted agenda items affecting the GMA. The District also contributed funds (\$1,000) to a study by a contractor about compliance with the DFC for the Trinity Aquifer. Noteworthy activity of GMA 9 in FY 2013 included:
 - Discussion and funding of a report (Bill Hutchison) of DFC compliance and monitoring;
 - Discussion of relevance of certain aquifers;
 - Discussion of revising DFCs;
 - Annual review of management plans for each GCD;
 - Discussion of new statutory planning requirements involving additional notification, public hearings, and reporting;

- Discussion of contracting a consultant for next round of planning and documentation requirements.
- GMA 9 conducted the first annual review of member District Management Plans at their meeting on September 16, 2013 where Mr. Hunt provided an overview of the District's plan and provided input on other plans. This material was largely assembled in FY 2013.
- The DFC proposal process is conducted on a 5-year planning cycle with the next round of DFCs due in May of 2016. Since DFCs for the next planning cycle were not yet due in FY 2013, no public hearings for GMA 9 were held or attended by District representatives.

Groundwater Management Area 10

- On September 27, 2012, the Board approved the designation of John Dupnik to serve as District representative for GMA 10, replacing Kirk Holland as the voting representative, although Mr. Holland continued to attend and participate in the GMA 10 meetings.. In FY 2013, Mr. Dupnik attended 5 of 5 GMA 10 meetings (100%). Noteworthy activity of GMA 10 in FY 2013 included:
 - Discussion of DFC compliance monitoring;
 - Discussion of relevance of certain aquifers;
 - Conduct annual reviews of all GCD management plans;
 - Discussion of new statutory planning requirements involving additional notification, public hearings, and reporting;
 - Contracting a consultant for next round of planning;
 - Proposing revised DFCs;
 - Consideration of subdividing the Trinity Aquifers.
- GMA 10 attempted to conduct the first annual review of member District Management Plans at their meeting on July 30, 2012 (FY 2012). In preparation for this review, the District provided a written review of the management plans of GCDs that affected or shared aquifers with the District including: the Edwards Aquifer Authority, the Plum Creek GCD, Guadalupe County GCD, Medina County GCD, and Uvalde GCD. Because other GCDs in GMA 10 did not prepare similar assessments, GMA 10 re-scheduled the annual review and those reviews were held in GMA meetings in both September and December 2012 (FY 2013). The District provided a slightly edited version of its previous documentation and also oral reports of its review; it also participated in discussion of the reviews by other GCDs at these meetings.
- The DFC proposal process is conducted on a 5-year planning cycle with the next round of DFCs due in May of 2016. Since DFCs for the next planning cycle were not yet due in FY 2013, no public hearings for GMA 10 were held or attended by District representatives.

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 members and staff continue 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, serves as the GMA 10 representative and voting member of Region K and attended 4 of 4 meetings (100%) in FY 2013.
- Noteworthy activity of Region K in FY 2013 included:
 - Consideration to consider “Recreation” as a demand category
 - Municipal and non-municipal water demand projections
 - Process for identifying potential feasible water management strategies
 - Consideration of adding an additional member for Hays County representation
 - Committee participation to develop recommendations for prioritizing water management strategies (in response to HB4 and SWIFT).

Region L

- Both Brian Smith, District Principal Hydrogeologist, and Kirk Holland, former GM, were tracking the activity of Region L and attended 4 of 4 meetings (100%) in FY 2013.
- Noteworthy activity of Region L in FY 2013 included:
 - Voted to fill 12 voting-member vacancies for the Regional L planning committee. There is a total of 29 voting members.
 - Reviewed population data from a study by UTSA for parts of Region L where population is increasing rapidly owing to oil and gas activity associated with the Eagle Ford Shale.
 - Dr. Robert Gulley reported on the progress on three key items of the Edwards Aquifer HCP: EAA/SAWS agreement for ASR; funding of three refugia locations; and negotiations for scientific reviews by the National Research Council.
 - Reviewed contractor’s evaluations of potentially feasible water management strategies.
 - Updates were presented on legislative issues of interest that might affect regional water planning entities.

<p>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.</p>
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Upon requests from stakeholders and the general public, information is provided and when needed, staff meets with the requesting parties to make sure that both information and knowledge are provided.

In FY 2013, staff reviewed all Water Pollution and Abatement Plans 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 are determined to be of interest were reviewed in detail, and if it was appropriate, the sites are visited by staff. Comments about these sites, if and as warranted, were sent to the entities that are overseeing the developments.

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 42 outreach events including field trips, conferences, workshops, meetings, and festivals. These presentations, events, and field trips reached more than 4,100 adults and 1000 students.
- The District hosted or co-hosted Groundwater to the Gulf, Williamson Creek Cleanup, the RWQPP Next Wave Seminar, the Success Through Innovation: Strategies to Effectively Save Water Seminar, Water Well Checkup, and Earth Day at Barton Springs.
- The District website received 20,084 visits from 12,202 unique visitors who clicked through 48,619 pages throughout the fiscal year. Facebook 'likes' increased from 76 to 145.
- There were 276 new contacts added to the Friends of the Aquifers list. Additions include Permittees, G2G participants, Creek Cleanup participants and individual requests.

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.

- At the outset of FY 2013, the programs of and requirements on the District were guided and authorized by the District's former Management Plan approved in 2008; only mid-way through FY 2013 did the new provisions of the then-newly adopted Management Plan become a requirement on the District. Some of those pertain to this Performance Standard.
- Near the start of FY 2013 and again about mid-FY 2013, the District spent considerable effort in rewriting and then revising the previous FY 2011 versions of the draft HCP document, and then later in FY 2013 re-formatting it into the now-current structure recommended for HCPs by the US FWS. At the end of FY 2013, the District had submitted a more or less completely new draft of the HCP to the FWS responding to their previous comments and instructions, and was awaiting additional comments and the initiation of another NEPA scoping process.
- A milestone schedule previously developed earlier in FY 2013 that projected a draft HCP going through the federal review process before the end of that year was scrapped, and a new one was developed at the end of FY 2013, with a complete, internally reviewed draft HCP submitted for Austin-FWS review before Christmas 2013 holidays and a projected date of ITP issuance around the end of FY 2014.

- A standing Management Advisory Committee (MAC), to be used by the Board and the US FWS in reviewing and responding to HCP implementation needs annually, was successfully designed, solicited, and established in mid-FY 2013; the MAC members have been waiting on completion of a publicly releasable draft HCP for their initial review and comments.
- Near the end of FY 2013, District staff and, in a subsequent meeting at the Board's request, the US FWS project manager gave the Board a series of oral updates, rather than a written progress report, concerning the preparation and outlook of the HCP, since the HCP and ITP were not yet promulgated. The annual, written HCP Status Reports will begin once the HCP is approved by FWS and the ITP has been issued.

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

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

The District continued its ongoing initiatives associated with development of alternative water supplies for the District and its region throughout FY 2013. This standard includes a metric requiring an Alternative Water Supply Report to be provided in odd-numbered years. The first one of these reports is not due until 2015. Therefore, this metric is not applicable.

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 2013 so that the amount of clean creek water entering the cave was maximized.

In FY 2013, District staff worked with the City of Austin on developing procedures for cleaning out caves on City property that are capable of recharging the Edwards Aquifer with water flowing in Onion Creek.

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.

- Plans for installation of a multiport monitor well in the saline Edwards were advanced in FY 2013. A budget was set by the Board in FY 2013 so that there would be sufficient funds in FY 2014 for installation of the well. Discussions were held with our prospective partners, Texas Disposal Systems (TDS) and Edwards Aquifer Authority (EAA) about logistics and funding of the project. Because an access agreement with a landowner in the study area had not yet been finalized, drilling and installation of the monitor well was delayed until FY 2014.
- This standard includes metrics requiring an annual oral presentation that is to be provided in even-numbered years and an Alternative Water Supply Status Report to be provided in odd-numbered years. The first of these reports are not due until 2014 and 2015, respectively. Therefore, these metrics are not applicable this fiscal year.

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 newsletter articles and activities such as the Water Conservation Toss, Build A Rain Barrel, and the Rainwater Harvesting Challenge, staff stresses the importance of water conservation and alternate supplies. By helping sponsor the Rainwater Revival, 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.
- The District continues to research the feasibility of desalination technologies to supplement existing water supplies with Saline Edwards water resources through ongoing collaboration with TDS, Texas State University (TSU), Texas A&M, and Plum Creek GCD, and progress in these areas has been described in the District newsletter.

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.

- Much of the water quality sampling in FY 2013 was conducted by the Aquifer Science Team through annual participation in the TWDB groundwater sampling effort. In this effort, District staff collected thirty one (31) samples from sample sites including wells and springs from the Edwards and Trinity aquifers. All samples were analyzed for major ions
- The District collected water quality samples during routine permit inspections (4) and from newly constructed wells (7). Samples from five (5) other wells were collected and analyzed as part of a special investigation related to reports of bacteria and other water quality concerns.
- All of the analyses from District-collected samples from wells within the District were entered into the District database.
- 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; forty two (42) 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 2013 under this performance standard include the following::
 - Performed studies with the EAA and the University of Texas to characterize the groundwater flow in the Blanco Watershed. Results of preliminary work was published at the GSA (April) conference.
 - Performed general aquifer characterization studies including numerous down-hole TV logs and contracted geophysical logs from wells in the region. Assisted with data collection of the Middle Trinity Grey Rock #5 aquifer test. Staff reviewed the results.
 - Worked with UT-Austin graduate students and Dr. Jay Banner to publish a paper on the results of studies regarding the interaction of the Edwards and Trinity aquifers. The paper was published in the peer-reviewed journal titled Groundwater.
 - Assisted the USGS to review historic water-level data for the Lovelady monitor well and the installation of USGS telemetry equipment at the Lovelady well.
 - Helped support the publication of a geologic map of a portion of the Edwards Aquifer (San Marcos and Kyle area). The map was produced by Dr. Thomas Grimshaw and UT-Austin's Dr. Mark Helper at the Jackson School for Geosciences.

- Maintained a monitor well network of about 35 wells that collects data hourly. The District's weather station 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 units.
 - Collected water quality data (ions and isotopes) from about 32 sample locations in FY 2013 (TWDB partnership).
 - Developed, in cooperation with Magellan Pipeline Company, an annual sampling program in advance of operation of the Longhorn Pipeline that transports crude oil. In March 2013, staff sampled 14 springs and well sites for hydrocarbon contaminants as a background prior to operation--using a screening test of BTEX and TPH. Staff also worked on the location of the installation of two new monitor wells anticipated in FY14.
- FY 2013 began with the aquifer in non-drought (near average) conditions. The dry September led to declining springflow and water levels and Stage II Alarm Drought conditions were declared on 11/15/12. Very dry conditions continued and Stage III Critical Drought was declared on 4/17/13. Barton Springs reached a low of ~18 cfs in July. The fiscal year ended with the aquifer in Stage III Critical Drought conditions.
 - Staff from the Aquifer Science Team attended and presented numerous technical papers or abstracts at: Gulf Coast Association of Geological Societies (Oct-12), South-Central Section of the Geological Society of America (Apr-13), the 13th Multidisciplinary Conference on Sinkholes and Environmental Impacts of Karst (May-13), and the Texas Groundwater Summit (Aug-13).
 - **FY 2013 Published Reports:**
 - Wong, Corinne I., Kromann, Jenna S., Hunt, Brian B., Smith, Brian A., and Banner, Jay L., in press, Investigation of Flow Between Trinity and Edwards Aquifers (Central Texas) Using Physical and Geochemical Monitoring in Multiport Wells: Ground Water. Peer review
 - B.B. Hunt, B.A. Smith, M.T. Adams, S.E. Hiers, and N. Brown, 2013, Cover-Collapse Sinkhole Development in the Cretaceous Edwards Limestone, Central Texas, 13th Multidisciplinary Sinkhole Conference on Sinkholes and Engineering and Environmental Impacts of Karst, Carlsbad New Mexico, May 2013.
 - Hunt, B.B., B.A. Smith and W.F. Holland, 2013, Drought Trigger Methodology for the Barton Springs Aquifer, Travis and Hays Counties, Texas: BSEACD Report of Investigations
 - Hunt, B.B., B.A. Smith, K. Bell-Enders, J. Dupnik, R. Gary, N. Hauwert, and J. Camp, 2013, Dye Tracing Results from the Arbor Trails Sinkhole, Barton Springs Segment of the Edwards Aquifer, Austin, Texas: BSEACD Report of Investigations 2013-0501
 - Hunt, Brian B., Smith, Brian A., Slade Jr., Raymond., Gary, Robin H., and Holland, W. F. (Kirk), 2012, Temporal Trends in Precipitation and Hydrologic Responses Affecting

the Barton Springs Segment of the Edwards Aquifer, Central Texas: Gulf Coast Association of Geological Societies Transactions, 62nd Annual Convention, October 21-24, 2012, Austin, TX.

- Saribudak, Mustafa, Hunt, Brian B., and Smith, Brian A., 2012, Resistivity Imaging and Natural Potential Applications to the Antioch Fault Zone within Onion Creek, Barton Springs Segment of the Edwards Aquifer, near Buda, Texas: Gulf Coast Association of Geological Societies Transactions, 62nd Annual Convention, October 21-24, 2012, Austin, TX.
- Hunt, Brian B., Smith, Brian A., and Hauwert, Nico, 2012, Real and Apparent Daily Springflow Fluctuations during Drought Conditions in a Karst Aquifer, Barton Springs Segment of the Edwards Aquifer, Central Texas: Gulf Coast Association of Geological Societies Transactions, 62nd Annual Convention, October 21-24, 2012, Austin, TX.
- Smith, Brian A., Brian B. Hunt, and Steve B. Johnson, 2012, Revisiting the Hydrologic Divide Between the San Antonio and Barton Springs Segments of the Edwards Aquifer: Insights from Recent Studies: Gulf Coast Association of Geological Societies Journal Vol. 1, 62nd Annual Convention, October 21-24, 2012, Austin, TX. Peer review.

- **FY 2013 Abstracts**

- Casteel, Richard, Musgrove, MaryLynn, Hunt, Brian B., and Smith, Brian A., 2013, Evaluation of a Hydrologic Connection Between the Blanco River and Barton Springs in Central Texas Using Discharge and Geochemical Data. Geological Society of America Abstracts with Programs. Vol. 45, No. 3, p. 91.
- Andrews, Alan, Hunt, Brian B., and Smith, Brian A., 2013, Hydrological and Geochemical Characteristics in the Edwards and Trinity Hydrostratigraphic Units Using Multiport Monitor Wells in the Balcones Fault Zone, Hays County, Central Texas. Geological Society of America Abstracts with Programs. Vol. 45, No. 3, p. 91.
- Hunt, Brian B., Norris, Chad, Gary, Marcus, Wierman, Doug, Bround, Alex S. and Smith, Brian A., 2013, Pleasant Valley Spring: A Newly Documented Karst Spring of the Texas Hill Country Trinity Aquifer. Geological Society of America Abstracts with Programs. Vol. 45, No. 3, p. 92.
- Hunt, Brian B., 2013, An Approach to Monitoring Compliance with the “Desired Future Condition” of the Texas Hill Country Trinity Aquifer. Geological Society of America Abstracts with Programs. Vol. 45, No. 3, p. 70.
- Smith, Brian A., Hunt, Brian B., and Andrews, Alan, 2013, Redefining the Hydrostratigraphy of the Edwards and Trinity Aquifers in the Balcones Fault Zone, Hays and Travis Counties, Central Texas. Geological Society of America Abstracts with Programs. Vol. 45, No. 3, p. 91.