



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

**ANNUAL REPORT
FISCAL YEAR 2014**

Board-approved December 11, 2014

BOARD OF DIRECTORS (August 31, 2014)

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

DISTRICT STAFF
August 31, 2014

John Dupnik	Chief Operating Officer General Manager
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

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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 2014, covering the period from September 1, 2013 to August 31, 2014.

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 2014; 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 subsequent November 2014 elections occur in FY 2015 and will be reported in the FY 2015 annual report.

In accordance with District Bylaws, the Board elects its officers for one-year terms in December of each year. For the current annual reporting period, from September 2013 through August 2014, the elected officers were Gary Franklin, President; Bob Larsen, Vice President; and Craig Smith, Secretary. In April of 2014, Gary Franklin resigned from the Board vacating the office of president mid-fiscal year. The Board decided not to re-elect new officers and finished FY 2014 with Bob Larsen serving as the Acting President. 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 occasional grants from various local, state, and federal programs for special projects.

1.2 District Mission and Vision Statements

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

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

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

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

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

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

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

1.3 District Critical Success Factors

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

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

2.0 DISTRICT PROGRAM AREAS AND TEAM HIGHLIGHTS FOR 2014

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

leader works under the supervision and direct reports to the General Manager. All staff members ultimately report to the General Manager for administrative supervisory purposes.

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

2.1 General Management

Mr. John Dupnik served as the District's General Manager (GM). The GM is responsible for the day-to-day business of the District, and is an *ex-officio* member of all the other teams. The GM:

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

The key areas of functional responsibilities for the GM include staff management and development, programmatic planning and execution, stakeholder relationship development and cultivation, and financial administration of the District.

In FY 2014, some highlights for the Office of the GM included:

- Maintained a productive, efficient, and motivated staff, and providing interns to assist the regular staff in continuing scientific investigations;
- Participated 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;
- Participated actively in regional water planning group activities, including serving as the GMA 10's voting Representative to Region K, and monitoring Region L groundwater-related planning activities;
- Participated 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.
- Continued 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.

- Successfully organized and participated in the 2nd Kent Butler Water Summit as a forum for discussion on water issues of high-priority in the region. Coordination involved setting the program schedule, contacting and scheduling the speakers and coordinating logistics associated with conference planning.
- Advocated for the District's interest through participation in a number of work groups and committees including: TAGD legislative subcommittees on Brackish groundwater, Permitting and ASR; Texas Desalination Association Brackish groundwater committee; GMA 10 committee on DFC explanatory reports; Region K committee on Legislation and Policy; and the Region K strategy prioritization review committee; as alternate to Stacey Steinbach on the Texas Water Conservation Advisory Council.
- Coordinated a Board subcommittee, District staff, the District Management Advisory Council (MAC), and District consultants to produce a near complete draft of the District's Habitat Conservation Plan (HCP).
- Actively participated in TxDOT's working group on SH 45 SW and coordinated staff and a Board subcommittee on the review of the Draft EIS.
- Supervised effort to verify and adjust the District's jurisdictional boundaries as needed.
- Coordinated staff and a Board subcommittee to produce a draft Interlocal Agreement (ILA) with the City of Austin.
- Coordinated a Board subcommittee to select an interim Director appointment for Precinct 2 including solicitations of interest and interviews with each prospective candidate.
- Facilitated the development of the District's 2015 legislative agenda and provided invited testimony to the House Natural Resources Committee on interim charges related to groundwater management and development of brackish groundwater to advocate for the District's legislative agenda and interests.
- Collaborated with local real estate experts to develop legislative concepts to better inform new property buyers of GCD and well permitting requirements.
- Developed new internal policies related to: 1) loan program for staff from the District retirement plan, and 2) significant amendments to the District Leave of Absence Policy.
- Managed the ongoing office remodeling projects including the installation of a new videoconferencing system that enabled meetings with remotely located Directors.
- Coordinated the solicitation of a new contractor for Legislative support services.

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 2014, 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 2014, some highlights for the Administrative and General Services Team included:

- Maintaining the financial records to receive a clean financial audit (see Appendix A);
- Administering the director election;
- 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 supported by Senior Hydrogeologist Brian Hunt, P.G., Hydrogeologist Alan Andrews, and from time to time other staff members, including interns. In the summer of 2014, Jose Cervan, of the University of Malaga, Spain, served as an intern while working on his master's thesis.

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 2014, 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 regional conferences including:
 - South Central Geological Society of America
 - Kent Butler Summit
 - Texas Alliance of Groundwater Districts 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;
- 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 conference;
- Conducting a hydrogeologic field trip to the District's recharge facility at Antioch for a group of water managers from Oklahoma;

- Publishing 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 *Groundwater*;
- Continuing development and data collection of a geologic database of the Edwards and Trinity Aquifers in central Texas;
- Participating with GMA 9 in technical discussions regarding the Trinity Hill Country DFC and the explanatory report;
- Maintaining the Antioch Cave Recharge Enhancement Project as an ongoing part of the 319(h) grant from EPA and TCEQ, and maintaining the two CWQMN sites on behalf of 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;
- Implementing, in cooperation with Magellan Pipeline Company, an annual sampling program related to the operation of the Longhorn Pipeline that transports crude oil. In March 2014, staff sampled about 10 springs and well sites for hydrocarbon contaminants as a screening test for BTEX and TPH. Staff also worked on locations for the installation of two new monitor wells anticipated in FY 2015;
- Staff worked on the Habitat Conservation Plan and were integral to the development of the simple numerical (spreadsheet) model for the evaluation and estimation of take and jeopardy;
- Producing a Factsheet and GIS database on water-level maps of the Edwards and Trinity Aquifers;
- Conducting a dye trace at Antioch and collecting water-quality and isotope data from about 10 wells and springs in the Edwards and Trinity Aquifers in a partnership with the TWDB; Natural fluorescence sampling was also collected at wells and springs. The project was the thesis project of Jose Cervan;
- Assisting Drs. Thomas Grimshaw and Mark Helper with the geologic mapping of the Mountain City Quadrangle; and
- Brian Smith was appointed to the City of Austin Environmental Board, and subsequently was appointed by the Environmental Board to serve on a City of Austin Water Supply Task Force.

2.4 Education and Community Outreach Team

Ms. Robin Havens Gary serves as the leader of the Education and Community Outreach Team. Ms. Gary, who is the District's Environmental Educator, GIS Specialist, and Public Information Coordinator, and is the primary member and team lead for the Education and Community Outreach Team in FY 2014. 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 about five months during FY 2014. The fiscal year started out in the depths of Stage III Critical Drought with the threat of a first-time declaration of Stage IV Exceptional Drought, but significant rainfall at the end of October replenished the aquifer and improved water levels to allow drought conditions to be lifted by mid-November. The District was in and out of Stage II Alarm Drought from April to August. Education and Outreach efforts

focused on increasing awareness of the importance of water conservation and encouraging augmentation through alternate supplies such as rainwater harvesting.

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 2014, some highlights of the Education and Community Outreach Team included:

- Participating in approximately 33 outreach events (including field trips, presentations, and events) that reached approximately 1,930 adults and nearly 1,525 children,
- Hosting the fourth annual Water Conservation Symposium: "Keeping Head Above Water: Maximizing Alternate Water Supplies" in collaboration with the water providers and non-profits participating in the CTWEN,
- Hosting the 9th Annual Groundwater to the Gulf Summer Institute for Educators in collaboration with other state, local, and non-profit water educators, which trained 47 teachers who in turn reach over 4,000 students annually, and
- Providing support for the 2014 Rainwater Revival event that brings rainwater harvesting system installers, suppliers, water haulers and other experts together to serve as a resource for homeowners and business owners that are interested in using rainwater as an alternate supply.

2.5 REGULATORY COMPLIANCE

After transition to General Manager in June of 2013, John T. Dupnik, P.G. continued to also serve as the Regulatory Compliance Team Leader for the remainder of FY 2014. Ms. Kendall Bell-Enders and Ms. Vanessa Escobar both served as Regulatory Compliance Coordinators. 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 2014:

- **Database Enhancements:** The District's permit, pumpage and wells database was further enhanced to help streamline necessary updates and changes.
- **Inspections:** Staff completed seven routine permittee inspections, six inspections of new wells, five inspections of abandoned wells, and eight special investigation inspections.
- **Conservation Credits:** The District issued a total of \$29,067.95 in credits in FY 2014 with \$18,167.47 being issued to 26 permittees, and \$10,900.48 being issued to the City of Austin.

Permittees donating credits back to the District's camp scholarship fund include: City of Hays – Elliott Ranch (\$300.00), Creedmoor-Maha WSC (\$2,054.78), Goforth Special Utility District (\$150.00), St. Andrew's Episcopal School (\$396.80) Centex Materials (\$3,264.68) and Texas Lehigh Cement Company (\$539.43).

- **Enforcement:** There were two formal enforcement actions initiated in FY 2014. District staff initiated an investigation report for Don's Grass (owned by Stephen Oyster and Jimmy Nassour of 1825 Fortview Management LLC), and the Lady Bird Montessori School for pumping from a nonexempt well without a permit. The Board approved a Notice of Alleged Violation and Final Agreed Order with specific ordering provisions for both entities; all provisions of both agreed orders were complete within compliance deadlines.
- **Rulemaking:** Rulemaking was initiated in FY 2012 and the Board adopted the proposed rules in FY 2013 on October 11, 2012. The District did not initiate rulemaking in FY 2014; however staff is planning on initiating rulemaking in FY 2015 in response to any changes that may come out of the 83rd legislative session, and the prospective measures of the District's HCP associated with the anticipated issuance of an Incidental Take Permit.
- **External Reviews, Coordination, and Outreach.** Work groups and projects involving staff participation included:
 - City of Austin well permitting and registration ordinance,
 - Regular meetings of the Regional Water Quality Protection Plan workgroup,
 - RWQPP committee on wastewater management study,
 - SH 45 SW Technical Workgroup,
 - Longhorn (Magellan) pipeline monitoring and sampling planning,
 - 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 downgraded from the Stage III Critical Drought that was continued from FY 2013 into the beginning of FY 2014 to Stage II Alarm Drought on October 24, 2013. No-Drought status was later declared on November 14, 2013. Stage II Alarm Drought was declared on April 24, 2014, No-Drought status was declared on June 26, 2014, and then Stage II Alarm Drought was declared again on August 14, 2014. Staff

assisted permittees in complying with Stage II Alarm Drought requirements for both declarations. The District remained in Stage II Alarm Drought for the remainder of FY 2014.

Permitting Summary:

Permit activity during FY 2014 included the approval of four Historical Middle Trinity production permits and one Saline Edwards production permit. Three of the Historic Middle Trinity permits (Grey Rock Golf Club, Industrial Asphalt, and Cornerstone HTJ) are active and are included in summary below. Grey Rock Golf Club was issued a permit for 35,000,000 gallons/year for an existing well; Industrial Asphalt was issued a permit for 2,000,000 gallons/year for an existing well; and Cornerstone HTJ (application originally filed under Farmland Operating System-David Trotter) was issued a permit for 490,000 gallon/year for a new well. The Cornerstone HTJ permit was amended in the beginning of FY 2015 to include pumpage for an additional property; the permit was increased to 980,000 gallons/year and is deemed a multi-user well. A summary of permitting, new well drilling, and plugging is provided in the following tables:

Individual Permits	
New Permittees (landowners)	3
Total Permits Issued	88
Total Permitted Wells	164
NDU General Permits	
New Permittees (landowners)	3
Total Permits Issued	76
Total Permitted Wells	82

Permitted Pumpage			
Edwards MZs	gallons	cfs	acre-feet
Historical (Ind.)	2,370,987,721	10.05	7,276
Historical (NDU)	1,930,104	0.008	6
Total Historical	2,372,917,825	10.06	7,282
Conditional (Ind.)	348,684,948	1.48	1,070
Conditional (NDU)	21,630,693	0.09	66
Total Conditional	370,315,641	1.57	1,136
Total Edwards	2,743,233,466	11.63	8,419
Trinity MZs	gallons	cfs	acre-feet
Historical (Ind.)	129,015,000	0.55	396
Total Permitted	2,872,248,466	12.18	8,815

	Permitted Transport		
	gallons	cfs	acre-feet
FY 2014	0	0	0
Total Permitted	400,000,000	1.70	1,227.55

Well Drilling	
New Nonexempt Wells	1
New NDU Wells	3
New Exempt Wells	2
Total Wells Drilled	6
Well Plugging	
Total Wells Plugged	10

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 2014 started with a Stage III Critical Drought declaration in place following an exceedingly dry summer. Water levels began to rise in September after above-average rainfall. Drought conditions were abruptly ended after two record storms in close succession to each other caused severe flooding in area creeks leading to large amount of sustained recharge to the aquifer. The Board removed Stage III Critical Drought on October 24, 2013 and declared No-Drought conditions on November 22, 2013. The water level in Lovelady monitor well continued rising through the end of January when it finally reached its maximum elevation of about 492 ft-msl and started falling. The water level continued a steady decline prompting the Board to declare Stage II drought on April 24, 2014. Above average rainfall in May led to recharge to the aquifer and a subsequent removal of drought conditions on June 27, 2014 which lasted for a period of about six weeks until drought was once again declared on August 14, 2014. In the first two weeks of August, Barton Springs 10-day average flow fell below its drought threshold of 38 cfs for the first time since the storms in October 2013. Since that time the water level in Lovelady monitor well has remained below its drought threshold, despite a brief rise due to substantial precipitation in September. Barton Springs 10-day average flow momentarily went above 38 cfs. As of November 3, 2014 both drought trigger sites are below their respective Stage II Alarm Drought thresholds.

3.2 Grant Programs

District staff worked with Texas Disposal Systems, Inc. and Texas State University on a grant application with the TWDB to obtain funding for a desalination facility in the saline Edwards Aquifer. We were not awarded the grant.

3.3 Professional Services

The District expended \$78,500 for professional services in FY 2014. This amount included legal fees of \$49,453 for general counsel support provided by Bickerstaff, Heath, Delgado & Acosta LLP of Austin. These fees included involvement of the District and its attorneys in 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 and early FY 2014, 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 2014.

Additional professional services for FY 2014 also reported in the above amount include the District's third party retirement plan administrator, The Standard, for \$14,047.

The District again retained Mike Figer and Company, CPA, to perform its annual financial audit for FY 2014; that audit report is included in this Annual Report as Appendix A. The fees for those professional services (to be expended in FY 2015) for the FY 2014 audit will be \$12,000 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 2014; the first was continued interior office remodeling (an outside fence was included as part of this remodel phase), and the second was the remodel of the copy/work room, for a total of \$18,071.

3.5 Financial Report

As authorized in the District Bylaws, the Board utilizes the Texas Treasury Safekeeping Trust Company (commonly referred to as "TexPool") as a depository for its funds not required by its current operations. There are several built-in controls and safeguards in the TexPool account mechanisms. The District has established and maintains funds in several TexPool accounts to further minimize risk and to partition funds designated for certain potential uses. To facilitate payments and timely deposits, the District also maintains both checking and payroll accounts with Citibank (now transitioned to BB&T), which are FDIC-insured. Monies are moved electronically between these accounts and the TexPool accounts, generally keeping funds not required by current operations in TexPool, and therefore the cash balances in the operating bank

accounts as small as prudently feasible. The District has no additional monetary investments other than its cash fund accounts.

End-of-the-year cash and account balances and an independent assessment of financial controls 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.

3.6.2 Board Evaluation of Objectives and Progress Assessment

Section 2 of this report highlighted some activities for each of the operational teams. A more comprehensive and detailed listing of the activities of the District is included in Appendix B, which was prepared by the staff to assist the Board's evaluation of the progress made in FY 2014 toward the goals, objectives, and performance standards identified in the prevailing District Management Plan.

On November 20, 2014, the Board reviewed the information in Appendix B, discussed its conformance with the plan objectives and their subsidiary performance standards, and then took action to evaluate progress made by the District toward these strategic objectives, as specified in the metrics for each of the objectives. Following a proper motion and second, and discussion in a properly noticed Open Meeting, the Board of Directors unanimously approved the progress toward each and all objectives in FY 2014 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, 2014 AND 2013

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
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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, 2014 and 2013, 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, 2014 and 2013, 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 11, 2014

Barton Springs / Edwards Aquifer Conservation District

Management Discussion and Analysis

Fiscal Year Ending August 31, 2014

The following **Management Discussion and Analysis** narrative provides an overview and summary-level analysis of the significant activities and situations that have financial reporting consequence for the fiscal year. This information is provided in conjunction with our financial statements that follow. The percentages shown in the Management Discussion & Analysis narrative are based on the comparisons of the Statements of Revenues, Expenses and Changes in Net 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 presents information showing the operating revenues and expenses of the District for the fiscal year, using the accrual basis of accounting. Therefore, revenues are recognized when earned, and expenses are recognized when incurred, regardless of when cash is received or paid.

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

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

CONDENSED FINANCIAL INFORMATION

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

Condensed Statement of Net Assets August 31, 2014, 2013 and 2012

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Current assets	\$ 1,201,303	\$ 1,187,886	\$ 1,138,729
Capital assets	379,273	407,776	438,731
Other assets	71	71	71
Total assets	<u>\$ 1,580,647</u>	<u>\$ 1,595,733</u>	<u>\$ 1,577,531</u>
Total liabilities	<u>\$ 69,397</u>	<u>\$ 86,806</u>	<u>\$ 77,423</u>
Net assets:			
Invested in capital assets	379,273	407,776	438,731
Restricted	-	-	2,415
Unrestricted	<u>1,131,977</u>	<u>1,101,151</u>	<u>1,058,962</u>
Total net assets	<u>1,511,250</u>	<u>1,508,927</u>	<u>1,500,108</u>
Total liabilities and net assets	<u>\$ 1,580,647</u>	<u>\$ 1,595,733</u>	<u>\$ 1,577,531</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, 2014, 2013 and 2012

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating revenues	\$ 1,446,465	\$ 1,413,444	\$ 1,422,229
Operating expenses	<u>1,444,631</u>	<u>1,405,976</u>	<u>1,231,844</u>
Operating income	<u>1,834</u>	<u>7,468</u>	<u>190,385</u>
Non-operating revenues (expenses)			
Interest income	<u>489</u>	<u>1,351</u>	<u>1,227</u>
Total non-operating rev/(exp)	<u>489</u>	<u>1,351</u>	<u>1,227</u>
Change in net assets	2,323	8,819	191,612
Net assets beginning of year	<u>\$ 1,508,927</u>	<u>\$ 1,500,108</u>	<u>\$ 1,308,496</u>
Net assets end of year	<u>\$ 1,511,250</u>	<u>\$ 1,508,927</u>	<u>\$ 1,500,108</u>

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING REVENUES

The discussion that follows is based on FY 2014 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, decreased by \$10,358 in FY 2014 from the prior year to \$1,392,741 from \$1,403,099 (a small 0.7% decrease). This revenue was close (97%) to what was budgeted for FY 2014 (\$1,457,670), with the shortfall primarily reflecting conservation credits awarded for FY 2014 (\$29,068). Included in these revenues are transport permit fees. There continue to be two District transport permits that generate \$124,000 in transport fees revenue in both FY 2014 and FY 2013.

There was no revenue associated with Grants in FY 2014 or 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 \$6,607 for FY 2014. Of that actual FY 2014 revenue (\$6,607), well development applications and inspection fees generated \$5,475 as compared to \$7,125 in FY 2013; meter reading and plugging application fees generated \$1,050 as compared to \$725 in FY 2013; late fees generated \$82 as compared to \$897 in FY 2013; and Drought Management Fees generated \$0 as compared to \$1,350 for FY 2013. Drought management fees are assessed for permittee noncompliance only during a District-declared drought of three months or longer. The District was in declared drought for the months of November 2012 through the end of FY 2013 (August 2013) but not for sufficient duration to assess fees in FY 2014. There was no fee income from Enforcement Fines and Penalties in FY 2014 or FY 2013.

Investment (interest) income in FY 2014 as expected continues to be minimal. Actual investment income received for FY 2014 is \$489 (budgeted at \$1500), as compared to \$1,351 in FY 2013.

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING EXPENSES

The discussion that follows is based on FY 2014 preliminary financial reports before adjustments and reclassifications in the audit process.

Personnel salaries and wages expense for FY 2014 is \$696,479, which is \$25,579 less than the previous year's \$722,058, a 3.5% decrease. The higher salaries in FY 2013 were a result of planned staffing and salary adjustments including a temporary position created for Assistant General Manager and an additional employee that was hired in May 2013 to accommodate the phased retirement of the outgoing General Manager.

Staff payroll taxes and retirement benefit-related actual expense for FY 2014 are \$107,320, which is 5.7% lower than the prior year (\$113,748). (This account includes an accrued vacation expense that fluctuates from month to month.) Actual expenses for group insurance benefits in FY 2014 is \$103,431, a 1.5% increase from the prior year (\$101,927).

Actual expense for directors' compensation for meetings in FY 2014 is \$39,700 which is an increase of 12.9% from the FY 2013 actual expenses of \$35,175, and represents 88.2% of the amount budgeted. This account was almost maximized even though the Board was

down one director from April through August 2014. This is due to the statutory increase in the daily cap on director's compensation from \$200 per day maximum allowed to \$250 per day maximum allowed, and the subsequent increase in meeting rates approved by the Board on July, 25, 2014. The rates were increased from \$100 to \$200 for regular meetings and from \$75 to \$100 for other meetings. In this category, the statutory maximum annual amount, which was not increased, of \$9,000 per director per fiscal year, is always budgeted at the full amount of \$45,000 for the five directors.

Direct expenses associated with the ongoing work of the various programmatic teams (Aquifer Sciences, Education and Community Outreach, and Regulatory Compliance) 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 judged by the Board to have made sufficient progress towards achieving the District's 2014 Management Plan objectives (Appendix B of the draft Annual Report) and within their budget and schedule constraints, which are the more important management measures.

Since the District holds elections no more often than every two years (in odd-numbered fiscal years, if and when election contests warrant), the Elections account typically shows large percentage differences from year to year. Similarly, expenses for legislative services tend to be biennial with the Texas Legislative Regular Sessions in odd-numbered fiscal years. So year-on-year expense can vary as much as 100%.

In FY 2014, election expenses were \$796 reflecting the nominal amount incurred near the end of FY 2014 in the run-up to the November elections as compared to \$26,492 in FY 2013. Similar to FY 2013, the majority of the 2014 election expenses will be incurred in FY 2015.

In FY 2014, there were no expenses related to legislation as legislative sessions are biennial. In FY 2013, the legislative session created \$25,200 in related legislative lobbying expense, which was 100% of the budgeted amount.

In FY 2014, Actual Professional Services expenses (excluding legal expense characterized below) increased by 22.7% to \$29,047 as compared to \$23,682 in FY 2013. This is largely in part to a \$3,000 Clean Water Fund expense that used to be and will go back to being in the Education/Outreach team budget, and also due to increased management fees for the employee retirement fund (fees increase as the funds increase). Other professional services are team-specific and are now included in team budgets as contracted support expenses.

In FY 2014, Legal Services expense increased by 27.2% to \$49,452 as compared to \$38,879 in FY 2013. The total expense for both years however, were planned, and less than usually budgeted and expended. This expense account only includes continuing or planned legal representation and does not include more variable legislative services, which are characterized above.

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

One expense account had a significant year-on-year increase but did not exceed the amount budgeted. Expenses associated with HCP-Hicks increased by 6,927.2% (\$79,883) because only \$1,153 was expended on the HCP project in FY 2013 as compared to \$81,036 in FY 2014. The increased expense was within the contracted amount between BSEACD and

Hicks and Company and reflects the increased level of effort committed by the District towards completion of the draft HCP in FY 2014.

KEY FACTORS INFLUENCING CAPITAL ASSETS

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

In FY 2014, there were two capital improvement projects initiated and completed: (1) an interior remodeling project to reconfigure and modernize part of the existing office space; and (2) a second interior remodeling project to reconfigure and modernize the copy room area. The expenses associated with these two projects were within the Board-approved \$19,000 budget. These two projects will account for the change in capital assets, net of their depreciation.

KEY FACTORS INFLUENCING CHANGES IN CASH FUNDS

The available cash funds (Citibank accounts - now BB&T, and TexPool General account, excluding contingency, capital, and reserve funds) at the end of FY 2014 totaled \$428,577, which is \$426,805 less than the prior year (\$813,970). Differences in these funds are mostly attributable to the timing of receipts of water use fee payments from permittees and the City of Austin and their resulting deposits; however, this significant change in the cash funds balance is due to the abundance that remained in the General account (\$400,000) that was transferred into the more restricted Contingency account. An additional large amount of \$213,468 was transferred into the Contingency account from the Capital account to reflect the Board directive to delete that account as it no longer served its originally intended purpose.

In FY 2014, the District transferred \$230,050 from its TexPool accounts in order to balance the budget for three separate issues: 1) \$135,000 for a Westbay monitoring well installation; 2) \$31,600 to cover expense adjustments associated with Budget Revision 1; and 3) \$63,450 to cover expense adjustments associated with Budget Revision 2. The Westbay well was not installed in FY 2014 so the \$135,000 budgeted and not expended remained in the TexPool General account and was rebudgeted in the FY 2015 initial annual budget to be available for when this project gets underway. The District also transferred \$5,000 from its General operating account back into the TexPool Contingency account in response to the annual Board directive to contribute this amount to the Contingency account. The Contingency account transfer was made at the outset of the fiscal year as routinely scheduled each year.

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 2015:

- A transfer of \$160,000 from the TexPool Capital account has been made at the beginning of FY 2015 into the Aquifer Science Team budget (via the general operating account) in anticipation of installing a third Westbay well.

- The onset of Drought conditions in the beginning of FY 2014 may generate additional revenues from the assessment of 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. The District will be actively pursuing grants to help fund these projects which could substantially offset these costs; however, there may be cost matching requirements with these grants if awarded.
- Larger amounts of contractual funding associated with various technical and legal professional services, including:
 - technical and consulting services to complete the draft HCP and ITP application and be responsive to comments received by the U.S. Fish and Wildlife Service once the application is submitted;
 - technical services on prospective special projects, including regional wastewater management; desal or ASR pilot projects; continued aquifer characterization; Magellan pipeline monitoring; and contracted consulting services for GMA planning activities;
 - technical service associated with prospective HCP mitigation measures;
 - contract efforts on completing the documentation and public review process for the HCP and applying for the Incidental Take Permit without grant funds;
 - engineering and legal expenses associated with a contested election and with monitoring and review of major roadway projects including SH 45 SW;
 - legal expenses for the review and update of the District's employee policy manual.
- Additional remodeling and upgrades to enhance the functionality of the existing District office and facilities.

**BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENTS OF NET ASSETS
AUGUST 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,192,175	\$ 1,184,690
Accounts receivable	-	1,315
Prepaid expenses	9,128	1,881
Total current assets	1,201,303	1,187,886
Noncurrent assets		
Capital assets		
Land	165,415	165,415
Building and improvements	257,488	239,417
Office furniture and equipment	33,253	34,180
Field equipment	376,488	376,488
Vehicles	78,339	78,339
	910,983	893,839
Less accumulated depreciation	(531,710)	(486,063)
Total capital assets, net	379,273	407,776
Deposits	71	71
Total noncurrent assets	379,344	407,847
Total assets	1,580,647	1,595,733
LIABILITIES		
Current liabilities		
Accounts payable	2,673	2,825
Conservation credits	29,070	46,429
Compensated absences	37,424	37,552
Deferred revenue	230	-
Total current liabilities	69,397	86,806
NET ASSETS		
Invested in capital assets, net of related debt	379,273	407,776
Restricted	-	-
Unrestricted	1,131,977	1,101,151
Total net assets	\$ 1,511,250	\$ 1,508,927

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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Water permit and other fees	\$ 1,416,427	\$ 1,413,195
Miscellaneous	30,038	249
Total operating revenues	<u>1,446,465</u>	<u>1,413,444</u>
OPERATING EXPENSES		
Operational expenses	193,747	131,582
Salaries, wages and compensation	736,179	757,233
Employment taxes, insurance and benefits	211,283	216,175
Professional services	78,500	87,762
Team expenditures	178,348	127,815
Depreciation	46,574	85,409
Total operating expenses	<u>1,444,631</u>	<u>1,405,976</u>
Operating income (loss)	<u>1,834</u>	<u>7,468</u>
NONOPERATING REVENUES		
Interest revenue	<u>489</u>	<u>1,351</u>
Total nonoperating revenues	<u>489</u>	<u>1,351</u>
Change in net assets	2,323	8,819
Net assets beginning of year	<u>1,508,927</u>	<u>1,500,108</u>
Net assets end of year	<u>\$ 1,511,250</u>	<u>\$ 1,508,927</u>

See accompanying notes to financial statements.

BARTON SPRINGS/EDWARDS AQUIFER CONSERVATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from water permit and other use fees	\$ 1,400,612	\$ 1,420,784
Payments to suppliers and employees	(457,993)	(353,318)
Payments to employees and benefits	(947,590)	(966,903)
Grant expenses	-	-
Other receipts	30,038	249
Net cash provided by (used by) operating activities	<u>25,067</u>	<u>100,812</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	<u>(18,071)</u>	<u>(54,454)</u>
Net cash used by capital and related financing activities	<u>(18,071)</u>	<u>(54,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	<u>489</u>	<u>1,351</u>
Net cash provided by investing activities	<u>489</u>	<u>1,351</u>
Net change in cash and cash equivalents	7,485	47,709
Cash and cash equivalents beginning of year	<u>1,184,690</u>	<u>1,136,981</u>
Cash and cash equivalents end of year	<u>\$ 1,192,175</u>	<u>\$ 1,184,690</u>
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,834	\$ 7,468
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:		
Depreciation	46,574	85,409
Change in assets and liabilities:		
Receivables, net	1,315	(1,315)
Prepaid and deferred expenses	(7,247)	(134)
Accounts payable and accrued expenses	(152)	(6,024)
Conservation credits	(17,359)	8,903
Compensated absences	(128)	6,505
Deferred revenue	230	-
Net cash provided by (used by) operating activities	<u>\$ 25,067</u>	<u>\$ 100,812</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

**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, 2014 and 2013 is \$37,424 and \$37,552, 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 expenses for fiscal year ended August 31, 2013 also include amounts 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, 2014 and 2013, 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, 2014 and 2013 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, 2014 and 2013, the District's investment in TexPool amounted to \$1,042,389 and \$1,104,947, 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, 2014 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	239,417	18,071	0	257,488
Office furniture and equipment	34,180	0	927	33,253
Field equipment	376,488	0	0	376,488
Vehicles	<u>78,339</u>	<u>0</u>	<u>0</u>	<u>78,339</u>
Total capital assets	\$ 893,839	18,071	927	\$ 910,983
Accumulated depreciation	<u>(486,063)</u>	<u>(46,574)</u>	<u>(927)</u>	<u>(531,710)</u>
Total capital assets, net	<u>\$ 407,776</u>	<u>\$ (28,503)</u>	<u>\$ 0</u>	<u>\$ 379,273</u>

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>

Depreciation charged to expense for the fiscal years ended August 31, 2014 and 2013 amounted to \$46,574 and \$85,409, 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, 2014 and 2013 amounted to \$29,070 and \$46,429, 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</u> <u>August 31, 2014</u>	<u>Balance at</u> <u>August 31, 2013</u>
Reserve for contingencies	\$ 776,827	\$ 161,838
Reserve for payment of compensated absences	45,190	45,174
Reserve for future capital acquisitions	<u>0</u>	<u>213,407</u>
	<u>\$ 822,017</u>	<u>\$ 420,419</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.

There were no restricted net assets as of August 31, 2014 and 2013.

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, 2014 and 2013 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, 2014 and 2013 were \$48,279 and \$49,291, respectively.

As of August 31, 2014 and August 31, 2013, the defined contribution pension plan assets are summarized as follows:

<u>Investment Type</u>	<u>August 31, 2014</u>	<u>August 31, 2013</u>
Short-term investments	\$ 141,854	\$ 221,093
Mutual funds – equity	1,393,072	1,137,456
Mutual funds – fixed income	<u>36,522</u>	<u>32,235</u>
Total plan assets	<u>\$ 1,571,448</u>	<u>\$ 1,390,784</u>

During the plan year ended August 31, 2014, ten persons were employed by the District and all met eligibility requirements and were participants in the Plan. There are no participants who terminated prior to September 1, 2014, 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, 2014.

**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, 2014 and 2013 amounted to \$0 and \$2,415, respectively.

NOTE I – LITIGATION

The District was not actively involved in any litigation during FY 2014. However, there were other legal proceedings that required and will likely continue to require a relatively minor amount of related legal services in FY 2014:

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. The SOS appeal was denied in FY 2014 allowing the court's direction to remand the permit to the District and hold a limited hearing to proceed. Though the City of Kyle has continued to carry most of the burden in responding to the appeal, there were some legal coordination and document reviews required of the District's general counsel (representing the Board only, not the GM) associated with the legal process in preparation of a District hearing and continued discussions of settlement between SOS, the City of Kyle, the Board, and the General Manager.

The hearing was delayed in FY 2014 to allow for settlement discussions which have extended the matter into FY 2015. The District will continue to have some additional legal expenses, 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 FY 2015.

2. In FY 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

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

NOTE I – Continued

motions, in FY 2011 - 2012. However, in early FY 2013 the hearing was abated until after the 2013 legislative session.

The matter was resumed in late FY 2013 after the legislative session closed which extended into early FY 2014. The District's general counsel was active in developing a position statement, attending preliminary proceedings, corresponding with the parties, and providing legal analysis and status updates to the Board. In January of 2014, the TCEQ cancelled the hearing and the District's legal expenses on this matter were substantially reduced and then soon ceased. It is likely that the matter will come up again during the 2015 legislative session at which time the District will require additional legal services to respond.

3. The District was very active in FY 2014 in reviewing and responding to environmental documents and increased activity associated with State Highway 45 Southwest. This activity involved legal review of the District's consent decree, briefings to the Board, and development and negotiation of a supplemental agreement with TxDOT. The activity associated with the supplemental agreement was ongoing in FY 2014 carrying over into FY 2015. The District is anticipating an appreciable amount of legal work in FY 2015 but with low risk of extraordinary unbudgeted legal expense.

NOTE J – MAJOR REVENUE SOURCE

Approximately \$734,922 and \$748,008 of the District's revenue for fiscal years ended August 31, 2014 and 2013, respectively, was received from the City of Austin. This revenue accounts for approximately 51% and 53% of the total District's operating revenues for the years ended August 31, 2014 and 2013, respectively.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 11, 2014, 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, 2014**

	<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	\$ 722,748	\$ 722,748	\$ 703,982	\$ (18,766)
Water use fees - City of Austin	734,922	734,922	734,922	-
Conservation credits	-	-	(29,085)	(29,085)
Grant revenue	-	-	-	-
Other fees	4,000	4,000	6,608	2,608
Miscellaneous	250	30,500	30,038	(462)
Total operating revenues	<u>1,461,920</u>	<u>1,492,170</u>	<u>1,446,465</u>	<u>(45,705)</u>
OPERATING EXPENSES				
Operational expenses	199,804	230,304	193,747	36,557
Salaries, wages and compensation	734,759	741,831	736,179	5,652
Employment taxes, insurance and benefits	209,569	228,366	211,283	17,083
Professional services	71,000	75,500	78,500	(3,000)
Team expenditures	377,650	441,050	178,348	262,702
Grant expenditures	-	-	-	-
Depreciation	50,000	50,000	46,574	3,426
Total operating expenses	<u>1,642,782</u>	<u>1,767,051</u>	<u>1,444,631</u>	<u>322,420</u>
Operating income	<u>(180,862)</u>	<u>(274,881)</u>	<u>1,834</u>	<u>276,715</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,000	1,000	489	(511)
Transfers to (from) reserves	130,000	225,050	-	(225,050)
Total nonoperating revenues (expenses)	<u>131,000</u>	<u>226,050</u>	<u>489</u>	<u>(225,561)</u>
Change in net assets	<u>(49,862)</u>	<u>(48,831)</u>	<u>2,323</u>	<u>51,154</u>
Net assets beginning of year	<u>1,508,927</u>	<u>1,508,927</u>	<u>1,508,927</u>	<u>-</u>
Net assets end of year	<u>\$ 1,459,065</u>	<u>\$ 1,460,096</u>	<u>\$ 1,511,250</u>	<u>\$ 51,154</u>

APPENDIX B

Assessment of Progress toward Management Plan Objectives

Record of Board Assessment of District Objectives (November 20, 2014)

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.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett
Objective 2. Promulgate a fair and efficient regulatory program.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett
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.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett
Objective 4. Demonstrate leadership in external communication, collaboration, coordination and joint planning with respect to groundwater and related resources.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett
Objective 5. Extend current groundwater supplies by encouraging supply-side and demand-side improvements.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett
Objective 6. Increase understanding of all District aquifers so that appropriate policy and regulatory decisions are made.	Progress was satisfactory 4-0-1	Mary Stone	Blake Dorsett

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.	3 of 3**	
PS 1-3: Ensure the District has the near-term and long-term financial basis and contractual wherewithal to support its mission.	3 of 3	
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.	2 of 2**	
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.	1 of 1	
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.	1 of 1	
PS 2-2: Process and review all well registrations, permit renewals, and applications for permits, permit amendments, and authorizations in accordance with the <i>Rules, Well Construction Standards</i> , and other District 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.	1 of 1	
PS 4-2: Collaborate with joint Groundwater Management Area (GMA) and regional water planning efforts on policies, regulations, and activities affecting water quality or desired future conditions of the aquifers managed by the District.	1 of 1	
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 U.S. Fish & Wildlife Service (FWS) for the endangered species at Barton Springs.	3 of 3	

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.	2 of 2	
PS 5-3: Conduct investigations, as warranted and feasible, to evaluate the potential for the saline zone of the Edwards Aquifer to provide water for a desalination facility, and to evaluate the potential for the Edwards saline zone and the Trinity aquifers beneath the freshwater Edwards as reservoirs for an Aquifer Storage and Recovery (ASR) system.	1 of 1	
PS 5-4: Maintain and develop programs that inform and educate District groundwater users and area residents of all ages about water conservation practices and resources and use of alternate water sources including gray water/condensate reuse and rainwater harvesting.	1 of 1	
Objective 6		
PS 6-1: Assess aquifer conditions by sampling and collecting groundwater data from selected wells.	1 of 1	
PS 6-2: Conduct scientific studies to better determine groundwater availability, to understand and prevent threats to water quality, to minimize impacts to water-supply wells and springs, and to provide sound science on which to base District policy.	2 of 2	

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

** staff's initial score of "Not Met" was judged by the Board to be incorrect and was therefore re-scored as "Met."

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				
a. Hire, evaluate, and fairly compensate an effective General Manager.	<p>Example Staff-Level Activities</p> <p>a. Assign and supervise staff in roles that utilize their strengths and promote teamwork.</p> <p>b. Evaluate staff performance regularly and constructively.</p> <p>c. Develop and administer a staff compensation program that equitably rewards individual and team performance that advances the mission of the District.</p> <p>d. Provide opportunities for staff training and professional development.</p> <p>e. Maintain and improve staff morale and commitment to their job and the District.</p>			
b. Address appropriately unresolved personnel issues between the General Manager and staff members, or upon request by the General Manager.				
c. Budget sufficient funds for salaries, wages, and benefits that will attract and maintain a staff that is sufficient to carry out the District’s mission according to the prevailing <i>Management Plan</i> .				
d. Communicate perceived concerns about staff performance issues and other personnel matters to the General Manager.				

General Management

Performance Standard 1-2:	Align District plans, policies and programs with the District’s mission and vision, and regularly review and revise them, as warranted, to respond to changing circumstances that affect their need, effectiveness or implementation.		
Metric	Frequency	Score	Documentation
1. Satisfactory progress toward or timely completion of revisions to the District’s <i>Management Plan</i> that are approved by TWDB	Every 5-years or as needed	Met MP completed in 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 • <i>Contingency & Risk Management Plan</i> on file
2. Establish a Contingency and Risk Management Plan and update it within one year of each <i>Management Plan’s</i> approval, at least once every two years thereafter	Biannual (Due: Jan, 2014)	Not Met	
3. Timely budgeting and amendments	Annual	Met	
Example Board-Level Activities			
a. Develop and be guided by a “Director Job Description” that sets forth the roles, responsibilities, and expectations of a District Director.	a. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, at Board’s discretion and direction.		
b. Participate in development and updating of District strategic planning initiatives between approved revisions of management plans, including risk management and contingency planning.	b. Participate in developing recommendations as to approaches and content of the District’s <i>Management Plan</i> and <i>Rules & Bylaws</i> , and their revisions and amendments.		
c. Participate in developing and updating and then approve District <i>Management Plan</i> , and <i>Rules & Bylaws</i> .	c. Provide liaison between Board policy-level guidance/requests and staff direction.		
d. Provide liaison to staff concerning policy-level guidance and requests of individual staff through the General Manager.	d. Help identify and recruit members of standing and <i>ad hoc</i> public advisory groups and administer their use.		
e. Establish and effectively utilize standing and <i>ad hoc</i> public advisory groups.	e. Provide quality assurance of District work product and deliverables. f. Establish and maintain a continuous improvement ethos and program.		

General Services			
Performance Standard 1-3:	Ensure the District has the near-term and long-term financial basis and contractual wherewithal to support its mission.		
Lead Team	General Services		
Metric	Frequency	Score	Documentation
1. A clean financial audit report each year; and	Annual	Met	<ul style="list-style-type: none"> • Copy of Final Audit Report that is presented to the Board.
2. Absence of vendor problems and contractual disputes	Annual, if applicable	Met None	<ul style="list-style-type: none"> • Minutes of the meeting where the audit was presented (audio also being available). • Copies of grant submissions; grant invoicing and quarterly reports if there is a current grant in progress.
3. Amount of activity concerning grant proposals and projects	Annual, if applicable	Met 1 grant application	<ul style="list-style-type: none"> • Copy of PFIA certificate. • Proof of audit submission (transmittal letters) to TPRB and TCEQ annually (they send receipt letters). TPRB within 210 days after end of FY, and TCEQ within 135 days after end of FY.
4. Biannual receipt of official Public Funds Investment Act (PFIA) certificate for completing required training	Bi-Annual "Within each 2-year period after the first year"	N/A Due in 2015	<ul style="list-style-type: none"> • Budgets and financial reports published on web-site.
Example Board-Level Activities			
<ul style="list-style-type: none"> a. Proactively develop and support legislative and other initiatives that attach a more realistic value to the groundwater resources within the District, especially in comparison to the costs of other local water resources. b. Participate in developing and then approve fiscal-year budgets, including use of reserve funds and approval of budget amendments. c. Specify various financial-impact scenarios that should be included in contingency planning. d. Authorize and receive results of annual financial audits, and institute accepted recommendations on financial controls or procedures. e. Help identify and approve appropriate use of grant funding and resource commitments that will substantially enable progress toward District objectives. 	Example Staff-Level Activities		
	<ul style="list-style-type: none"> a. Maintain finances in a manner that maximizes liquidity while maintaining the greatest return on District fund balances by investing in securities or investment pools that operate in low risk investments and are backed by the state and/or federal government. b. Provide effective and efficient accounting and financial records management and necessary investment training, in accordance with federal and state law, the <i>Rules</i>, and Board direction. c. Develop recommended elements and budgetary estimates for fiscal-year budgets and amendments. d. Contract for and participate in conducting an independent financial audit annually, including provision of financial records and preparation of management discussion and analysis, and submit 		

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

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

General Services

Performance Standard 1-4:

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

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

Example Board-Level Activities

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

Example Staff-Level Activities

- 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.
- b. As administrative liaison to Board, develop, post, and distribute District Board agendas, meeting materials, and backup documentation in a timely and required manner; post select documents on the District website, and maintain official records, files, and minutes of Board meetings appropriately.
- 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	Not Met at Board's direction	<ul style="list-style-type: none"> Board communications documentation required under PS 4-1 Directors' Board meeting attendance reports Copy of election documents (only required to retain for 2 years)
2. Effective participation in Board activities and representation of constituents by each of the five (5) Board members	Annual	Met	
3. Properly conducted director elections	Biennial, if at all	N/A	Precinct 2 election in Nov. of 14

Example Board-Level Activities

- 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.

Example Staff-Level Activities

- Support District's general counsel in re-districting director precincts the year after each decennial census, including timely submission of all DOJ-required data and documents for successful pre-clearance, as necessary.
- Make internal preparations for and conduct elections for the two or three directorships up for election biennially in even-numbered years in concert with county election offices, and in accordance with state and federal election laws, and as required by TWC Chapter 36.
- 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)	Met Approved 6-24-14	<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	N/A Leg not in session	
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	N/A Leg not in session	
4. Collective judgment of the Board as to appropriateness of what litigation or contested-cases were pursued, what actions were taken, and what outcomes were achieved	Annual	N/A No new litigation	

Example Board-Level Activities	Example Staff-Level Activities
<p>a. Propose and support legislation and regulatory initiatives that control and prevent point/nonpoint-sources of pollution and cross-formational contamination of the aquifers managed by the District.</p> <p>b. Oppose legislation or regulatory initiatives that don't ensure protection of groundwater quantity and quality, including non-compliance with DFCs.</p> <p>c. Meet with local legislators and relevant committee members to foster an effective working relationship.</p> <p>d. Seek legal remedies as warranted and feasible to minimize or avoid impacts on groundwater quantity and quality of aquifers in the District.</p>	<p>a. Support District's general counsel in re-districting director precincts the year after each decennial census, including timely submission of all DOJ-required data and documents for successful pre-clearance, as necessary.</p> <p>b. Make internal preparations for and conduct elections for the two or three directorships up for election biennially in even-numbered years in concert with county election offices, and in accordance with state and federal election laws, and as required by TWC Chapter 36.</p> <p>c. Prepare all election contracts with associated entities including election services contracts and joint election agreements, and all necessary orders and notices to conduct or to cancel an election.</p>

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:	Metric	Frequency	Score
1.	Rulemaking process is initiated and conducted in accordance with all statutory requirements and required timeframes	Annual, if applicable	N/A No new rules
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 MAC vetting of HCP
Documentation			
<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 			
Example Board-Level Activities		Example Staff-Level Activities	
<ol 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. 		<ol 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 <i>Rules, Well Construction Standards</i> , and other District guidelines in accordance within specified procedural timeframes.		
Metric	Frequency	Score	Documentation
1. Requests for permits and authorizations are processed in accordance with all statutory requirements and required timeframes.	Annual	Met	<ul style="list-style-type: none"> • Permit and registration applications and associated documents maintained on file • Hearing notices (published, county, mailed/e-mailed, etc.) for permits on file, if applicable • Audio of hearing maintained on file • Minutes of meetings approving permits on file, if applicable • Hydrogeological reports maintained on file, if applicable • Permit application fact sheets maintained on file, if applicable • Minutes from Board meetings approving permit renewals
Example Board-Level Activities			
<ul style="list-style-type: none"> 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 <i>Rules and Bylaws</i>. 	<ul style="list-style-type: none"> 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 		
Example Staff-Level Activities			
	<ul style="list-style-type: none"> a. Register all new wells. b. Review and process well registration forms, plugging authorizations, and permit-by-rule authorizations. c. For all other applications, review and make determinations of administrative completeness. d. Require and receive results of aquifer tests for certain production permits and amendments. e. Assist applicants with planning and execution of all aquifer tests in accordance with the District's Aquifer Test Guidelines. f. Evaluate complete production and transport permit applications on the basis of: beneficial use, non-speculative needs, reasonable demand, the ability to comply with drought management requirements, and the ability to conform to management zone requirements. g. Evaluate all complete permit and authorization requests on the basis of potential for impact to sustainable groundwater 		

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

Regulatory Compliance

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

Metric	Frequency	Score	Documentation
1. Specified minimum number of permittee inspections completed or exceeded each year;	Annual	Not Met	<ul style="list-style-type: none"> • Routine inspection documentation maintained on file
2. The majority of all documented violations are brought into compliance or are addressed by a Board Order within six (6) months of the staff-established compliance deadlines;	Annual, if applicable	Met	<ul style="list-style-type: none"> • Database report of reported and collected meters readings • Enforcement plan on website • Minutes of Board-approved enforcement actions on file
3. During drought, all required meter readings are submitted or collected each month.	Annual, if drought declared	Met	<ul style="list-style-type: none"> • 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 *Rules* as warranted.

Example Staff-Level Activities

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

General Services

Performance Standard 2-4:

Efficiently process permittee meter readings, water use fee invoices and payments, conservation credits, permit renewals and related communications.

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

Example Board-Level Activities

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

Example Staff-Level Activities

- a. Require timely-submitted monthly readings from individually permitted wells, enter all meter readings into the database, and file all monthly meter reading forms.
- b. Maintain permittee mailings lists and contact information in database.
- c. Annually renew compliant production and transport permits by September 1 of each year.
- d. Perform annual underpumpage analysis as warranted and provide recommendations for Board consideration.
- e. Perform annual conservation credit audit.

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

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

Regulatory Compliance			
Performance Standard 3-1:	Metric	Frequency	Score
1. Achieve overall monthly pumpage reductions within 10% of the aggregate pumpage reduction (volumetric) goal of the prevailing drought stage.	Assist permittees in developing drought and conservation planning strategies, permit conversion strategies, pricing strategies, and enforce compliance with drought management rules during District-declared drought to achieve DFCs during extreme drought.	Annual, during declared drought	<p>Documentation</p> <ul style="list-style-type: none"> Database drought analysis reports UDCP templates and/or guidance documents on website and file Drought notifications sent to permittees on file Overpumpage notices sent to permittees on file Enforcement plan on website Written correspondence, memos to Board, and other pertinent documentation related to pre-enforcement and enforcement activity on file Annual Drought Compliance Report, with monthly “horseblankets” in appendix, on file
Example Board-Level Activities			
a. Provide direction to staff for enforcement and fee assessment for permittee violations of the <i>Rules</i> and applicable provisions of permittee’s User Drought Contingency Plans (UDCPs).			<p>Example Staff-Level Activities</p> <ol style="list-style-type: none"> Assist and support permittees with the development, implementation, and interpretation of User Conservation Plans (UCPs) and UDCPs in accordance with the <i>Rules</i> and as warranted. Review and approve submitted UCPs and UDCPs in accordance with the <i>Rules</i>. Require that all outdated UCPs and UDCPs are updated prior to annual permit renewal in accordance with the <i>Rules</i>. Upon declaration of drought, send notification to all permittees of requirement to implement and comply with all applicable provisions of their prevailing UDCP. Perform monthly evaluation of individual permittee compliance

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

Aquifer Science

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

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

Example Board-Level Activities	Example Staff-Level Activities
<p>a. Make drought declarations considering the current aquifer conditions relative to defined drought triggers, the adopted drought trigger methodology, and staff recommendations.</p>	<p>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 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>

Education & Outreach

Performance Standard 3-3:

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

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

Example Board-Level Activities

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

Example Staff-Level Activities

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

Regulatory Compliance			
Performance Standard 4-2:	Collaborate with joint Groundwater Management Area (GMA) and regional water planning efforts on policies, regulations, and activities affecting water quality or desired future conditions of the aquifers managed by the District.		
Metric	Frequency	Score	Documentation
1. Percent of GMA meetings attended;	Annual	Met (100% attendance)	<ul style="list-style-type: none"> Region K and L attendance reports GMA 9 and 10 attendance reports GMA GCD management plan reviews on file Minutes of Board meetings where GMA (or RWPG, if applicable) representatives were appointed. Minutes of Board meetings where GMA/RWPG issues where considered Notices of DFC hearings conducted/attended
2. Timely provision of responsive comments on management plans of other GCDs in GMA 9 and 10;	Annual, if applicable	N/A	
3. Participation in public hearings on DFCs and management plans	Annual, if applicable	N/A	
4. Timely discussion and voting on GMA items	Annual, if applicable	N/A	
Example Board-Level Activities		Example Staff-Level Activities	
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.		a.	Provide information and input to current and proposed rules, standards, and planning efforts related to regional development and water/wastewater management.
b. Designate a District representative to participate in and serve as a voting member of GMA 9 and GMA 10.		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. Review and comment on management plans of other GMA member districts for consistency with DFCs of shared or hydrologically connected aquifers.		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.

Example Staff-Level Activities

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

Education & Outreach

Performance Standard 4-4:

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

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

Example Board-Level Activities

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

Example Staff-Level Activities

- Offer and/or recommend workshop(s) and/or presentations that educate local residents on the District, its management, District aquifers, Texas groundwater and surface resources, and indoor/outdoor water conservation practices.
- Use electronic and printed media and in-person visits to deliver accurate and timely information to community groups that are interested in and/or affect the groundwater resource and its use, both upon request and on a proactive basis.
- Organize and conduct events that allow the District to work cooperatively with area residents, including youth, in demonstrating the important relationships between surface and groundwater quality.
- Maintain up-to-date District and aquifer information and literature that are available to the public via the website, print materials, and an electronic newsletter.

General Management

Performance Standard 4-5:

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

Metric	Frequency	Score	Documentation
1. Satisfactory progress toward completion of the HCP that is acceptable to FWS, as judged by the Board and with the use of an annual HCP Status Report prepared by District Staff near the end of each fiscal year;	Annual, if and when applicable	Met	<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	Met	
4. Promulgation of a regulatory program that achieves the Extreme Drought Withdrawal Limitation that is based on the MAG for the prevailing drought DFC for the Freshwater Edwards Aquifer.	Annual	Met	

Example Board-Level Activities

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

Example Staff-Level Activities

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

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

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

Regulatory Compliance			
Performance Standard 5-1:	Metric	Frequency	Score
	On at least a bi-annual basis, assess the availability and feasibility of regional alternative water supplies and encourage District permittees to diversify their water supplies by fostering arrangements with available water suppliers.	Bi-Annual odd # years (Due: 2015)	N/A
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.			<ul style="list-style-type: none"> Alternative Water Supply Status Report on file
Example Board-Level Activities			
a. Provide input to District staff about policy considerations of alternative water supplies.			
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.			
Example Staff-Level Activities			
a. Identify available alternative water resources and supplies (e.g., saline Edwards desalination, ASR, reuse, rainwater, etc.).			
b. Evaluate viability of alternative water sources by considering:			
- available/proposed infrastructure			
- financial factors			
- logistical/engineering factors			
- potential secondary impacts (development density/intensity or recharge water quality).			
c. Develop relationships/agreements with area surface water providers and encourage service to District permittees during extreme drought where appropriate.			
d. Explore possible incentives to District permittees to implement the use of alternative water supplies through pricing, permit terms, and other mechanisms where 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)	Met	<ul style="list-style-type: none"> • Alternative Water Supply Status Report on file • Minutes of Board meeting in which oral presentation on this topic was made. • Photographs of work being conducted in these recharge features
2. Inclusion of these activities in the biennial Alternative Water Supplies Report in odd-numbered years;	Bi-Annual odd # years (Due: 2015)	N/A (Due: 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		Example Staff-Level Activities	
a. Participate in discussions about activities related to recharge enhancement.			a. Determine locations, cost-effective methods, and efficacy of potential recharge maintenance and enhancement for at least one additional recharge feature during the five-year term of this <i>Plan</i> .
b. Establish policies concerning recharge enhancement projects.			b. Seek both internal and external funding to study and construct BMPs that are capable of diverting surface waters into the District aquifers.
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)	Met	<ul style="list-style-type: none"> • Alternative Water Supply Status Report on file • Minutes of Board meeting in which oral presentation on this topic was made • Abstracts, reports, or publications summarizing results of these studies
2. Inclusion of these activities in the biennial Alternative Water Supplies Report in odd-numbered years.	Bi-Annual odd # years (Due: 2015)	N/A (Due: 2015)	

Example Board-Level Activities

- 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

- 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>Frequency</p>	<p>Score</p>	<p>Documentation</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>Annual</p>	<p align="center">Met</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 align="center">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 align="center">Example Staff-Level Activities</p> <ul style="list-style-type: none"> a. Support and publicize other local-area water conservation initiatives using print and presentation opportunities. b. Maintain up-to-date water conservation and alternate water source information and literature that is available to the public via the website and print materials. c. Provide District groundwater permittees and end-users with water conservation and alternate water source presentations upon request where possible. d. Offer and/or recommend educational events annually that address topics such as leak detection, water audits, irrigation audits, indoor water conservation, water use behavior, native landscaping, or rainwater harvesting. e. Engage and solicit participation of permittees and other stakeholders on the District's conservation credit policy. 		

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

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

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

Aquifer Science

Performance Standard 6-2:

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

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

Example Staff-Level Activities

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

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

meetings and conferences or for publication by the District or other scientific organizations.

- h. Appoint and convene when appropriate an *ad hoc* technical advisory committee to review and comment on District investigations and analyses. ***Directors note that only the Board may appoint and convene advisory committees, and that staff involvement will be in administering and utilizing outputs of such committees. This comprises a possible future correcting amendment of the Management Plan.***

Basis for Board of Directors'

Evaluation of Progress on Objectives and Performance Standards

Basis for Evaluation of Progress on Objectives and Performance Standards

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

- The Board conducted the GM's FY 2014 performance review and objectives assessment at its regularly scheduled meeting on August 28, 2014. The Board took action determining that the GM's performance in FY 2014 was satisfactory and that the FY 2014 objectives were substantially achieved. The Board went further to award a cost of living salary increase and the incentive compensation for achieving the objectives.
- There were no instances of unresolved personnel issues and none were referred to the Board.
- There were no losses of staff in FY 2014, so the net turnover rate was zero.
- Annual performance and salary reviews were completed for all regular staff. On the basis of the reviews, staff was collectively awarded a 2.8% raise which was within the FY 2014 budgeted amount for salaries and wages. Incentive compensation for completed projects was also awarded according to the incentive compensation plan.
- The District continued to make judicious and cost-effective use of interns, including budgeting for and hiring two international interns in FY 2014 to facilitate ongoing research in innovative approaches to further characterizing the Edwards Aquifer.
- Collectively, staff attended approximately 14 courses for purposes of directed training and professional development in FY 2014. This support is in addition to more than 21 technical conferences, seminars, and symposia in which one or more District staff members and directors participated. In all, approximately \$13,000 was spent on professional development, training, tuition, and career advancement for staff members and directors in FY 2014.

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.

- FY 2014 was the first full year of District operation under the Management Plan (MP) approved in January 2013. Staff was successful in developing a method for measuring progress towards satisfying the objectives of the MP in the FY 2013 Annual Report and is applying that same methodology for the FY 2014 assessment. Additionally, staff further

refined the MP assessment method by developing a system for organizing objectives documentation as an FY 2014 incentive project.

- At the end of FY 2014, the Director Job Descriptions and the Contingency and Risk Management Plan (CRMP) had not yet been initiated. These projects were sidelined in favor of higher priority and resource intensive projects such as the HCP and the review of the SH 45 Southwest draft Environmental Impact Statement.

Progress on the Director job descriptions will be completed at the direction and initiative of the Board in FY15. Measures developed for the draft HCP which specify pre-determined responses to the certain Changed and Unforeseen Circumstances have been developed as a required element of the HCP. It is staff's opinion that these HCP measures serve the same function as a CRMP; therefore, a unique plan is not needed.

Because this metric is technically unsatisfied as described in the MP, it is judged by staff as not met unless otherwise determined by the Board.

- The District timely completed and the Board approved its annual budget and fee schedule for FY 2014 on July 25, 2013. The staff developed and the Board approved the proposed FY 2015 budget and fee schedule in late FY 2014, on July 24, 2014.
- The District staff was active in supporting the Board on several high-priority projects affecting the District's long-term strategic planning including the near completion of the draft HCP, the review of the draft Environmental Impact Statement (DEIS) for State Highway 45 Southwest, and development of a draft supplement to the BSEACD/TxDOT Consent Decree. More detail on the HCP effort is provided under PS 4-5.
- The Board continued the convention of strategic planning through the setting of annual objectives by adopting its FY 2014 objectives on September 26, 2013. These annual objectives provide policy-level direction to the GM and staff, and serve to guide the District's expenditure of staff time and resources.
- The Board convened and actively engaged in a standing Management Advisory Committee (MAC) to assist in the development of the District HCP and support its implementation. The MAC also served as the *ad hoc* advisory group. More detail on the use of the MAC in support of the HCP effort is provided under PS 4-5.

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 2014 annual budget that the Board initially approved on July 25, 2013, and then revised first on October 10, 2013; second on March 27, 2014; and third on June 26, 2014.
- The District successfully operated within its budgeted operating expenses, 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 (initial budget); \$31,600 to cover expense adjustments (Revision 1); and \$63,450 to cover expense adjustments (Revision 2).
- 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.
- The Board approved and District staff prepared and submitted a grant application with Texas State University and Texas Disposal (TDS) as cooperating partners to the TWDB to fund feasibility studies of desalination of the saline Edwards Aquifer on the TDS property. The grant, however, was not awarded to the District and partners.

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

- A cost-benefit analyses was performed on all District insurance and employee-benefit policies before renewal; and acquired, amended and renewed all District benefit policies in a timely fashion.
- All District records were maintained, retained, and controlled in accordance with the Texas State Library and Archives Commission-approved District Records Retention Schedule to allow for safekeeping and efficient retrieval of any and all records; 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.
- District Board agendas and pertinent meeting materials and backup documentation were developed, posted, and distributed in a timely manner. Select documents were posted on the District website as pertinent and necessary. Official records, files, and minutes of Board meetings were also appropriately maintained and made available for public viewing on the District website.
- Maintained and upgraded (e.g. remodeling projects) the office building and the grounds, office equipment, and supplies to provide an efficient work environment that meets the needs of the staff and stakeholder community. Facilities upgrades included: deck repair, wooden fence repair and replacement, and remodeling of the copy room and certain office spaces to improve function and efficiency.

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.

- There was not a full Board of five members in the latter half of FY 2014 as Gary Franklin resigned from his Precinct 2 position in April of 2014. A subcommittee of the Board interviewed four interested candidate Directors for appointment to replace Mr. Franklin. After considering the interested candidates, the Board opted not to make an appointment in favor of letting the process of the next election determine who would replace the vacated position. That general election took place in FY 2015 on November 4, 2014.
- Effective participation may be demonstrated by the documentation of Board activity communications described under PS 4-1. This process and methodology was developed during FY 2013. The formal judgment of the effectiveness of the Board's communications was available for the entire FY 2014. 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.
- There were no director elections for FY 2014, as the next director election is scheduled for November 4, 2014 which falls within FY 2015.

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.

- Legislative activity in FY 2014, which was during an even-numbered interim year, was focused on monitoring the activity related to the interim charges. To this end, the GM was very active and successfully advocated to preserve the District's interests through participation in a number of work groups and committees including: four TAGD legislative subcommittees on Brackish groundwater, permitting, TDLR and ASR; Texas Desalination Association Brackish groundwater committee; GMA 10 committee on DFC explanatory reports; Region K committee on Legislation and Policy; and the Region K strategy prioritization review committee; as alternate to Stacey Steinbach on the Texas Water Conservation Advisory Council.
- The District convention during an interim legislative year is to prepare for the upcoming session in 2015 by setting the legislative agenda. The Board held a work session on June 17, 2014 to discuss possible legislative initiatives and to set the legislative agenda in the regular meeting on June 24, 2014. Legislative priorities included preserving the District's ability to regulate brackish groundwater and ARS projects, and ensuring well owners receive GCD information with property transactions.
- In support of the legislative agenda, the GM provided invited testimony to the House Natural Resources Committee on interim charges related to groundwater management and

development of brackish groundwater to advocate for minimizing interference with GCDs with effective management programs in place.

- 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 2014. The matter involving *SOS Alliance v. Kyle* (and the District) continued to progress during FY 2014 and was near resolution via the scheduling of the court-mandated rehearing and a possible settlement at the end of the year.
- The District put out an RFQ and an RFP in FY 2014 for legislative consulting services. After solicitation and interview in accordance with the District's purchasing policy, the Board made a first-choice selection and entered into an agreement with a new lobbyist, Sledge Fancher PLL, for the Regular Session of the 84th Texas Legislature (which falls within the District's FY 2015).

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 and the Board adopted the proposed rules in FY 2013 on October 11, 2012. The District did not initiate rulemaking in FY 2014; however staff anticipates initiating rulemaking in FY 2015 in response to any changes that may come out of the 83rd Legislative session and the issuance of the Habitat Conservation Plan.
- The Rules and policies of the District were thoroughly vetted in FY 2014 through the MAC review of the District draft HCP. The MAC commented on various aspects of the MAC and generally concluded that the HCP and the integrated measures of the District's Management Plan, current rules, and policies were appropriate and effective.

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.

- Ten new or previously unregistered existing wells were identified and registered in FY 2014, and two which were registered through the Water Well Checkup.
- As reported in the "District Programs-Team Highlights" section of the Annual Report, applications for three new NDUs, five new production permits, nine amendments, ten well plugging authorizations, and two new exempt wells were received and processed in FY 2014. 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. Seven routine permittee inspections, six inspections of new wells, five inspections of abandoned wells, and eight special investigation inspections were conducted in FY 2014. The number of routine permit inspections fell below the annual target in FY 2014 as a result of a Regulatory Compliance Team staffing shortage during two months (maternity leave) of FY 2014, and a focus of team resources on other higher priority tasks.
- There were two formal enforcement actions initiated in FY 2014. District staff initiated an investigation report for Don's Grass (owned by Stephen Oyster and Jimmy Nassour of 1825 Fortview Management LLC), and the Lady Bird Montessori School for pumping from a nonexempt well without a permit. The Board approved a Notice of Alleged Violation and

Final Agreed Order with specific ordering provisions for both entities; all provisions of both agreed orders were completed within 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 2015 during its regular meeting on July 24, 2014.
- District Rule 3-6.4 requires that an audit be conducted in the first quarter of each fiscal year to determine eligibility for conservation credits and the amount of credits earned by permittees in the preceding fiscal year. The audit for FY 2014 was completed and then reported to the Board at the regular Board meeting on September 25, 2014 where the directors approved issuance of \$29,068 (which was \$17,932 less than the previous year of FY 2013 where there was \$47,000 in earned credits).
- A staff-initiated under-pumpage analysis was not performed in FY 2014. Such analysis was judged by the GM not to be warranted for FY 2014.
- In FY 2014, 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; 13 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 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 permittees to end-user outreach efforts.
- District staff assisted permittees in complying with the requirements of the Stage III Critical Drought that was declared on April 11, 2013 and continued into the beginning of FY 2014. The District downgraded to Stage II Alarm Drought on October 24, 2013; and then declared No-Drought status on November 14, 2013. Stage II Alarm Drought was declared on April 24, 2014; No-Drought status was declared on June 26, 2014; and then Stage II Alarm Drought was declared again on August 14, 2014. Staff assisted permittees in complying with Stage II Alarm Drought requirements for both declarations. The District remained in Stage II Alarm Drought for the remainder of FY 2014.
- 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 2014, the Regulatory Compliance Team did not have to conduct any pre-enforcement meetings for non-compliance.
- The District has implemented all drought-related rules and curtailments in accordance with the District's enforcement plan and drought management protocols. During FY 2014, the duration of the declared drought was from September 1, 2013 (drought declared on April 11, 2013) to November 14, 2013; then from April 24, 2014 to June 26, 2014; and then declared again on August 14, 2014. Drought enforcement measures were assessed for Stage III Critical Drought for September 2013 and for Stage II Alarm for October 2013 and May 2014. Stage II Alarm Drought all permittees collectively reduced pumpage by an aggregate 51% (Table 1).

Table 1

Stage II Alarm Drought			
	Total Actual Monthly Pumpage	Permitted Monthly Baseline	% Curtailment
October 2013	107,052,154	233,078,743	46%
May 2014	136,615,997	244,083,558	56%
TOTAL	243,668,151	477,162,301	51%

During Stage III Critical Drought all permittees collectively reduced pumpage by an aggregate 47% (Table 2).

Table 2

Stage III Critical Drought			
	Total Actual Monthly Pumpage	Permitted Monthly Baseline	% Curtailment
September 2013	132,420,598	279,929,450	47%
TOTAL	132,420,598	279,929,450	47%

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 (Barton Springs and Lovelady monitor well) plus numerous other indicators of drought conditions relating to the Edwards Aquifer within and nearby the District. The USGS is responsible for the equipment and maintaining data on their website. District staff frequently verify water-level values that are measured by the equipment at the Lovelady monitor well. During periods of District-declared drought and during times preceding potential drought, staff provided timely updated reports of aquifer conditions at each Board meeting. Data from Trinity monitor wells were also collected and evaluated at these times.

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: Two Aquifer Bulletin Newsletters and two Fact Sheets (BSEACD Policy Overview, Water Levels) were published. There were 11 press releases circulated, including six drought stage notices, scholarship and stewardship awards announcements, and the HCP updates.
- Friends of the Aquifers email notices: The Friends of the Aquifers email list includes Press (~93), Permittees (~118), HOAs (~129), Teachers (~360), Partners (~48) and the general public. Email notices can target specific groups or be released to the entire list (~1800 emails). A total of 20 email notices were circulated.
- Drought stage road signs and bill inserts were available within a week of both the April 24, 2014 and the August 15, 2014 drought declarations.
- Public Information Requests: 26 public information requests were received and tracked. All 26 were answered satisfactorily and in a timely fashion.
- Residents' inquiries about drought restrictions: The District received and answered two email/phone call concerns from area residents regarding water waste. Follow-up calls were made to the appropriate water provider. One was a series of pipe breaks by a water provider and the other was regarding high water use by a homeowner in a groundwater-sourced water supplier.

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

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

Evidence to support progress towards this standard is provided through Directors' Reports provided monthly at a regular Board meeting, and through modified Director's Compensation forms that provide documentation of activities, correspondence, events attended and other communications. For FY 2014, the Board reviewed the reported activities and correspondence of each individual Director, and formally approved the demonstration of effective communication for each quarter of the year.

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

Joint-Regional Groundwater Planning

The District has jurisdictional area and therefore designated voting representatives in both GMA 9 (Hill Country Trinity Aquifer) and GMA 10 (Edwards Aquifer). The District actively participated in 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 2014, Mr. Hunt attended five of six GMA 9 meetings (83%). 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 (\$1,500) to a study by a contractor (Hutchison) related to modeling and compliance with DFCs for the Trinity Aquifer. The report was received February 2014. Noteworthy activity of GMA 9 in FY 2014 included:

- Discussion of relevance of certain aquifers. GMA 9 declared the Ellenburger, Hickory, and Marble Falls as not relevant aquifers for regional planning in Blanco County (at the request of the BPGCD). GMA 9 declared the Hickory and Ellenburger as relevant aquifers in Kendall County (at the request of the CCGCD). GMA 9 declared the Edwards-Trinity Plateau Aquifer not relevant in Bandera County (at the request of the BGCD).
- Discussion of revising DFCs.
- Discussion of the new State requirements for the Explanatory Report (ER) that must accompany the next round of DFCs.
- GMA 9 developed a scope of work, Request for Qualifications, and interviewed qualified candidates (3 teams). In early FY 2015, GMA 9 selected the contractor team of Blanton-Guyton to write the ER, and successfully agreed to a scope of work and project cost divided evenly among the GCDs.

- Annual review of management plans for each GCD (September 16, 2013): Mr. Hunt provided an overview of the District's plan and provided input on other plans. This material was largely assembled in FY 2013.

§36.108(c) requires that GCD representatives shall meet at least annually to review the management plans, the accomplishments of the management area, and proposals to adopt new or amend existing DFCs. GMA 9 conducted this review in their meeting on September 16, 2013 where Mr. Hunt provided an overview of the District's management plan goals and the measures implemented to achieve the DFCs.

The DFC proposal process is conducted on a five-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 2014, no public hearings for GMA 9 were held or attended by District representatives.

Groundwater Management Area 10

The designated District representative for GMA 10 is John Dupnik. In FY 2014, Mr. Dupnik attended 5 of 6 GMA 10 meetings (83%). The District also contributed funds (\$6,000) to support the work of a consultant to assist GMA 10 in preparing the ER for the 2016 planning cycle. Noteworthy activity of GMA 10 in FY 2014 included:

- Discussed DFC compliance monitoring;
- Provided regular updates of Regional Planning Group activities;
- Considered the relevance of certain aquifers for planning purposes;
- Participated in the subcommittee on developing ERs;
- Solicited for and selected a consultant to facilitate preparation of the ER;
- Developed funding matrix and scope of work to support GMA planning activity;
- Collaborated to draft and execute a GMA 10 interlocal agreement and contract to fund planning activities; and
- Worked towards developing the framework to establish a non-voting advisory group to extend participating in planning activity to other affected parties.

§36.108(c) requires that GCD representatives shall meet at least annually to review the management plans, the accomplishments of the management area, and proposals to adopt new or amend existing DFCs. GMA 10 conducted this review in their meeting on December 2, 2013 where Mr. Hunt attended on behalf of Mr. Dupnik and provided an overview of the District's management plan goals and the measures implemented to achieve the DFCs.

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 2014, 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 Region K representative and voting member of Region K and attended five of five meetings (100%) in FY 2014. Noteworthy activity of Region K in FY 2014 included:

- Considered “Recreation” as a demand category.
- Participated in a policy subcommittee involving development of new policy concepts and the re-write of existing policies in response to new information.
- Participated in the strategy prioritization committee to develop methodology for scoring and ranking of the supply strategies in the 2011 Regional Water Plan.
- Had meetings and provided support material to the Region K consultant to ensure that District-supported projects were included for scoping purposes.

Region L

Brian Smith, District Principal Hydrogeologist, tracked the activity of Region L and attended three of four meetings in FY 2014. Noteworthy activity of Region L in FY 2014 included:

- Voted to fill two voting-member vacancies for the Regional L planning committee. There is a total of 29 voting members.
- Reviewed various water management strategies to be included in the 2016 water plan, and reviewed contractor’s evaluations of these water management strategies.
- SAWS is requesting authorization from TCEQ to use the bed and banks of the San Antonio and Guadalupe Rivers to convey SAWS’ groundwater-based return flows downstream for subsequent reuse. GBRA has filed a lawsuit to prevent this.
- 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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In FY 2014, staff reviewed 38 Water Pollution and Abatement Plans (WPAPs) that were received at the District to determine which development sites are relevant to the District’s interests in protecting groundwater resources. Those plans that are determined to be of interest were reviewed in detail, and if it was appropriate, the sites were visited by staff. District staff identified two abandoned wells that needed to be properly plugged, and commented on one WPAP modification.

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

- The District participated in approximately 31 outreach events including field trips, conferences, workshops, meetings, and festivals. These presentations, events, and field trips reached more than 1,930 adults and 1,525 students.
- The District hosted or co-hosted Groundwater to the Gulf, Williamson Creek Cleanup, the Kent Butler Symposium, Keeping Your Head Above Water--Maximizing Alternate Water Supplies Seminar, Water Utilities' Rates and Revenues One-on-ones & workshop, Strategic Walk and Talk Homeowner Education Campaign, and Water Well Checkup.
- The District website received 15,272 visits from 8,928 unique visitors who clicked through 36,345 pages throughout the fiscal year. Facebook 'likes' increased from 145 to 220. There are 230 followers on Twitter.
- There were 307 new contacts added to the Friends of the Aquifers list. Additions include Permittees, HOA contacts, Strategic Walk and Talk sign-ups, 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.

- Substantial progress was made in FY 2014 towards completing a draft HCP that further elaborates how the District's rules, policies, and programs were to serve as the implementation vehicle for the avoidance, minimization, and mitigation measures under a prospective Incidental Take Permit (ITP). A substantially complete draft HCP was provided to the Board at the end of FY 2014 and was approved for final editing and preparation of the ITP application at the regular Board meeting on September 11, 2014. The draft HCP and ITP application are expected to be submitted to the FWS in November of 2014. Permit issuance is not expected until late FY 2015 or early FY 2016.
- The progress on the District HCP was accomplished through dedication of a substantial amount of District resources, staff time, contractor support, and the use of the MAC as the standing advisory group. In FY 2014 alone, the HCP effort involved 15 Board meetings and work sessions, four MAC meetings, a staff Response to Comment document, a public comment period, one-on-one meetings with commenters, several open records requests, and a public hearing.
- While the draft HCP was in progress, the District hosted the FWS scoping meeting on April 3, 2014 to solicit public input to facilitate the NEPA process triggered by the District's prospective ITP application. The District also provided parallel support to Hicks and Company, the FWS consultant, to support the NEPA documentation process.

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 2014. 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 2014 so that the amount of clean creek water entering the cave was maximized. A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities and satisfy this reporting requirement.
- In FY 2014, 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 2014. A budget was set by the Board in FY 2014 so that there would be sufficient funds in FY 2015 for installation of the well. Discussions were held with 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 2015.
- This standard includes metrics requiring an annual oral presentation that is to be provided in even-numbered years. A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities and satisfy this reporting requirement. The Alternative Water Supply Status Report to be provided in odd-numbered years is not due until FY 2015. Therefore, this metric is 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 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 and aquifer storage and recovery (ASR) technologies to supplement existing water supplies with Saline Edwards water resources through ongoing collaboration with TDS.

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

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

- The Aquifer Science Team collected 29 samples from sample sites including wells and springs from the Edwards and Trinity aquifers; 10 were analyzed for major ions and 19 were analyzed for strontium (Sr) isotopes.
- The District collected water quality samples during routine permit inspections (4) and from newly constructed wells (6). Samples from eight other wells were collected and analyzed as part of a special investigation related to reports of bacteria and other water quality concerns.
- 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; eight 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 2014 under this performance standard include the following:
 - Performed studies with the EAA, TPWD, HTGCD, and the University of Texas to characterize the groundwater flow in the Blanco Watershed. Results of preliminary work were published in a book published by Springer for an international karst conference in Malaga, Spain.
 - Performed general aquifer characterization studies including numerous down-hole video logs and contracted geophysical logs from wells in the region. Assisted with an aquifer test and data collection in a Middle Trinity well at the Wildflower Center. Worked with the HTGCD to assimilate geophysical logs into a database.
 - 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*, print edition released May 2014.
 - Helped support work on a new geologic map of a portion of the Edwards Aquifer (Mountain City Quadrangle). The map was produced by Dr. Thomas Grimshaw and Dr. Mark Helper at the Jackson School for Geosciences, UT Austin.

- Maintained a monitor well network of about 35 wells with instruments that collect hourly data. The District's weather station at the District office also collects hourly data. The District routinely measures water levels in the two existing multiport monitor wells that were completed in the Edwards and Trinity aquifers.
- Collected water quality data (ions and isotopes) from about 10 sample locations in FY 2014 (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 2014, staff sampled 10 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 FY 2015.
- Produced a 3D visualization model (with AMEC) of the Edwards and Middle Trinity Aquifers in the region.
- Performed a dye trace and geochemical sampling in relation to an internship project in cooperation with the University of Malaga, Spain. The sampling involved a new technique called intrinsic fluorescence.
- Finalized the drought trigger methodology report for the District (December 2013).
- Published a data series report: Water Level Maps of the Edwards and Middle Trinity Aquifers, Central Texas (March 2014).
- A regular reporting item has been added to the GM report special topics list to provide a monthly oral update on these and other Aquifer Science activities and satisfy this reporting requirement.
- FY 2014 started with a Stage III Critical Drought declaration in place following an exceedingly dry summer. Water levels began to rise in September after above average rainfall. Drought conditions were abruptly ended after two record storms in close succession to each other caused flooding in area creeks leading to large amount of sustained recharge to the aquifer; The Board removed Stage III Critical Drought on October 24, 2013 and declared No-Drought conditions on November 22, 2013. Water level in Lovelady monitor well continued rising through the end of January when it finally reached its maximum elevation of about 492 ft-msl and started falling. Water level in Lovelady monitor well continued a steady decline prompting the Board to declare Stage II drought on April 24, 2014. Above average rainfall totals in May led to recharge to the aquifer and a subsequent removal of drought conditions on June 27, 2014 which lasted for a period of about 6 weeks until drought was once again declared on August 14, 2014. In the first two weeks of August, Barton Springs 10-day average flow fell below its drought threshold of 38 cfs for the first time since the storms in October 2013. Since that time the water level in Lovelady monitor well has

remained below its drought threshold, despite a brief rise due to substantial precipitation in September. Barton Springs 10-day average flow momentarily went above 38 cfs. As of November 3, 2014 both drought trigger sites are below their respective Stage II Alarm Drought thresholds.

- Staff from the Aquifer Science Team attended and presented numerous technical papers or abstracts at the South-Central Section of the Geological Society of America (April 17), the Kent Butler Summit (April 25), and other meetings of aquifer scientists and managers.

FY 2014 Published Reports:

- Saribudak, Mustafa, Hunt, Brian B., Smith, Brian A., 2013, Resistivity Imaging and Natural Potential Applications to the Antioch Fault Zone in Onion Creek, Barton Springs Segment of the Edwards Aquifer, Buda, Texas: Bulletin of the South Texas Geological Society, Volume LIV, no. 1, pp. 15-28, September 2013.
- Hunt, Brian B., Brian A. Smith, 2013, Water Supply Potential of the Middle Trinity Aquifer, Balcones Fault Zone, Hays and Travis Counties, Central Texas: Barton Springs/Edwards Aquifer Conservation District Technical Note 2013-0901, 31 p.
- Smith, Brian A., Hunt, Brian B., 2013, Drought Trigger Methodology for the Barton Springs Aquifer, Travis and Hays Counties, Texas: Barton Springs/Edwards Aquifer Conservation District Report of Investigations Report of Investigations 2014-1201, 35 p. + appendices.
- Wong, Corinne I., Kromann, Jenna S., Hunt, Brian B., Smith, Brian A., and Banner, Jay L., 2014, Investigating Groundwater Flow Between Edwards and Trinity Aquifers in Central Texas: Groundwater v.52, No. 4: 624-639.
- Hunt, Brian B. and Gary, Robin H., 2014, Water Level Maps of the Edwards and Middle Trinity Aquifers, Central Texas: Barton Springs/Edwards Aquifer Conservation District Fact Sheet 0314, 4 p.
- Andrews, Alan, G., Smith, Brian A., and Hunt, Brian B., 2014, Analysis of Drought-Ending Conditions in the Barton Springs Segment of the Edwards Aquifer, Central Texas: 2014 Abstracts with Programs, Geological Society of America, South-Central Section, March 17-18, 2014, Fayetteville, Arkansas.
- Hunt, Brian B. and Smith, Brian A., 2014, Groundwater Flow in the Vicinity of a Petroleum Contamination Site Over the Edwards Aquifer, Austin, Texas: 2014 Abstracts with Programs, Geological Society of America, South-Central Section, March 17-18, 2014, Fayetteville, Arkansas.
- Watson, Jeffery, Hunt, Brian B., Smith, Brian A., and Gary, Marcus O., 2014, Potentiometric Surface Investigation of the Karstic Middle Trinity Aquifer, Blanco River Watershed, Hays County, Texas: 2014 Abstracts with Programs, Geological Society of America, South-Central Section, March 17-18, 2014, Fayetteville, Arkansas.

