

**ANNUAL REPORT**

**FISCAL YEAR 2018**

Board-approved December 13, 2018

# BOARD OF DIRECTORS (August 31, 2018)

 Blayne Stansberry, President Precinct 2 November 2014 – November 2022

 Craig Smith, Vice President Precinct 5 May 1998 - November 2022

 Blake Dorsett, Secretary Precinct 3 November 2012 - November 2020

 Mary Stone, Director Precinct 1 February 2008 - November 2020

 Robert D. Larsen, Ph.D., Director Precinct 4 May 2003 - November 2020

**DISTRICT STAFF**

 **August 31, 2018**

Alicia Reinmund-Martinez General Manager

Administration Team

Dana Wilson Senior Administrative Manager

 and Team Leader

Tammy Raymond Senior Administrative Specialist

Shannon DeLong Senior Accounting Specialist

Aquifer Science Team

Brian Smith Principal Hydrogeologist

 and Team Leader

Brian Hunt Senior Hydrogeologist

Justin Camp Hydrogeologist Technician

Lane Cockrell Hydrogeologist Intern

Education and Community Outreach Team

Robin Gary Senior Public Information and Education Coordinator and Team Leader

Jackie Vay Outreach Specialist

Regulatory Compliance Team

Vanessa Escobar Senior Regulatory Compliance Coordinator

 and Team Leader

Kendall Bell-Enders Senior Regulatory Compliance Coordinator

Erin Swanson Regulatory Compliance Specialist

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# 1.0 Background

The Barton Springs/Edwards Aquifer Conservation District (District) Bylaws require the District Board President or the District 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 2018, covering the period from September 1, 2017 to August 31, 2018.

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

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

This introductory section provides an overview of the District, and summarizes the mission and vision of the District and its Board-established critical success factors. Other major report sections that follow include a summary of the active programs in FY 2018; 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 (MP); 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 MP’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 TWC, applicable to all groundwater conservation districts (GCDs) in the state, and the District’s enabling legislation, now codified as Chapter 8802, Special District Local Laws Code (SDLLC). The District's legislative mandate is to conserve, protect, and enhance the groundwater resources located within the District boundaries. The District has the power and authority to undertake various studies, assess fees on groundwater pumpage and transport, and to implement structural facilities and non-structural programs to achieve its statutory mandate. The District has rulemaking authority to implement its policies and procedures and to help ensure the management of groundwater resources. The District is not a taxing authority. Its only sources of income are groundwater production fees, including a water use fee supplement paid by the City of Austin; administrative processing fees; and occasional grants from various local, state, and federal programs for special projects.

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

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

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

In FY 2018, there was no District election held (there was no opposition for District Director Precincts 2 and 5). District elections occur every two years. The next election is set to be held in November of 2020 for District Director Precincts 1, 3, and 4.

In accordance with District Bylaws, the Board elects its officers for one-year terms in December of each year. The elected officers in December 2017 were Blayne Stansberry, President; Craig Smith, Vice President; and Blake Dorsett, Secretary. As a local political subdivision of the State of Texas, all meetings of the Board are conducted in accordance with the Open Meetings Act, and the District’s business is subject to the Texas Public Information Act.

#### C:\Users\vescobar\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Word\AnnexArea_withGCDs.jpg

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

# 1.2 District Mission and Vision Statements

The District Board 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 MP. These critical success factors include:

* Providing sound science to support and form the basis of policy and tactical decisions made by the District that affect water supply users and endangered species habitats;
* 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

# FY 2018

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

This section of the report summarizes the operational teams that existed throughout FY 2018, 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 2017 District MP.

# 2.1 General Management Team

Mr. John Dupnik served as the District‘s GM until his resignation in February 2018. Kirk Holland of Holland Groundwater Management Consultants (and a previous District GM), was retained from early February through May 2018 as the interim GM, while the District went through the process of hiring a new GM. Alicia Reinmund-Martinez started as the District’s new GM on May 29, 2018. Holland Groundwater Management Consultants has a contract to offer GM support as needed through August 31, 2019.

The GM is responsible for the day-to-day business of the District, and is an *ex-officio* member of all the other teams. The key areas of functional responsibilities for the GM include staff management and development, programmatic planning and execution, stakeholder relationship development and cultivation, and financial administration of the District. The GM:

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

**In FY 2018, some highlights for the office of the GM**:

* Coordinated the conduct of all of the District’s FY 2018 business within FY 2018 budget constraints with two budget amendments to adjust to the evolving work load and priorities. The initial annual budget was Board-approved on August 10, 2017. The first budget amendment was Board-approved on February 8, 2018; and the second budget amendment was Board-approved on June 14, 2018.
* Maintained a productive, efficient, and motivated staff by providing ongoing direction through regular meetings with team leaders, and end-of-year performance evaluations of all staff, and holding a fall staff retreat to encourage team building and to maintain staff morale.
* Served as the primary point of contact, and coordinated with Brian Sledge of SledgeLaw Group, PLLC, the District’s legislative consultant, to follow interim session groundwater issues with the House Natural Resource Committee, and the Senate Committee on Agriculture, Water, and Rural Affairs. At the end of the year, the GM, along with SledgeLaw Group, prepared an agenda for Board discussion on possible groundwater legislation to be proposed at the upcoming 86th Legislative session.
* In July 2017, the U.S. Fish and Wildlife Service (USFWS) officially posted the notice for the District's draft Habitat Conservation Plan (HCP), listed the draft Environmental Impact Statement (EIS) in the Federal Register, and announced the 60-day public comment period. The USFWS held a public meeting on August 22, 2017 at the District office.

In response to comments received, the District submitted the final draft HCP to the USFWS in April 2018 for processing and publication. During the summer of 2018, the District facilitated the review of the final draft HCP and the Incidental Take Permit (ITP) application including responding to all comments from the USFWS Austin field office and regional office in Albuquerque. As a result, the USFWS approved the District’s HCP in July 2018, and published the Record of Decision and the final EIS. On September 20, 2018, the USFWS issued a 20-year ITP. To celebrate the event, the District and USFWS held a signing celebration to acknowledge the contributions and persistence of the advisory committee, stakeholders, staff, Directors, consultants, and researchers that helped develop the HCP over the years.

The HCP and associated documents, an overview of the development process, and more information are available on the [District HCP website](http://click.icptrack.com/icp/rclick.php?d=5jTcF_lnvVp2J6lPa7nrwgwhf1PHZOXB&w=3&destination=http%3A%2F%2Fclick.icptrack.com%2Ficp%2Frclick.php%3Fd%3D5jTcF_lnvVp2J6lPa7nrwquxFSbm_tuC%26w%3D3%26destination%3Dhttp%253A%252F%252Fbseacd.org%252Fprojects%252Fhabitat-conservation-plan%252F).

* Participated actively in the joint groundwater planning processes of Groundwater Management Area (GMA) 9, and served as the District Representative to GMA 10, including related interfaces with the Texas Water Development Board (TWDB). This year, discussions at meetings included desired future conditions (DFC) monitoring activities, compliance with the District’s MP, and preliminary discussions on round three of DFC planning.
* 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. Region K activities included drafting the scope of work for the next round of developing water management strategies.
* Finalized the Evergreen Solutions consulting firm survey of the salaries of the District’s full-time positions. Work included revising salary comparison spreadsheets, and job descriptions for each position. Results were presented to the Board Personnel and Budget Committees, and new salaries were incorporated into the FY 2019 budget.
* Worked with the Personnel Committee of the Board on the revisions to the Employee Policy Manual to ensure complete and equitable benefits for all employees. The proposed revisions are being reviewed by a human resource consultant and will be presented to the full Board for approval in FY 2019.
* Organized a public information session at the Wimberley Community Center for the proposed permit for Electro Purification LLC (EP), The purpose of this town hall meeting was to ensure that the community had the correct information regarding the proposed permit through formal presentations and a Question & Answer session.

# 2.2 Administration Team

Ms. Dana Wilson, Senior Administrative Manager, serves as the Administration Team Leader, with Ms. Tammy Raymond, Senior Administrative Specialist, and Ms. Shannon DeLong, Senior Accountant Specialist, as team members for administrative programs support.

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

**In FY 2018, some highlights for the Administration Team included:**

* 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.
* Contracted for and participated in the independent annual financial audit, including the provision of all financial records and preparation of the Management Discussion and Analysis. Year-end reports are submitted to the TCEQ and the State Pension Board, as required by law.
* Maintained District financial records to receive a clean financial audit (see Appendix A).
* Continued the eternal process of electronically scanning historical hard-copy records for archival purposes.

Administrative staff is responsible for proper maintenance, management, retention, and disposition of all District records; inventory of District property (asset management); and capital depreciation. Administration preserved and protected all public documents in accordance with state and federal laws, the adopted District Records Retention Schedule, and with the Texas State Library regulations; and maintained the District’s reference material library.

* Supported the revisions to the Employee Policy Manual and sub-policies.
* Supported the continuing phases of annual office updating/remodeling/repairs (see Capital Projects on page 22).
* Assisted the District’s information technology (IT) consultant in making improvements to the IT infrastructure to standardize productivity tools and improved security, resolving various staff IT issues, and adding two new employee computer hard drives per year, as warranted. In FY 2018, the District upgraded to Office 365, and purchased a new plotter.
* Continued monthly District transparency efforts, specifically in the area of finance (on the District’s web-site Transparency tab), since achieving a Financial Transparency Star Award from the Texas Comptroller’s office in FY 2017.
* Made internal preparations for conducting an election for the two directorships up for election in FY 2018/2019 (even-numbered years), in concert with county election offices and in accordance with state and federal election laws, and as warranted by TWC Chapter 26; prepared all election contracts with associated entities including election services contracts and joint election agreements, and all necessary orders and notices standard to conducting or cancelling an election.

Started the November 2018 election process with an Order Calling Election approved by the Board on August 9, 2018, but the election was cancelled on September 13, 2018 due to there being no opposition for the incumbent directors in Precincts 2 and 5.

There was a Hays County coding issue on voter registration cards that was addressed in FY 2018 and will need to be addressed again.

* Conducted the TWDB RFP Grant financial administration in accordance with Uniform Grant Management Standards (UGMS) produced by the Governor’s Office of Budget and Planning to include specific compliance with OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments; OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations; OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments; and Local Government Code CH 783 Uniform Grant and Contract Management. First (and final) grant invoice was submitted for payment to TWDB on Friday, March 30, 2018. Received (and deposited) TWDB payment for $226,157 on July 27, 2018.
* As the investment fiduciary for the District’s retirement plan, discussed with our relationship manager from the Standard (our third party retirement plan administrator) and District staff, some potential fund options to add to the District Retirement Funds portfolio, and held a staff meeting for the explanation of the new target funds that were added.

**2.3 Aquifer Science Team**

Dr. Brian Smith, P.G., Principal Hydrogeologist, 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 Brian Hunt, P.G., Senior Hydrogeologist; Justin Camp, Hydrogeologic Technician; Lane Cockrell, Hydrogeologist (one-year contract, beginning July 2018); and from time to time other staff members, including interns.

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

In FY 2018, the Aquifer Science Team worked on many projects, developed new technical reports and memos, presented technical talks, published technical papers, and attended technical conferences including:

* + Sinkhole Conference (April 2-6, 2018; West Virginia). See Published Papers.
	+ South Central Texas Water Research Interest Group bi-annual meetings (Guadalupe-Blanco River Authority (GBRA), Seguin, December 6, 2017 and June 5, 2018 Canyon Lake)
	+ EAA Distinguished Lecturer: Dr. Charles Kreitler (December 1, 2017; Southwest Research Institute (SWRI), San Antonio)
	+ Capital Area Council of Governments (CAPCOG) Flood Forecasting Subcommittee Meetings (Kyle, February 28, 2018 – present)
* Presented technical information and studies to the public and students:
	+ Travis County Commissioners Court related to an Interocal Agreement (ILA) (July 3, 2018)
	+ Barton Springs University (September 26, 2017)
	+ Hydrogeo Workshop, Cave Without A Name (October 6-7, 2018)
	+ Texas A&M Kingsville (March 27, 2018)
	+ 9th Grade Geology Lecture (January 18, 2018)
	+ Brown bag presentations to University of Texas Jackson School hydrogeology students and faculty (November 17, 2017 and February 6, 2018)
	+ Austin chapter of the American Society of Civil Engineers (June 15, 2018)

**In FY 2018, other highlights for the Aquifer Science Team included:**

* Maintained a monitor well network of about 32 wells with instruments that collect hourly data.  The District’s weather station at the District office also collects hourly data.
* The District routinely measures water levels in the six multiport monitor wells that are completed in the Edwards and Trinity Aquifers.
* Analyzed the results of an aquifer test and other data for the EP application in Central Hays County. This includes modeling and the publication of three technical memos (see Published Papers).
* Field staff visited about 55 wells in the EP area and about six wells in the Summer Mountain Ranch area for water levels and field parameter measurements. Many sites were visited multiple times. About 25 sites were sampled for lab analyses. The District hired Daniel Smith-Salgado as a part-time hydrogeologic technician to assist other staff.
* Determined and documented drought status, including keeping the District’s drought monitor blog up to date. The Board declared Stage II Alarm Drought on July 12th, 2018. Thirteen weeks later on October 11th, 2018 the Board declared the District out of drought with a No-Drought status.
* Participated with GMA 9 and GMA 10 in technical discussions. Attended GMA 9 meeting in Bulverde (January 29, 2018), and GMA 10 meeting at the EAA (March 26, 2018).
* Worked cooperatively with the Ruby Ranch WSC to conduct phase three of aquifer storage and recovery (ASR) pilot testing. A status report was produced (September 2017) and is listed in the Published Papers. An additional status report for phase three is in preparation for early FY 2019.
* In cooperation with EAA, Hays Trinity Groundwater Conservation District (HTGCD), and Blanco-Pedernales Groundwater Conservation District (BPGCD), measured water levels regionally in the Middle Trinity Aquifer to construct a potentiometric map. A report is pending for early FY 2019.
* Performed studies with the HTGCD, City of Austin (CoA), and Texas State University (TSU) to characterize surface and groundwater interactions along Onion Creek, and included a dye trace in early FY 2018.
* In December 2017, District staff assisted the CoA (and St. Edwards University) with dye traces in Crooked Oak Cave (Onion Creek), Fenceline Sink (Bear Creek), and Borheim-Fields Quarry (Little Bear Creek). All traces detected at Barton Springs. A report by the CoA is pending.
* Performed dye trace study with Wimberley Valley Watershed Association (WVWA), HTGCD, EAA, Hays County Parks Department, and Zara Environmental to evaluate the hydrogeologic connection of Raccoon Cave with Jacob’s Well and other area wells. See Published Papers.
* Brian Hunt and Brian Smith were appointed by HTGCD to a technical advisory committee to make recommendations for a groundwater management zone in the vicinity of Jacob’s Well.
* Development of a geologic database of the Edwards and Trinity Aquifers in central Texas in cooperation with the EAA and the HTGCD. This was the summer intern project by Lane Cockrell; report pending in early FY 2019.
* Maintained the Antioch Cave Recharge Enhancement Project as an ongoing part of a 319(h) grant from the Environmental Protection Agency (EPA) and TCEQ. Updated equipment was installed in FY 2017 by District staff to improve the operation and performance of the Antioch recharge system.
* Implemented an annual sampling program in cooperation with Magellan Pipeline Company related to the operation of the Longhorn Pipeline that transports crude oil through the District. In May 2018, staff sampled about eight springs and well sites for hydrocarbon contaminants as a screening test for BTEX and TPH. Staff also worked on locations for the installation of two anticipated new monitor wells.
* Collected water-quality data (major ions and isotopes) from about 32 sample locations in FY 2018 in cooperation with the TWDB.
* Cooperated with Travis County to develop an ILA for a hydrogeologic study of western Travis County. The ILA was approved July 3, 2018, and project scoping and data compilation was initiated in August 2018.
* Intern Nick Kerans conducted a stratigraphic study of the Trinity Aquifer using cuttings, thin sections, and geophysical logs. Nick presented a poster at the 2018 Geological Society of America (GSA) Annual Conference in Indianapolis.
* Installed a weather station on October 4, 2018 in cooperation with Travis County and the Shield Ranch staff. Also planned the installation of a Barton Creek flow station for early FY 2019.
* Staff attended numerous webinar and live-webinar courses in groundwater modeling to develop an initial draft numerical model for eventual use in permit evaluations in FY 2019.
* Provided technical review and compiled comments on the draft conceptual model update for the Hill Country portion of the Trinity Aquifer (SWRI report contracted by the TWDB). See Published Papers.
* Reviewed the drought trigger methodology and whether it is representative for the Middle Trinity Aquifer. See Published Papers.
* Visited and assessed potential sensitive karst features along SH 45 SW and MoPac construction projects with CoA and TxDOT staff. These include several caves and other karst features.
* Brian Smith has continued to serve on the CoA Environmental Commission.

**Published Papers and District Documents**:

* BSEACD, 2017, Hydrogeologic Setting and Data Evaluation: 2016 Electro Purification Aquifer Test, Cow Creek Well Field: Hays County, Texas. BSEACD, Technical Memo 2017-1010, 39 p.
* BSEACD, 2018, Aquifer Parameter Estimation for the EP Well Field, Hays County, Texas. BSEACD, Technical Memo 2018-0213, 28 p.
* BSEACD, 2018, Evaluation of the Potential for Unreasonable Impacts from the EP Well Field, Hays County, Texas. BSEACD Technical Memo 2018-0219. February 2018. 13 p.
* Hunt, B.B., B.A. Smith, and J. Camp, 2018, Is the BSEACD’s Drought Trigger Methodology Representative of the Middle Trinity Aquifer? BSEACD Technical Memo 2018-0829. August 2018. 12 p.
* Hunt, B.B., B.A. Smith, and J. Camp, 2018, Dye Trace at Raccoon Cave near Jacob’s Well Spring, Hays County, Texas. BSEACD Technical Memo 2018-0831. August 2018.
* Hunt, B.S. Smith, B.A., Gary, M.O., Watson, J., Broun, A., Wierman, D.A., and Fieseler, R., 2018, Technical Review and Comments: Conceptual Model Update for the Hill Country Potion of the Trinity Aquifer. Letter dated August 31, 2018. 22 p.
* Smith, B.A., B.B. Hunt, J. Camp, and B.K. Darling, 2017, Status Report for Aquifer Storage and Recovery Pilot Project, Ruby Ranch WSC, Hays County, Central Texas. BSEACD Technical Note 2017-0930 (September 2017).
* Smith, B.A., B.B. Hunt, and B.K. Darling, 2017a, Hydrogeology of the Saline Edwards Zone, Southeast Travis County, Central Texas. BSEACD Report of Investigations 2017 1015. 66 p. (October 2017)
* Smith B.A., Hunt B.B. (2018) Recharge and Water-Quality Controls for a Karst Aquifer in Central Texas. In: White W., Herman J., Herman E., Rutigliano M. (eds) Karst Groundwater Contamination and Public Health. Advances in Karst Science. Springer, Cham <https://link.springer.com/chapter/10.1007/978-3-319-51070-5_35>
* Smith, B.A., B.B. Hunt, D.A. Wierman, and M.O. Gary, 2018, Groundwater Flow Systems of Multiple Karst Aquifers of Central Texas. In I.D. Sasowsky, M.J. Byle, and L. Land (Eds). Proceedings of the 15th Multidisciplinary Conference on Sinkholes and the Engineering and Environmental Impacts of Karst and the 3rd Appalachian Karst Symposium, National Cave and Karst Research Institute (NCKRI) Symposium 6, p 17-29.
* Watson, J., A.S. Broun, B.B. Hunt, B.A. Smith, D.A. Johns, J. Camp, and D.A. Wierman, 2018, Summary of Findings: Upper Onion Creek Dye Trace, Hays County, Texas, Winter 2017. Interagency Memo. May 18, 2018. 19 p. <http://bseacd.org/uploads/Upper-Onion-trace-memo_05182018.pdf>
* Interagency Memo, 2018, Update on Current Dye-Trace Studies in the Upper Onion Creek watershed, Hays County, Texas. January 10, 2018. 5 p.

**2.4 Education and Community Outreach Team**

Ms. Robin Havens Gary serves as the leader of the Education and Community Outreach Team. Ms. Gary is the District’s Senior Public Information and Education Coordinator, Geographic Information System (GIS) Specialist, and is the team leader for the Education and Community Outreach Team. In January 2018, Ms. Jackie Vay joined the team as a half-time Outreach Specialist. The team collaborates regularly with other members of the staff, including interns, to maintain a diverse and effective Education and Outreach program.

The District continues its active, multi-dimensional educational program that emphasizes awareness of the finite and fragile aspects of the groundwater resources in the District. To increase awareness of District programs and roles, staff applied a multi-faceted approach. Programs and events this year included Barton Springs University, Rainwater Revival and Hill Country Living Festival, Austin Cave Festival, Camp and College scholarships, Kent Butler Summit, Well Water Checkup, Neighborhood Site Visits, Groundwater to the Gulf: A Summer Institute for Educators, and Rocks, Water, and Mud Nature Nights at the Wildflower Center.

The digital newsletter continued circulation in FY 2018. Feedback and metrics show that the more frequent updates in the mobile-friendly, digital format has been highly popular. Subscribers receive regular updates on permitting, aquifer science, events, and programs. Each eNews was opened/accessed over 1,000 times. The eNews is sent to over 2,800 subscribers that include press, teachers, permittees, Homeowner Associations, and interested members of the public. Social media posts increased distribution of announcements and news and received high view rates.

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, Hill Country Conservancy, Keep Austin Beautiful, Lady Bird Johnson Wildflower Center, Lower Colorado River Authority (LCRA), Meadows Center, Save Barton Creek Association (SBCA), San Antonio River Authority, San Antonio Water System, Shield Ranch, Splash! Exhibit, Texas Cave Management Association, Texas Parks and Wildlife Department (TPWD), TWDB, University of Texas’s Bureau of Economic Geology, and UT Jackson School of Geosciences.

**In FY 2018, some highlights of the Education and Community Outreach Team included:**

* Continued eNews bulletin with automated subscribe/unsubscribe capabilities.
* Participated in approximately 30 outreach events (including field trips, presentations, and events) that reached approximately 3,412 adults and 2,909 children.
* Piloted a new Neighborhood Site Visit program in conjunction with the 2018 Well Water Checkup. Approximately 20 well owners in the District brought in water samples for free water well screening for common contaminants during the Well Water Checkup. Approximately 30 well owners participated in the new Neighborhood Site Visit program to collect water levels and basic water quality analysis in two different areas within the District. The two weeks of visits took place in Hugo Lane, Falconwood, Summer Mountain Ranch of RR12 and the North Hilliard Lane area, and staff were able to measure water levels in 25 of the wells.
* Finalized the augmented reality endangered species and macroinvertebrates Creek Quest game and application.
* Co-hosted the eighth annual Water Conservation Symposium: “Future Focused Water Conservation, Past to Present: What’s Next on the Horizon?” in collaboration with the water providers and non-profits participating in the CTWEN.
* Co-hosted the 13th Annual Groundwater to the Gulf Summer Institute for Educators in collaboration with other state, local, and non-profit water educators, which trained 29 teachers who in turn reach over 3,000 students annually.
* Co-hosted the Austin Cave Festival at the Lady Bird Johnson Wildflower Center.
* Sponsored the 2017 Rainwater Revival and Hill Country Living event that brings rainwater harvesting system installers, suppliers, water haulers and other experts together to serve as a resource for homeowners and business owners that are interested in using rainwater as an alternate supply.

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* Awarded a $2,500 college scholarship to Elizabeth Beggs of Dripping Springs High School for her winning essay, titled “Protect the Future.”
* Provided 18 scholarships for students ages 9-15 to attend Aquatic Science Adventure Camp hosted by the Edwards Aquifer Research and Data Center, with the support from District permittees’ FY 2017 conservation credit donations.

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# 2.5 Regulatory Compliance TEAM

The Regulatory Compliance Team consists of two Regulatory Compliance Coordinators and one Regulatory Compliance Specialist who are responsible for a wide range of District responsibilities including drought management, pumpage tracking/compliance assessment, rulemaking, rule and well construction standard interpretation, permitting, enforcement, well inspections, well pluggings, and drilling oversight. Vanessa Escobar, Senior Regulatory Compliance Coordinator, serves as the Team Leader; with Kendall Bell-Enders, Senior Regulatory Compliance Coordinator; and Erin Swanson, Regulatory Compliance Specialist, completing the team. 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.

**In FY 2018, some highlights of the Regulatory Compliance Team included:**

* Dripping Springs TPDES Permit Application **–** Staff participated actively in technical discussions and analysis of the Dripping Springs application for a proposed TPDES permit (No. WQ0014488003). Staff attended multiple stakeholder meetings to propose alternatives in order to reach a settlement agreement with the applicant. In December 2017, the District requested a contested case hearing on the application before the State Office of Administrative Hearings (SOAH). On May 21, 2018, SOAH held a preliminary hearing to decide who will be the effected parties. District staff provided testimony at that hearing and ultimately the administrative law judge (ALJ) granted the District standing in the contested case. After further negotiations, the District (along with all other protestants except the Save Our Springs Alliance) finally reached a settlement agreement with the City of Dripping Springs, and withdrew as a party to the contested case hearing.
* Roadway Projects (SH 45 SW and MoPac Intersections**)** – In November 2016, the roadway construction efforts for SH 45 SW began. Staff coordinated five site visits in FY 2018 for which inspection reports were developed and District recommendations were provided. Staff continued to actively participate in site inspections and technical discussions with the Central Texas Regional Mobility Authority (CTRMA) project team, TxDOT representatives, and the Environmental Compliance Manager (Hicks and Co). The District continued to work with storm water consultant, David Fowler – Alan Plummer Associates Inc., on the technical evaluation of stormwater control designs in accordance with the consent decree.

In January 2018, the roadway construction efforts for the Slaughter and LaCrosse intersections began. TxDOT hired ACI Environmental to be the environmental storm water inspector on the project and to monitor the status of temporary and permanent storm controls. The Regulatory Compliance Team has performed five storm water inspections, and the Aquifer Science Team has performed approximately 10-15 geologic inspections.

* EP Applications– In July 2017, EP submitted a Production Permit application, a Hydrogeologic Report, and seven Well Modification applications. District staff reviewed the applications and all supporting documents and requested additional information from the applicant. Through a comprehensive review, the District determined that the proposed production had the potential to cause unreasonable impacts to existing wells. In February 2018, the District provided EP with notice of the General Manager’s Preliminary Finding on the Production Permit application. The applicant was granted a 90-day extension to the application review period to provide additional application requirements and/or options such as a Compliance Monitoring Plan and Mitigation Plan. After extensive review of the additional submitted plans, the District determined the application administratively complete and issued a General Manager’s Statement of Position (draft permit) on May 21, 2018. On June 18, 2018, District staff held a public information session on the draft permit for EP at the Wimberley Community Center. During the 20-day comment period, the District received 12 requests for a contested case hearing and 312 comment letters on the application. In July 2018, the Board referred the permit application to SOAH to conduct the contested case hearing. A SOAH preliminary hearing was held on September 17, 2018 to determine standing. The application is currently pending at SOAH.
* Needmore Water, LLC Application– At the beginning of FY 2016, staff issued an administrative completeness letter to the applicant for the conversion of a Temporary Production Permit (HB 3405) to a Regular Permit. The GM developed a Preliminary Decision which entailed information on the technical evaluation of the aquifer test data. The application was contested and sent to SOAH. In March 2018, a contested case hearing was held on the limited motion for summary disposition filed by the protestant (TESPA). In June, the ALJ ruled on the matter and granted Needmore’s motion. On July 23, 2018, the ALJ issued a proposal for decision (PFD) agreeing with the District and Needmore. However, the PFD didn’t include a recommendation for permit issuance. The Board remanded the issue back to SOAH requesting the PFD to include a recommendation for the permit issues based on findings of fact and conclusion of law.
* Management Plan– Per statutory requirements, the District actively worked towards updating its MP. The plan was scheduled to expire in January 2018 and the District was required to submit an updated plan for preliminary review in July 2017. The plan was updated to reflect recent legislative changes and rule making efforts that took place since the 2015 annexation. In November 2017, the Board adopted the updated MP, and in January 2018, the TWDB approved the plan.
* Database Development and Upgrade– Throughout the fiscal year, staff actively coordinated the technical discussions and conceptual designs for a database management and reporting system. Staff internal discussions were held to identify the scope elements, and a Board subcommittee was involved in the procurement and contract negotiation process. The project is scheduled to be completed in FY 2019. The project team has made significant progress on the data management system. The Intera team developed a partial “alpha” version, and staff reviewed the alpha system with the project team in June – August 2018. Follow-up meetings were held with smaller groups of District staff to receive feedback on the system and to compile a list of changes. There was a significant amount of time spent on the prototype design as well as the design framework of the permitting workflows. Additional work remains to be completed on the various meter reading, hydrogeological data components, and reporting elements of the database system.
* External Communication and Coordination **–** Work groups and projects involving staff participation included:
	+ ASR Technical Discussions and Workgroups,
	+ SH 45 SW Technical Workgroups,
	+ Edwards Aquifer recharge and contributing zone development activity coordination,
	+ Water Conservation Advisory Council,
	+ Regular meetings of the Regional Water Quality Protection Plan workgroup,
	+ Well permitting and registration efforts in the shared territory,
	+ GCD Roundtable Discussions,
	+ Texas Alliance of Groundwater Districts; and
	+ Texas Water Conservation Association.
* Rulemaking Activity **-** Staff will periodically review and modify the Rules as warranted to provide and maintain a sound statutory basis for continued District operations and to ensure consistency with both District authority and programmatic needs.

In FY 2018, the Rules were not amended; however, the District continued its ongoing initiatives associated with development of alternative water supplies for the District. District staff developed rule concepts for guiding and regulating ASR systems within the District. Prior to drafting concepts, staff held multiple meetings with the TCEQ, and held an ASR stakeholder meeting on December 13, 2017. ASR rule concepts were presented to the Board on August 10, 2018. Staff is continuing to meet with the Rules subcommittee and will start drafting rule language soon.

* Implementation and Compliance of Existing Rules - Staff reviews permit compliance and monitors existing wells for compliance with the Rules, and Well Construction Standards. By requiring reporting of periodic meter readings, performing inspections of wells, and reviewing pumpage compliance at regular intervals, staff is able to ensure permitted wells and well systems are operated as intended.
* Inspections & Investigations **-** During FY 2018, the Regulatory Compliance Team conducted a number of inspections relating to the processing of permit applications. Staff completed a total of 43 inspections related to special investigations, site permittee inspections, and well permit applications. The Regulatory Compliance Team collected 24 water quality samples during routine permit inspections or from new well construction inspections There were no formal enforcement actions initiated in FY 2018.

|  |  |
| --- | --- |
| **FY 18 Inspections/ Investigations/ Visits** |  |
| Exempt Well Inspections  | 4 |
| Limited Production Permit Inspections  | 14 |
| Individual Production Permit Inspections  | 3 |
| Test Well Inspections  | 2 |
| Plugging Inspections | 8 |
| Special Investigation Inspections | 2 |
| Other Permittee Meetings/Visits \* | 7 |
| *\*Multiple meetings were held with some permittees.*  |
| **TOTAL** | **43** |

* Meter Reporting **-** Monthly meter readings were collected from all individual permittees each month with the large majority reported in a timely manner. Permittees failing to submit timely reports were provided with notices of the District’s intent to collect meter readings. Most delinquent permittees were generally responsive once the notice was received. Meter readings not received after the notice was provided were collected by staff and a fee was assessed to those permittees, in accordance with the Rules.

The annual meter reading requirement for all Limited Production Permits (LPPs) were due in September 2018. Email correspondence and notifications were provided to the nonexempt domestic users in an effort to ensure compliance; however, approximately 10% did not timely submit a meter reading.

* Conservation Credits - The District issued a total of $21,502.03 in credits in FY 2018 with $13,438.77 being issued to 20 permittees, and $8,063.26 being issued to the CoA.  Permittees donating credits back to the District’s camp scholarship fund include Goforth SUD ($700.00), Slaughter Creek Acres WSC ($86.72), Creedmoor-Maha WSC ($924.93), Centex ($1,359.67), and Texas Lehigh Cement Company ($258.74 plus an additional donation of $1,200.00 for a total of $1,458.74).   The CoA also donated their $8,063.26 credit to the District’s camp scholarship fund.  Total donations combined equal $11,393.32.
* Drought and Conservation Plans **-** The majority of permittees have current User Drought Contingency Plans (UDCPs) and User Conservation Plans (UCPs) on file and are compliant with District rules. Permittees have the option to revise drought target charts no more than once per year but must update their UDCP and UCP plans at least every five years. Staff is currently working to update drought templates (Drought Target Chart, UDCP, UCP) so that Permittees can have their files updated in early 2019 for the five-year update.
* Drought Compliance **-** The District implements a drought management program that requires mandatory monthly pumpage curtailments during District-declared drought stages. The District declared Stage II Alarm Drought on July 12, 2018 and remained in Stage II status throughout October 11, 2018. The District has implemented all drought-related rules and curtailments in accordance with the District’s enforcement plan and drought management protocols. Drought enforcement measures were assessed for Stage II Alarm Drought for the entire duration of the drought. A monthly drought compliance report for all individual permittees was provided during the months of August 2018 – September 2018 to the Board during District-declared drought, and those report are found on the [drought management website pages](https://bseacd.org/regulatory/drought-management/).
* Well Registration **-** Staff processed and reviewed all well registrations, permit renewals, and applications for permits, permit amendments, and authorizations in accordance with the Rules, Well Construction Standards, and other District guidelines in accordance with specified procedural timeframes. All newly drilled or modified exempt and nonexempt wells were automatically registered at the time of application and were in compliance with District Rules, including Well Construction Standards.
* During FY 2018, the District continued with an online registration system to receive well registration applications from well owners. The online registration system was implemented in June 2015 in response to recent annexation efforts associated with the passage of HB 3405. Approximately 192 registration surveys were received and processed in FY 2018.
* Application Reviews **-** To ensure that all firm-yield production permits are evaluated with consideration given to the District’s demand-based and non-speculative permitting standards, staff completed comprehensive administrative and technical reviews of permit application requests. A summary of the number and type of applications processed and approved for authorizations, permits, and permit amendments including approved use types and commensurate permit volumes for production permits and amendments is provided below.

A summary of the new wells drilled in FY 2018 is provided in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **New Wells Drilled** | FY16 | FY 17 | FY 18 |
| New Exempt Wells | 5 | 9 | 4 |
| Limited Production Permits (Nonexempt Domestic Wells) | 13 | 22 | 14 |
| Indivdual Wells | 2 | 2 | 4 |
| Test Wells | 6 | 0 | 0 |
| Replacement Wells | 2 | 0 | 1 |
| TOTAL | 22 | 33 | 23 |

A summary of the processed permitting applications in FY 2018 is provided in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Processed Permit Applications**  | FY16 | FY 17 | FY18 |
| Minor Amendment | 1 | 3 | 6 |
| Major Amendments | 0 | 0 | 7 |
| New Exempt Well | 5 | 9 | 4 |
| Limited Production Permit (Nonexempt Domestic Wells) | 13 | 22 | 14 |
| Individual Production Permit | 6 | 4 | 4 |
| New Individual Well Drilling Authorizations /Modification | 3 | 3 | 3 |
| Test Well | 2 | 0 | 2 |
| Well Plugging | 12 | 10 | 8 |
| Replacement Well | 2 | 0 | 1 |
| Temporary Permit | 21 | NA | NA |
| Regular Permit (Temporary Permit Conversion) | 16 | NA | NA |
| TOTAL | 81 | 51 | 49 |

A summary of the individual production permits processed in FY 2018 is provided in the table below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Annual Volume** | **Production Permits Processed** | **Permit Type** | **Use Type** | **Aquifer** |
| 1 | 4,200,000 | Trinity Episcopal School | Historical Trinity | Irrigation | Trinity |
| 2 | 1,000,000 | Feldner CND LLC | Historical Trinity | Irrigation | Trinity |
| 3 | 900,000 | Matthew Goebler | Conditional Edwards Class A | Commercial | Edwards |
| 4 | 912,500,000 | Electro Purification\* | Historical Trinity | Wholesale PWS | Trinity |
| *\*This application was processed as administratively complete but a Board Decision has not been made as of the date of this report.* |

A summary of the individual production permits that were retired in FY 2018 is provided in the table below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Annual Volume** | **Retired Production Permits** | **Permit Type** | **Aquifer** |
| 1 | 0 | JL Smith Academy Austin LLC | Commercial | Edwards |
| 2 | 2,000,000 | Malone Addition Water Supply (J.D. Malone) | PWS | Edwards |

**2.5.1 Permit Summary:**

A summary of the active individual production permits to date in FY 2018 is provided in the table below.

|  |  |  |
| --- | --- | --- |
| **Active Individual Permits** | FY 17 | FY 18 |
| Conditional A Edwards | 20 | 22 |
| Conditional B Edwards | 2 | 2 |
| Conditional C Edwards | 4 | 4 |
| Historical Edwards | 74 | 74 |
| Historical Trinity | 27 | 29 |
| Historical Chalk or Alluvial | 2 | 2 |
| Transport Permits | 2 | 2 |
| Total | **131** | **135** |

A summary of the active general permits to date in FY 2018 is provided in the table below.

|  |  |  |
| --- | --- | --- |
| **Active General Permits**  | FY 17 | FY 18 |
| Limited Production Permits (LPP) | 129 | 141 |
| Test Permits | 1 | 2 |
| Monitoring Permits | 0 | 0 |
| Total | **130** | **143** |

**2.5.2 Production Summary:**

Staff monitors annual withdrawals from all nonexempt wells through required monthly or annual meter reports to ensure that groundwater is used as efficiently as possible for beneficial use. A summary of the volume of aggregate groundwater withdrawals permitted and actually produced from permitted wells for each Management Zone is provided below.

A summary of the actual versus permitted production volumes for each Management Zone is also provided below.

|  |
| --- |
| **FY 2018 Production from Individual Permittees** |
| **Production Zone** | Actual Production | Permitted Production |
| Edwards  | 1,454,868,858 | 2,714,777,544 |
| Trinity  | 218,818,539 | 518,481,557 |
| Austin Chalk or Alluvial  | 702,730 | 2,500,000 |
| **Total (Gallons)** | **1,674,390,127 gal** | **3,235,759,101** |
|  | (5,138.51 ac ft) | (9,930 ac ft) |

|  |
| --- |
| **FY 2018 Production from Limited Production Permittees (LPP)** |
| **Production Zone** | Actual Production\* | Permitted Production |
| Edwards  | 13,500,000 | 54,000,000 |
| Trinity  | 4,125,000 | 16,500,000 |
| Austin Chalk or Alluvial  | 0 | 0 |
| **Total (Gallons)** | **17,625,000** | **70,500,000 gal** |
|  | (54.09 ac ft) | (216.4 ac ft) |
| *\*Actual production is a volume estimate calculated from available meter reading data in annual meter reports.* |

A summary of the permitted production volumes for each Management Zone is provided below.

|  |
| --- |
| **FY 2018 Permitted Pumpage by Management Zone** |
| **Edwards MZs** | **gallons** | **cfs** | **acre-feet** |
| Historical (Individual) | 2,309,082,596 | 9.79 | 7,086 |
| Historical (LPP) | 2,500,000 | 0.011 | 8 |
| Total Historical | *2,311,582,596* | *9.80* | *7,094* |
| Conditional (Individual) | 351,694,948 | 1.49 | 1,079 |
| Conditional (LPP) | 51,500,000 | 0.22 | 158 |
| Total Conditional | *403,194,948* | *1.71* | *1,237* |
| **Total Edwards** | **2,714,777,544 gal** | **11.51 cfs** | **8,331 ac ft** |
|  |
| **Trinity MZs** | **gallons** | **cfs** | **acre-feet** |
| Historical (Individual) | 501,981,557 | 2.13 | 1,541 |
| Historical (LPP) | 16,500,000 | 0.07 | 51 |
| **Total Trinity** | **518,481,557 gal** | **2.20 cfs** | **1,591 sc ft** |
|  |
|  |
| **Other Aquifers MZs** | **gallons** | **cfs** | **acre-feet** |
| Historical (Individual) | 2,500,000 gal | 0.01 cfs | 8 ac ft |
| Historical (LPP) | 0 | 0 | 0 |
| **Total Other Aquifers** | **2,500,000 gal** | **0.01 cfs** | **8 ac ft** |
|  |
|  |  |  |  |
| **Total Permitted** | **3,235,759,101 gal** | **13.72 cfs** | **9,930 ac ft** |

# 3.0 Required data and information

The District Bylaws, and MP 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 2018 began with a status of No Drought for District aquifers following a trend which began back in September 2014 when water levels began to rise after above-average rainfall. Steady recharge throughout 2015 and 2016 continued to increase aquifer water levels as well as Barton Springs flow. In January 2015, the Board updated the drought status from Stage II Alarm Drought to No Drought. After two consecutive years of average rainfall in 2017 and 2018, water levels and Barton Springs flow fell below their respective drought thresholds. On July 12th, 2018, the Board declared Stage II Alarm Drought, ending a 3-year and 6-month period with no declared drought.

Measurements began to decline in April 2017 and eventually crossed below drought warning levels in July 2018. Then an average of 12 inches of rain in September and October 2018 produced much needed recharge, resulting in rising aquifer levels. They rose above the Stage II Alarm Drought threshold in early October and the Board declared No-Drought at the October 11th, 2018 Board Meeting.

Austin has received an overall 28” of rainfall so far in 2018, producing significant recharge for local aquifers. While levels continue to climb from additional rainfall, much more recharge is needed to bolster against another decline in water levels in the District’s aquifers.

Official forecasts favor the formation of a weak El Niño in the Pacific, which is likely to result in wet conditions through the winter and into Spring 2019.

# 3.2 Grant Programs

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

# 3.3 Professional Services

The District expended $267,508 for professional services in FY 2018. This amount included legal fees of $127,645 for general counsel support provided by Bickerstaff, Heath, Delgado & Acosta LLP of Austin, and included involvement of the District and its attorneys in the following billing categories: Needmore $39,490; SOAH $3,280 (to be offset by a deposit that TESPA has deposited with the District to cover such fees); Dripping Springs TPDES $35,119; General Matters/Personnel $22,672; and EP $26,958.

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

Additional professional services for FY 2018 also reported in the above amount include the District’s third party retirement plan administrator, The Standard, for $22,173; costs associated with Elections ($2,975) that were minimal due to no opposition and the cancellation of the District election; salary survey specialist Evergreen for $14,500; and Intera’s database project for $89,216.

The District retained Montemayor Britton Bender PC early in 2016 to perform its annual financial audit for FY 2015, and future audits going forward. The fee for these professional services was $11,000 for FY 2017, and will be $12,500 for FY 2018, and are also included in the professional services total above.

Not included in the professional services total above, the District expended $13,000 for the lobbying services of SledgeLaw Group for the 86th Interim Legislative Session. The District has changed the timing of when legislative issues are addressed from a biennial expense to an ongoing expense according to a new term of agreement dated July 1, 2016, being a flat-fee structure bifurcated between legislative session months and legislative interim months spread across 24 months. During legislative months – November of even-numbered years through June of odd-numbered years, the fee will be $4,000 per month. During legislative interim months – July of odd-numbered years through October of even-numbered years, the fee will be $1,000 per month. So one year there will be $36,000 in legislative expenses, and the following year there will be $12,000 in legislative expenses.

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

# 3.4 Capital Projects

The District completed two small capital projects in FY 2018. The outside deck was replaced, and cabinets were installed in the library for a total of $7,900.

# 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 three 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 Branch Banking and Trust Company - BB&T, which are FDIC-insured. Monies are moved electronically between these BB&T accounts and the TexPool accounts, generally keeping funds not required by current operations in TexPool, and therefore the cash balances in the operating bank accounts as small as prudently feasible. The District has no additional monetary investments other than its cash fund accounts.

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

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

**3.6.1 Background**

TWC §36.1071 requires all GCDs to establish and maintain a long-range comprehensive plan for groundwater management in the District. This long-range plan is a ten-year plan called the District MP. The MP must be reviewed, revised as necessary, readopted, and reapproved at least once each five years. The current plan was adopted in November of 2017. Pursuant to the code provisions, all GCDs are required to assess progress quantitatively toward the objectives in their prevailing MP at least annually. This assessment is summarized in the following Section 3.6.2, and elaborated on in Appendix B of this Annual Report.

### 3.6.2 Board Evaluation of Goals, Objectives, and Progress Assessment

Section 2.0 of this report highlights 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 2018 toward the goals, objectives, and performance standards identified in the prevailing District MP.

On December 13, 2018, 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 2018 as being satisfactory, and directed the staff to include a record of these actions and their basis in this Annual Report. That record and the basis for that decision-making are included as Appendix B.

This assessment for FY 2018 measured progress towards the goals and objectives of the current MP, which was approved by the TWDB on November 21, 2017, and will serve as the basis for the Board’s next evaluation of that plan’s objectives in FY 2019.

**APPENDIX A**

**Independent Annual Financial Audit Report**

(Board-approved December 13, 2018)

**APPENDIX B**

**Assessment of Progress toward Management Plan**

**Goals and Objectives**

(Board-approved December 13, 2018)