

NOTICE OF OPEN MEETING

Notice is given that a **Regular Meeting** before the Board of Directors of the Barton Springs/Edwards Aquifer Conservation District will be held at 1124 Regal Row, Austin Texas 78748, on **Thursday, February 13, 2020**, commencing at **4:00 p.m.** for the following purposes, which may be taken in any order at the discretion of the Board.

Note: The Board of Directors of the Barton Springs/Edwards Aquifer Conservation District reserves the right to meet in Executive Session at any time during the course of this meeting to discuss any of the matters listed on this agenda, as authorized by the Texas Government Code Sections §551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.183 (Homeland Security). No final action or decision will be made in Executive Session.

1. **Call to Order.**
2. **Citizen Communications (Public Comments of a General Nature).**
3. **Routine Business**
 - a. **Consent Agenda.** *(Note: These items may be considered and approved as one motion. Directors or citizens may request any consent item be removed from the consent agenda, for consideration and possible approval as a separate item of Regular Business on this agenda.)*
 1. Approval of Financial Reports under the Public Funds Investment Act, Directors' Compensation Claims, and Specified Expenditures greater than \$5,000. **Pg. 4**
 2. Approval of minutes of the Board's January 16, 2020, Regular Meeting and January 30, 2020, Special Called Meeting. **Not for public review at this time**
 3. Approval of an amendment to the Investment Policy as suggested by the State Auditor's Office. **Pg. 30**
 4. Approval of designating Vanessa Escobar as the District Representative to GMA 10. **NBU**
 5. Approval of designating Vanessa Escobar as the General Assembly Representative to the Capital Area Council of Governments. **NBU**
 - b. **General Manager's Report.** *(Note: Topics discussed in the General Manager's Report are intended for general administrative and operational information-transfer purposes. The Directors will not take any action unless the topic is specifically listed elsewhere in this agenda for consideration. A Director may request an individual topic that is presented only under this agenda item be placed on the posted agenda of some future meeting for Board discussion and possible action.)*

Topics

1. Personnel matters.
2. Aquifer conditions and status of drought indicators. **Pg. 46**
3. Upcoming public events of possible interest.
4. Review of Status Report Update – at directors’ discretion. **Pg. 48**
5. Update on projects and activities of individual teams.
6. Update on Roadway Projects
7. Update on Sustainable Yield Study of the Trinity Aquifer.
8. Update on GMA and regional water planning activities.

4. **Presentations.**

Staff presentation on the draft Annual Report for the US Fish & Wildlife Incidental Take Permit.

5. **Discussion and Possible Action.**

- a. Discussion and possible action on approval of the draft US Fish & Wildlife ITP Annual Report. **NBU**
- b. Discussion and possible action on approval of a once-a-month Board meeting schedule and summer Board meetings. **NBU**
- c. Discussion and possible action on the status of the Needmore Water LLC permit. **NBU**
- d. Discussion and possible action on Strategic/Budget Planning. **Pg. 60**

6. **Directors’ Reports.**

Directors may report on their involvement in activities and dialogue that are of likely interest to the Board, in one or more of the following topical areas:

- Meetings and conferences attended or that will be attended;
- Board committee updates;
- Conversations with public officials, permittees, stakeholders, and other constituents;
- Commendations; and
- Issues or problems of concern.

7. **Adjournment.**

Please note: This agenda and available related documentation, if any, have been posted on the District website, www.bseacd.org. If you have a special interest in a particular item on this agenda and would like any additional documentation that may be developed for Board consideration, please let staff know at least 24 hours in advance of the Board Meeting so that we can have those copies made for you.

The Barton Springs/Edwards Aquifer Conservation District is committed to compliance with the Americans with Disabilities Act (ADA). Reasonable accommodations and equal opportunity for effective communications will be provided upon request. Please contact the District office at 512-282-8441 at least 24 hours in advance if accommodation is needed.

Item 1

Call to Order

Item 2

Citizen Communications

Item 3

Routine Business

a. Consent Agenda

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Financial Reports

February 13, 2020 Board Meeting

1. Profit and Loss Budget vs Actual

Fiscal year-to-date: September 1 through January 31, 2020

2. Profit and Loss Previous Year Comparison

Fiscal year-to-date: September 1 through January 31, 2020

3. Balance Sheet Previous Year Comparison

January 2020

4. Check Register

January 2020

1. Profit and Loss Budget vs Actual

Fiscal year-to-date:

September 1 - January 31, 2020

BSEACD
Profit & Loss Budget vs. Actual
September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
Income				
4300.0 . PROJECT INCOME				
4301.0 . Trinity Modeling Travis County	50,000.00	75,000.00	66.67%	25,000 to be invoiced in February.
4303.0 . Trinity Aquifer Studies-Hays Co	58,000.00			Will be included in Budget Rev 1 along with \$58,000 in expenses added
Total 4300.0 . PROJECT INCOME	108,000.00	75,000.00	144.0%	
4400.0 . Interest Income	7,277.80	12,000.00	60.65%	
4625.0 . MISCELLANEOUS INCOME				
4626.1 . Other Income	6,968.52			Dana can explain at meeting
Total 4625.0 . MISCELLANEOUS INCOME	6,968.52			
4800.0 . USAGE AND PRODUCTION FEES				
4801.0 . Permittees Water Production Fee	305,932.99	588,240.00	52.01%	
4803.0 . CoA Water Use Fee Assessment	498,322.52	982,284.00	50.73%	245,571 x 2 quarters (less 7180 CCs)
4805.0 . Permittees Annual Permit Fee	5,550.00	5,500.00	100.91%	
4807.0 . Permittees Water Transport Fees	124,000.00	124,000.00	100.0%	
4800.0 . USAGE AND PRODUCTION FEES - Other	-19,148.06			Actual Conservation Credits Awarded
Total 4800.0 . USAGE AND PRODUCTION FEES	914,657.45	1,700,024.00	53.8%	
4810.0 . OTHER FEES				
4806.0 . Permittees Late Payment Fees	565.58			
4815.0 . Well Develop Application Inspect	4,025.00	9,800.00	41.07%	
4816.0 . Meter Reading Fees/Pluggings	710.00			
4810.0 . OTHER FEES - Other	2,500.00			Needmore Mitigation Annual Special Conditions Fee
Total 4810.0 . OTHER FEES	7,800.58	9,800.00	79.6%	
Total Income	1,044,704.35	1,796,824.00	58.14%	This is high due to transport fees paid at year onset AND unbudgeted \$58,000

BSEACD
Profit & Loss Budget vs. Actual
 September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
Expense				
6000.0 . UTILITIES				
6001.0 . Electricity & Water Service	2,099.20	6,000.00	34.99%	
6002.0 . Phone, Internet, Telemetry				
6003.0 . Smartphone Reimbursements	3,480.00	7,200.00	48.33%	
6002.0 . Phone, Internet, Telemetry - Other	3,079.14	9,800.00	31.42%	
Total 6002.0 . Phone, Internet, Telemetry	6,559.14	17,000.00	38.58%	
Total 6000.0 . UTILITIES	8,658.34	23,000.00	37.65%	
6005.0 . Print/Copy/Photo Services	206.24	2,000.00	10.31%	
6007.0 . Postage Freight Shipping	853.87	2,500.00	34.16%	
6010.0 . Office Supplies				
6010.1 . Canteen	1,595.23			
6010.0 . Office Supplies - Other	1,558.79	9,000.00	17.32%	
Total 6010.0 . Office Supplies	3,154.02	9,000.00	35.05%	
6011.0 . Comp Hardware-Plotter Supplies	62.44	5,000.00	1.25%	One desktop computer order in process
6014.0 . Software Acquisition & Upgrades	1,360.76	6,000.00	22.68%	
6015.0 . IT Monthly Maintenance	5,000.00	12,000.00	41.67%	
6016.0 . Meeting Expense	612.58	1,000.00	61.26%	\$373 is conference calls - need to create a new budget category in Budget Revision 1
6019.0 . Subscriptions/Publications	359.88	4,200.00	8.57%	
6020.0 . Advertising				
6020.12 . Public Notices	630.04			
6020.0 . Advertising - Other	0.00	4,000.00	0.0%	
Total 6020.0 . Advertising	630.04	4,000.00	15.75%	
6021.0 . MISCELLANEOUS EXPENSES				

BSEACD
Profit & Loss Budget vs. Actual
September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
6021.2 · General	174.62			4th Quarter GTLI 941 taxes, Annual SS
6021.3 · Bank Charges	32.00			
6021.5 · Payroll Processing Fees	164.00			
6021.0 · MISCELLANEOUS EXPENSES - Other	0.00	1,000.00	0.0%	
Total 6021.0 · MISCELLANEOUS EXPENSES	370.62	1,000.00	37.06%	
6022.0 · Accounting System Operation				
6022.1 · Timekeeping Service-prepaid	2,246.17			
6022.0 · Accounting System Operation - Other	0.00	6,000.00	0.0%	
Total 6022.0 · Accounting System Operation	2,246.17	6,000.00	37.44%	
6023.0 · MAINTENANCE				
6024.0 · Auto Maintenance	2,157.43	6,500.00	33.19%	
6025.0 · Office Complex Maintenance				
6025.3 · Security System Monitoring	301.70			
6025.0 · Office Complex Maintenance - Other	4,291.86	11,400.00	37.65%	
Total 6025.0 · Office Complex Maintenance	4,593.56	11,400.00	40.29%	
Total 6023.0 · MAINTENANCE	6,750.99	17,900.00	37.72%	
6025.4 · Facilities Repairs	929.39	5,000.00	18.59%	
6040.0 · LEASES				
6040.2 · Copier Lease & Maintenance	3,402.50	9,500.00	35.82%	
6040.3 · Postage Machine Lease - Pre-Pd	445.95	1,150.00	38.78%	
Total 6040.0 · LEASES	3,848.45	10,650.00	36.14%	
6065.0 · DIRECTOR EXPENSES				
6065.1 · Directors Travel/Meals	114.95			
6065.2 · Directors Registration Fees	105.00			
6065.0 · DIRECTOR EXPENSES - Other	-105.00	2,500.00	-4.2%	
Total 6065.0 · DIRECTOR EXPENSES	114.95	2,500.00	4.6%	

BSEACD
Profit & Loss Budget vs. Actual
September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
6066.0 · Directors Compensation	9,550.00	40,000.00	23.88%	
6075.0 · DUES & MEMBERSHIPS				
6076.0 · District Dues & Memberships	3,115.00			
6077.0 · Staff Dues & Memberships	189.92			
6075.0 · DUES & MEMBERSHIPS - Other	0.00	6,100.00	0.0%	
Total 6075.0 · DUES & MEMBERSHIPS	3,304.92	6,100.00	54.18%	
6080.0 · EDUCATION AND OUTREACH				
6080.01 · PUBLICATIONS	0.00	750.00	0.0%	
6080.20 · OUTREACH				
6080.23 · Media and PR	709.10			
6080.33 · Neighborhoods and Schools	113.41			
6080.20 · OUTREACH - Other	0.00	6,500.00	0.0%	
Total 6080.20 · OUTREACH	822.51	6,500.00	12.65%	
6080.28 · Contracted Support	0.00	2,000.00	0.0%	
6080.29 · Equipment and Supplies	0.00	1,000.00	0.0%	
6080.35 · GENERAL SUPPORT	3,500.00	3,700.00	94.6%	
Total 6080.0 · EDUCATION AND OUTREACH	4,322.51	13,950.00	30.99%	
6081.0 · REGULATORY COMPLIANCE				
6081.1 · Projects & Investigations	0.00	5,000.00	0.0%	
6081.5 · Contracted Support	0.00	10,000.00	0.0%	
6081.6 · Equipment and Supplies	0.00	2,500.00	0.0%	
Total 6081.0 · REGULATORY COMPLIANCE	0.00	17,500.00	0.0%	
6084.92 · GENERAL MANAGEMENT				

BSEACD
Profit & Loss Budget vs. Actual
 September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
6086.3 · Contracted Support	680.00	8,000.00	8.5%	
6084.92 · GENERAL MANAGEMENT - Other	0.00	11,000.00	0.0%	
Total 6084.92 · GENERAL MANAGEMENT	680.00	19,000.00	3.58%	
6089.0 · AQUIFER SCIENCE				
6089.1 · Hydrogeologic Characterization	1,800.00	2,000.00	90.0%	
6089.2 · Water Chemistry Studies	896.00	2,800.00	32.0%	
6089.3 · Monitor Wells, Equipment /Suppl	2,748.66	7,000.00	39.27%	
6089.6 · Contracted Support	700.00	23,000.00	3.04%	
6089.7 · 2020 TC iLA Project	17,887.69	21,500.00	83.2%	USGS 16,000 has been posted here
Total 6089.0 · AQUIFER SCIENCE	24,032.35	56,300.00	42.69%	
6090.0 · Conservation Credits	0.00	23,297.00	0.0%	Actual 19,148
6100.0 · INSURANCE - DISTRICT				
6101.0 · Liability & Property - Pre-paid	2,265.11	5,700.00	39.74%	
6102.0 · insurance not pre-paid (bonds)	1,188.00			
6100.0 · INSURANCE - DISTRICT - Other	167.94			
Total 6100.0 · INSURANCE - DISTRICT	3,621.05	5,700.00	63.53%	
6150.0 · INSURANCE - GROUP				
6151.1 · Health Insurance Employee	46,356.35	108,514.00	42.72%	
6151.11 · Health Insurance Dependents	6,372.71	15,000.00	42.49%	
6151.2 · Dental Insurance Family	4,031.71	18,000.00	22.4%	
6151.3 · Life Insurance Employee	5,350.17	13,000.00	41.16%	
6151.4 · Vision Insurance Employee	624.84	1,600.00	39.05%	
Total 6150.0 · INSURANCE - GROUP	62,735.78	156,114.00	40.19%	
6160.0 · LEGAL SERVICES				

BSEACD
Profit & Loss Budget vs. Actual
 September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
6161.0 · General Matters / Personnel	11,041.10			
6163.0 · Needmore	19,093.18			
6168.5 · EP	20,911.20			
6168.9 · Permian Hwy Pipeline	6,305.00			Includes \$5000 for TREAD fee-share
6169.0 · Legislation	0.00	0.00	0.0%	
6160.0 · LEGAL SERVICES - Other	0.00	150,000.00	0.0%	
Total 6160.0 · LEGAL SERVICES	57,350.48	150,000.00	38.23%	
6168.11 · SOAH - EP	4,359.38			Covered by EP deposit
6170.0 · PROFESSIONAL SERVICES				
6173.0 · Financial Annual Audit	13,000.00	13,000.00	100.0%	
6177.0 · The Standard Ret Plan Admin	13,095.32	28,000.00	46.77%	Quite variable- reliant upon market
6178.0 · Elections	1,137.50	10,000.00	11.38%	
Total 6170.0 · PROFESSIONAL SERVICES	27,232.82	51,000.00	53.4%	
6179.0 · LEGISLATION	3,000.00	12,000.00	25.0%	Sledge invoicing is behind schedule
6180.0 · PROF DEVELOPMENT & SUPPORT				
6180.1 · Aquifer Science	1,873.00	4,500.00	41.62%	
6180.2 · RegComp	360.00	4,500.00	8.0%	
6180.3 · Education	1,329.67	3,000.00	44.32%	
6180.4 · GM Team	0.00	1,500.00	0.0%	
Total 6180.0 · PROF DEVELOPMENT & SUPPORT	3,562.67	13,500.00	26.39%	
6199.0 · SALARIES AND WAGES				
6200.0 · Salaries	411,022.61	968,313.00	42.45%	
6199.0 · SALARIES AND WAGES - Other	0.00	0.00	0.0%	
Total 6199.0 · SALARIES AND WAGES	411,022.61	968,313.00	42.45%	
6203.0 · TAXES & BENEFITS				
6203.1 · Workers Comp Insurance Pre-p	1,523.69	3,617.00	42.13%	

BSEACD
Profit & Loss Budget vs. Actual
September 2019 through January 2020

	Sep '19 - Jan 20	Budget	% of Budget	Notes
6203.2 · Payroll Tax Expenses-FICA-Med	30,551.98	77,136.00	39.61%	
6203.3 · Retirement-District Contributio	29,226.11	68,873.00	42.44%	
6203.4 · Texas Workforce C3 Taxes	90.28	2,600.00	3.47%	
6203.7 · Accrued Vacation and Comp	-9,419.19			Reserve account
Total 6203.0 · TAXES & BENEFITS	51,972.87	152,226.00	34.14%	
6690.0 · Reconciliation Discrepancies	-0.07			
6800.0 · PROJECTS				
6805.0 · 2019 Travis County ILA	392.25			error - needs to be moved to AqSci
Total 6800.0 · PROJECTS	392.25			
Total Expense	702,298.36	1,796,750.00	39.09%	

2. Profit and Loss-Previous Year Comparison

Fiscal year-to-date:
September 1 - January 31, 2020

BSEACD
Profit & Loss Previous Year Comparison
September 2019 through January 2020

	Sep 1, 2019 - Jan 31, 2020	Sep 1, 2018 - Jan 31, 2019	\$ Change	% Change
Income				
4300.0 · PROJECT INCOME	108,000.00	100,000.00	8,000.00	8.0%
4400.0 · Interest Income	7,277.80	12,263.29	-4,985.49	-40.65%
4625.0 · MISCELLANEOUS INCOME	6,968.52	15,210.14	-8,241.62	-54.19%
4800.0 · USAGE AND PRODUCTION FEES	914,657.45	846,744.18	67,913.27	8.02%
4810.0 · OTHER FEES	7,800.58	6,262.25	1,538.33	24.57%
Total Income	1,044,704.35	980,479.86	64,224.49	6.55%
Expense				
6000.0 · UTILITIES	8,658.34	9,228.04	-569.70	-6.17%
6005.0 · Print/Copy/Photo Services	206.24	741.70	-535.46	-72.19%
6007.0 · Postage Freight Shipping	853.87	1,145.90	-292.03	-25.49%
6010.0 · Office Supplies	3,154.02	3,468.90	-314.88	-9.08%
6010.2 · Office Furniture	0.00	758.14	-758.14	-100.0%
6011.0 · Comp Hardware-Plotter Supplies	62.44	5,395.24	-5,332.80	-98.84%
6014.0 · Software Acquisition & Upgrades	1,360.76	1,530.48	-169.72	-11.09%
6015.0 · IT Monthly Maintenance	5,000.00	5,000.00	0.00	0.0%
6016.0 · Meeting Expense	612.58	3,461.02	-2,848.44	-82.3%
6017.0 · EXTERNAL MTGS & SPONSORSHIPS	0.00	1,000.00	-1,000.00	-100.0%
6019.0 · Subscriptions/Publications	359.88	515.88	-156.00	-30.24%
6020.0 · Advertising	630.04	706.34	-76.30	-10.8%
6021.0 · MISCELLANEOUS EXPENSES	370.62	347.80	22.82	6.56%
6022.0 · Accounting System Operation	2,246.17	1,203.75	1,042.42	86.6%
6023.0 · MAINTENANCE	6,750.99	6,774.79	-23.80	-0.35%
6025.4 · Facilities Repairs	929.39	0.00	929.39	100.0%

BSEACD
Profit & Loss Previous Year Comparison
September 2019 through January 2020

	Sep 1, 2019 - Jan 31, 2020	Sep 1, 2018 - Jan 31, 2019	\$ Change	% Change
6040.0 · LEASES	3,848.45	4,558.36	-709.91	-15.57%
6065.0 · DIRECTOR EXPENSES	114.95	1,781.35	-1,666.40	-93.55%
6066.0 · Directors Compensation	9,550.00	12,100.00	-2,550.00	-21.07%
6075.0 · DUES & MEMBERSHIPS	3,304.92	3,436.75	-131.83	-3.84%
6080.0 · EDUCATION AND OUTREACH	4,322.51	9,888.15	-5,565.64	-56.29%
6081.0 · REGULATORY COMPLIANCE	0.00	6,881.99	-6,881.99	-100.0%
6084.92 · GENERAL MANAGEMENT	680.00	7,090.00	-6,410.00	-90.41%
6089.0 · AQUIFER SCIENCE	24,032.35	12,729.35	11,303.00	88.8%
6100.0 · INSURANCE - DISTRICT	3,621.05	2,328.38	1,292.67	55.52%
6150.0 · INSURANCE - GROUP	62,735.78	62,491.38	244.40	0.39%
6160.0 · LEGAL SERVICES	57,350.48	67,299.55	-9,949.07	-14.78%
6168.11 · SOAH - EP	4,359.38	3,200.00	1,159.38	36.23%
6168.2 · SOAH - Needmore	0.00	1,520.00	-1,520.00	-100.0%
6170.0 · PROFESSIONAL SERVICES	27,232.82	26,014.00	1,218.82	4.69%
6179.0 · LEGISLATION	3,000.00	10,000.00	-7,000.00	-70.0%
6180.0 · PROF DEVELOPMENT & SUPPORT	3,562.67	0.00	3,562.67	100.0%
6184.0 · DISCRETIONARY FUNDS	0.00	1,500.00	-1,500.00	-100.0%
6199.0 · SALARIES AND WAGES	411,022.61	413,435.23	-2,412.62	-0.58%
6203.0 · TAXES & BENEFITS	51,972.87	59,046.90	-7,074.03	-11.98%
6690.0 · Reconciliation Discrepancies	-0.07	213.65	-213.72	-100.03%
6800.0 · PROJECTS	392.25	7,223.24	-6,830.99	-94.57%
Total Expense	702,298.36	754,016.26	-51,717.90	-6.86%
	342,405.99	226,463.60	115,942.39	51.2%

3. Balance Sheet-Previous Year Comparison

January 2020

**Barton Springs Edwards Aquifer
Balance Sheet Prev Year Comparison
As of January 31, 2020**

8:56 AM
02/06/20
Accrual Basis

	Jan 31, 20	Jan 31, 19	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000.0 · Cash in Bank-Checking BB&T	53,935.00	63,267.95	-9,332.95	-14.8%
1010.0 · Cash in Bank - Payroll BB&T	8,388.99	7,060.16	1,328.83	18.8%
1030.0 · TexPool Funds - General				
1030.1 · Aquifer Protection Reserve	52,050.00	52,050.00	0.00	0.0%
1030.2 · Deposits Held	61,560.00	0.00	61,560.00	100.0%
1030.21 · Cash Flow Reserve	150,000.00	0.00	150,000.00	100.0%
1030.0 · TexPool Funds - General - Other	321,142.31	396,481.21	-75,338.90	-19.0%
Total 1030.0 · TexPool Funds - General	584,752.31	448,531.21	136,221.10	30.4%
1040.0 · TexPool Funds - Contingency	595,363.29	815,666.80	-220,303.51	-27.0%
1045.0 · TexPool Funds - Reserve	60,745.27	59,548.44	1,196.83	2.0%
Total Checking/Savings	1,303,184.86	1,394,074.56	-90,889.70	-6.5%
Accounts Receivable				
1200.0 · Accounts Receivable	25,182.66	11,764.75	13,417.91	114.1%
Total Accounts Receivable	25,182.66	11,764.75	13,417.91	114.1%
Other Current Assets				
1100.0 · Petty Cash	300.00	300.00	0.00	0.0%
1300.0 · Pre-paid Expenses	8,802.91	8,654.89	148.02	1.7%
1499.0 · Undeposited Funds-A/R payments	0.00	9,120.83	-9,120.83	-100.0%
Total Other Current Assets	9,102.91	18,075.72	-8,972.81	-49.6%
Total Current Assets	1,337,470.43	1,423,915.03	-86,444.60	-6.1%
Fixed Assets				
1400.0 · Field Equipment	376,487.89	376,487.89	0.00	0.0%
1410.0 · Office Equipment & Furniture	19,722.90	19,722.90	0.00	0.0%
1410.1 · Computer Hardware & Software	13,529.69	13,529.69	0.00	0.0%
1420.0 · Vehicles	78,339.03	78,339.03	0.00	0.0%
1430.0 · Accumulated Depreciation	-583,153.24	-583,153.24	0.00	0.0%
1440.0 · Land (Antioch Cave)	165,415.00	165,415.00	0.00	0.0%
1445.0 · Office Building	268,588.04	268,588.04	0.00	0.0%
Total Fixed Assets	338,929.31	338,929.31	0.00	0.0%
Other Assets				
1500.0 · Organizational Costs	300,783.26	300,783.26	0.00	0.0%
1510.0 · Accumulated Amortization	-300,783.26	-300,783.26	0.00	0.0%
1600.0 · Deposits Paid (Utilities)	71.00	71.00	0.00	0.0%
Total Other Assets	71.00	71.00	0.00	0.0%

**Barton Springs Edwards Aquifer
Balance Sheet Prev Year Comparison
As of January 31, 2020**

	Jan 31, 20	Jan 31, 19	\$ Change	% Change
TOTAL ASSETS	1,676,470.74	1,762,915.34	-86,444.60	-4.9%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2010.0 · Rebates Payable - Cons Credits	19,148.06	21,502.02	-2,353.96	-11.0%
2110.0 · Direct Deposit Liabilities	1,035.00	1,093.00	-58.00	-5.3%
2220.0 · Federal Income Tax Withheld	-1,035.01	-1,093.00	57.99	5.3%
2230.0 · Employer Fica & Med Payable	-139.25	0.00	-139.25	-100.0%
2250.0 · TWC Payable	89.47	119.93	-30.46	-25.4%
2270.0 · Payroll Liabilities	0.10	0.00	0.10	100.0%
2300.0 · Accrued Vacation Payable	47,229.52	49,555.64	-2,326.12	-4.7%
Total Other Current Liabilities	66,327.89	71,177.59	-4,849.70	-6.8%
Total Current Liabilities	66,327.89	71,177.59	-4,849.70	-6.8%
Total Liabilities	66,327.89	71,177.59	-4,849.70	-6.8%
Equity				
3000.0 · Fund Balance	902,309.60	1,099,846.89	-197,537.29	-18.0%
3000.3 · Invested in Capital Assets	365,127.26	365,127.26	0.00	0.0%
3110.0 · Reserve for Petty Cash	300.00	300.00	0.00	0.0%
Net Income	342,405.99	226,463.60	115,942.39	51.2%
Total Equity	1,610,142.85	1,691,737.75	-81,594.90	-4.8%
TOTAL LIABILITIES & EQUITY	1,676,470.74	1,762,915.34	-86,444.60	-4.9%

4. Check Register
BB&T Operating Account
January 2020

BSEACD
Operating Register - Checking Account
January 1 - January 31, 2020

Type	Date	Num	Name	Memo	Amount	Balance
Liability Check	01/02/2020	EFT	Reliance Trust Company	Bi-weekly Retirement and Loan Pmt	-5,302.23	74,566.41
Liability Check	01/02/2020	EFT	United States Treasury	74-2488641	-7,537.63	69,264.18
Deposit	01/03/2020			Deposit (Permittee Production Fees and RR ASR Application Fee)	23,118.37	61,726.55
Check	01/06/2020	25304	United States Treasury	4th Quarter CY 2019 941	-139.19	84,844.92
Check	01/07/2020	25305	Integritek	IT, Phone, Anti-virus, Office 365	-1,756.74	84,705.73
Check	01/07/2020	25306	Jan-Pro of Austin	January Office Cleaning	-260.00	82,948.99
Check	01/07/2020	25307	Staples	Office Supplies	-61.78	82,627.21
Check	01/07/2020	25308	Ameritas Life Insurance Corp.	Vision Insurance Premium - February	-109.80	82,517.41
Check	01/07/2020	25309	Unum Life Insurance Co.	Life Insurance Premium - January	-1,006.49	81,510.92
Transfer	01/09/2020			Funds Transfer Payroll	-23,000.00	58,510.92
Check	01/09/2020	25310	Time Warner Cable	Internet	-145.11	58,365.81
Check	01/09/2020	25311	BB&T	Various Charges	-652.74	57,713.07
Check	01/09/2020	25312	LCRA-ELS	Aquifer Science Water Chemistry	-896.00	56,817.07
Liability Check	01/16/2020	EFT	Reliance Trust Company	Bi-weekly Retirement and Loan Pmt	-5,302.23	51,514.84
Liability Check	01/16/2020	EFT	United States Treasury	74-2488641	-7,758.51	43,756.33
Transfer	01/16/2020			Funds Transfer (low checking balance, transfer from TexPool)	25,000.00	68,756.33
Check	01/21/2020	25313	State Office of Administrative Hearings	December 2019 SOAH EP Fees and Fringe	-1,875.00	66,881.33
Check	01/21/2020	25314	Ready Refresh by Nestle	Water Delivery	-85.88	66,795.45
Check	01/21/2020	25315	Fidelity Security Life Insurance Company	Supplemental Gap Insurance - February Premium	-964.29	65,831.16
Check	01/21/2020	25316	CIT Technology Fin Serv, Inc	Copier Lease	-680.50	65,150.66
Check	01/21/2020	25317	Staples	Office Supplies	-225.51	64,925.15
Check	01/21/2020	25318	Sam's Club	Canteen	-140.64	64,784.51
Check	01/21/2020	25319	The Standard	Retirement Plan Administration (Oct - Dec 2019)	-6,346.58	58,437.93
Check	01/21/2020	25320	Pitney Bowes Global Financial Svcs, LLC	Postage Supplies/Ink	-226.97	58,210.96
Check	01/21/2020	25321	WellIntel Inc	Aquifer Science Supplies	-79.00	58,131.96
Liability Check	01/22/2020	25322	AFLAC	Employee-paid Supplemental Coverage	-186.08	57,945.88
Check	01/22/2020	25323	City of Austin	Water	-20.93	57,924.95
Liability Check	01/22/2020	25324	United Healthcare	Health Insurance Premium - February	-13,582.45	44,342.50
Liability Check	01/22/2020	25325	MetLife	Dental Insurance Premium - February	-863.53	43,478.97
Transfer	01/23/2020			Funds Transfer (into BBT Payroll account for next payroll)	-23,000.00	20,478.97

BSEACD
Operating Register - Checking Account
January 1 - January 31, 2020

Check	01/23/2020	25326	Brian Hunt	Expense and Mileage Reimbursement	-1,015.18	19,463.79
Check	01/23/2020	25327	Tammy Raymond	Expense Reimbursement- Canteen	-191.91	19,271.88
Transfer	01/23/2020			Funds Transfer (low checking balance, transfer from TexPool)	50,000.00	69,271.88
Check	01/28/2020	25332	Reserve Account	Postage Replenishment	-300.00	68,971.88
Check	01/28/2020	25334	Enoch Kever PLLC	Legal EP November and December 2019	-570.00	68,401.88
Check	01/29/2020	25335	HCA - Rainwater Revival	Rainwater Revival Showers Sponsorship	-1,000.00	67,401.88
Deposit	01/29/2020			Deposit (production fees, application fees and Needmore mitigation annual special condition fee)	25,815.88	93,217.76
Liability Check	01/30/2020	EFT	Reliance Trust Company	Bi-weekly Payroll and Loan Pmt	-5,396.13	87,821.63
Liability Check	01/30/2020	EFT	United States Treasury	74-2488641	-8,511.33	79,310.30
Check	01/30/2020	25328	U.S. Geological Survey	Joint Funding Agreement TC ILA Geophysical Studies	-16,000.00	63,310.30
Check	01/30/2020	25329	TREAD	KM Pipeline Fee-share Agreement	-5,000.00	58,310.30
Check	01/30/2020	25330	Pedemales Electric Cooperative	Electricity	-369.83	57,940.47
Check	01/30/2020	25331	Bickerstaff	Legal - General, Personnel, EP, Needmore, Permian Hwy Pipeline	-2,575.00	55,365.47
Check	01/30/2020	25336	Waste Management of Texas, Inc.	Trash and Recycling Service	-462.95	54,902.52
Check	01/30/2020	25337	Exxon Mobil Business Card	Gasoline	-48.00	54,854.52
Check	01/30/2020	25338	Brian Smith	Airfare and Per Diem for San Juan April Sinkhole Conference	-724.00	54,130.52
Check	01/31/2020	25333	Tammy Raymond	Petty Cash Replenishment	-195.52	53,935.00
					-20,631.41	53,935.00
					-20,631.41	53,935.00



**Barton Springs
Edwards Aquifer**
CONSERVATION DISTRICT

MEMORANDUM

Date: January 27, 2020
To: BSEACD Board of Directors
From: Dana Wilson
Re: District Investment Policy (1) Revision, and (2) Annual Adoption

Directors – In the July 2019 State Auditor’s Office Audit Report (SAO Report No. 19-039) for the District, although we were not dinged for our Investment Policy, it was on a “List of Insignificant Issues” from the SAO that stated:

“While the District does have an Investment Policy in place that addresses the applicable sections of the Texas Water Code, the District’s Investment Policy references an “**Investment Procedures Manual**” that the District does not have. The District should update its Investment Policy to ensure the references in its policy are current and accurate.”

Our investment policy was created for us by Bickerstaff, and is basically a template for GCD/local government investment policies.

(1) The solution is to delete that reference, as it was not intended to be included in the Policy; it is not necessary. See Investment Policy E.2 page 9.

(2) Additionally, Investment Policy I.C. on page 2 states:

“This Policy shall be reviewed annually, and amendments must be authorized by the Board.”

Therefore, we are asking for a motion from the Board to adopt the revision, and approve the Investment Policy for FY 2020, on February 13, 2020.

Thank you.

A handwritten signature in blue ink that reads "Dana".

Barton Springs/Edwards Aquifer Conservation District

Investment Policy

**Barton Springs/Edwards Aquifer Conservation District
Board of Directors
Approved May 26, 2005**

Approved July 24, 2008
Amended and Approved January 22, 2009
Amended and Approved February 13, 2020

PREFACE

It is the policy of the Barton Springs/Edwards Aquifer Conservation District (the "District") that all available funds shall be invested in conformance with these legal and administrative guidelines.

Effective cash management is recognized as essential to good fiscal management. An aggressive cash management and investment policy will be pursued to take advantage of investment interest as viable and material revenue to all operating and capital funds. The District's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with State and Federal law.

Investments shall be made with the primary objectives of:

- Preservation of capital and protection of principal
- Maintenance of sufficient liquidity to meet operating needs
- Security of District funds and investments
- Diversification of investments to avoid unreasonable or avoidable risks
- Maximization of return on the portfolio

I. Purpose

A. Authorization

This Policy is to be authorized by the Board of Directors of the District (the "Board") in accordance with Section 5 of the Public Funds Investment Act (Chapter 2256, Texas Government Code), as amended, which requires the adoption of a formal written Investment Policy.

B. Scope

This Policy shall govern the investment of all funds of the District as entrusted to the Board and other authorized representatives in accordance with Chapter 2256, Texas Government Code, as amended. In addition to this Policy, bond funds, including debt service and reserve funds, shall be managed by their governing resolution and Federal law, including the Tax Reform Act of 1986 and subsequent legislation.

C. Review and Amendment

This Policy shall be reviewed annually. Amendments must be authorized by the Board.

II. Investment Objectives

A. Safety of Principal

The District has as its foremost objective to ensure the safety of principal, considering the portfolio as a whole. The manner in which the District ensures safety of principal is presented in Section IV.B., "Ensuring Safety of Principal."

B. Maintenance of Adequate Liquidity

The District's investment portfolio must be structured in a manner which will provide the liquidity necessary to pay obligations as they become due. Maintenance of adequate liquidity is described in Section IV.C., "Ensuring Liquidity."

C. Return on Investments

Consistent with State law, the District shall seek to optimize return on investments within the constraints of safety and liquidity. Investments (excluding assets managed under separate investment programs, such as in arbitrage restrictive programs) shall be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity. Other appropriate performance measures will be established by the Board. Specific policies regarding investment rate of return are presented in Section IV.D., "Achieving Investment Return Objectives."

For bond issues to which Federal yield or arbitrage restrictions apply, the primary objectives shall be to obtain satisfactory market yields and to minimize the costs associated with investment of such funds.

D. Prudence and Ethical Standards

The standard of prudence used by the District shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The prudent person rule is restated below:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the Officer had responsibility rather than a consideration as to the prudence of a single investment, and whether the investment decision was consistent with the written Investment Policy of the District.

Specific policies describing the District's prudence and ethical standards are found in Section IV.E., "Responsibility and Controls."

III. Investment Strategy Statement

The District maintains portfolios of operating/operating reserve funds.

Operating/Operating Reserve Funds:

Investment strategies for operating and operating reserve funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles.

Other than its Operating/Operating Reserve Funds, the District has no other Funds to invest. All funds shall be maintained in the District's depository or invested in TexPool.

IV. Investment Policies

A. Eligible Investments

Investments described below are those authorized by the Public Funds Investment Act (Chapter 2256, Texas Government Code), as amended, which is included and made a part of this Policy as Appendix A. The following list may not contain all of those securities that are authorized by State statutes, but only those that the Board wishes to include in the District's portfolios. The purchase of specific issues may at times be further restricted or prohibited because of current market conditions. The District funds governed by this Policy may be invested in local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Act) as amended, whose assets consist exclusively of the obligations that are allowed as a direct investment for funds subject to the Public Funds Investment Act (Chapter 2256, Texas Government Code), as amended. A public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service.

B. Ensuring Safety of Principal

Ensuring safety is accomplished through protection of principal and safekeeping.

1. Protection of Principal

The District shall seek to control the risk of loss due to the failure of a security issuer or guarantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy, by qualifying the broker/dealer and financial institution with whom the District will transact, by collateralization as required by law, by portfolio diversification and by limiting maturity.

a. Approved Broker/Dealers/Financial Institutions

Investments shall only be made with those firms and institutions who have acknowledged receipt and understanding of the District's Investment Policy. The "qualified representative" of the business as defined in Chapter 2256 of the Texas Government Code shall execute a written certification to acknowledge receipt of the District's Investment Policy and to acknowledge that the organization has implemented reasonable procedures and controls to preclude imprudent investment activities arising out of the investment transactions conducted between the entity and the District.

Authorized Investments shall only be purchased from those institutions included on the District's list of banks, savings banks and credit unions as approved by the Board. This list of approved investment providers must be reviewed at least annually by the Board.

b. Collateralization

Consistent with the requirements of State law, the District requires all banks, savings banks and credit union deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as District Depositories will be required to sign an Agreement with the District and its safekeeping agent for the collateral, perfecting the District's rights to the collateral in case of default, bankruptcy or closure. The District shall not accept, as depository collateral, any security that is not specifically allowed to be held as a direct investment by the District portfolio (see 1V.A.).

(1) Allowable Collateral

(a) Certificates of Deposit/Share Certificates

Eligible securities for collateralization of deposits are defined by the "Public Funds Collateral Act" (Chapter 2257, Texas Government Code) which is included and made a part of the Policy as Appendix A. The eligibility of specific issues may at times be restricted or prohibited because of current market conditions.

(b) Repurchase Agreements

Collateral underlying repurchase agreements is limited to U. S. government and agency obligations, which are eligible for wire transfer (i.e. book entry) to the District's designated safekeeping agent through the Federal Reserve System.

(2) Collateral Levels

Collateral is valued at current market plus interest accrued through the date of valuation.

(a) Certificates of Deposit/Share Certificates

The market value of collateral pledged for certificates of deposit/share certificates must at all times be equal to or greater than the par value of the certificate of deposit plus accrued interest, less the amount insured by the FDIC, FSLIC or the National Credit Union Share Insurance Fund or their successors.

(b) Repurchase Agreements

The market value of collateral required to be pledged for repurchase agreements shall be a percentage of the par value of the agreement plus accrued interest and shall be maintained at the following levels:

<u>Collateral Maturity</u>	<u>U. S. Treasury Securities</u>	<u>U. S. Government Agency</u>
1 year or less	101%	101 %
1 year to 5 years	102%	102%
Over 5 years	103%	104%

(3) Monitoring Collateral Adequacy

(a) Certificates of Deposit/Share Certificates

The District requires monthly reports with market values of pledged securities from all financial institutions with which the District has certificates of deposit/share certificates. The District's Investment Officer will at least weekly monitor the adequacy of collateral.

(b) Repurchase Agreements

Weekly monitoring by the District's Investment Officer of all collateral underlying repurchase agreements is required. More frequent monitoring may be necessary during periods of market volatility.

(4) Margin Calls

(a) Certificates of Deposit/Share Certificates

If the collateral pledged for a certificate of deposit or share certificate falls below the par value of the deposit, plus accrued interest less FDIC, FSLIC or National Credit Union Share Insurance, the institution will be notified by the District and will be required to pledge additional securities no later than the end of the next succeeding business day.

(b) Repurchase Agreements

If the value of the collateral underlying a repurchase agreement falls below the margin maintenance levels specified above, the District will make a margin call unless the repurchase agreement is scheduled to mature within five business days and the amount is deemed to be immaterial.

(5) Collateral Substitution

Collateralized investments, certificates of deposit and share certificates often require substitution of collateral. Any broker or financial institution requesting substitution must contact the Investment Officer for approval and settlement. The substituted collateral's value will be calculated and substitution approved if its value is equal to or greater than the required value (See IV.B.2.c.(2)(b)). The Investment Officer must give immediate notification of the decision to the bank or the safekeeping agent holding the collateral. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officer may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

(6) Collateral Reductions

Should the collateral's market value exceed the required amount, any broker or financial institution may request approval from the Investment Officer to reduce collateral. Collateral reductions may be permitted only if the District's records indicate that the collateral's market value exceeds the required amount.

c. Portfolio Diversification

Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations. Because of the need for liquidating, the District's investments outside its depository shall be limited to 100% in TexPool.

d. Limiting Maturity

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by funds are as follows:

(i) General Funds

The dollar weighted average days to final stated maturity shall be 90 days or less, as provided for local government investment pools. The Investment Officer will monitor the maturity level and make changes as appropriate.

(ii) Reserved

2. Safekeeping

a. Safekeeping Agreement

The District shall contract with a bank or banks for the safekeeping of securities either owned by the District as a part of its investment portfolio or held as collateral to secure certificates of deposits, share certificates or repurchase agreements.

b. Safekeeping of Certificate of Deposit/Share Certificate Collateral

All collateral securing bank, savings banks and credit union deposits must be held by a third party banking institution approved by the District, or collateral may be held at the Federal Reserve Bank.

c. Safekeeping of Repurchase Agreement Collateral

The securities which serve as collateral for repurchase agreements with dealers must be delivered to a third-party custodian with which the District has established a third-party safekeeping agreement.

C. Ensuring Liquidity

Liquidity shall be achieved by investing in securities with active secondary markets and by investing in TexPool, a local government investment pool.

A security may be liquidated to meet unanticipated cash requirements, to redeploy cash into other investments expected to outperform current holdings, or to otherwise adjust the portfolio.

D. Achieving Investment Return Objectives

Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations. The portfolios shall be actively managed

to enhance overall interest income. Active management will take place within the context of the "Prudent Person Rule." (see Section II.D.).

Because of liquidity needs, the District has limited its investments to TexPool.

E. Responsibility and Controls

1. Authority to Invest

The authority to invest the District funds and the execution of any documentation necessary to evidence the investment of the District funds is granted to the District personnel ("Investment Officer") authorized to invest on behalf of the District.

2. Establishment of Internal Controls

The Investment Officer will establish a system of internal controls over the investment activities of the District and document such controls, ~~in the Investment Procedures Manual.~~

3. Prudent Investment Management

The designated Investment Officer shall perform his/her duties in accordance with the adopted Investment. The Investment Officer acting in good faith and in accordance with these Policies and Procedures shall be relieved of personal liability.

4. Standard of Ethics

The designated Investment Officer shall adhere to the District's ethics policies.

5. Training and Education

In accordance with the Texas Water Code, Sec. 36.1561-, the designated Investment Officer shall attend at least four hours of additional investment training within each two-year period after the first year. State law requires that training relating to investment responsibilities must be provided by an independent source.

F. Reporting

Investment performance is continually monitored and evaluated by the Investment Officer. The Investment Officer will provide detailed reports, as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code), Section 2256.023, for the Board on a quarterly basis.

The report will outline conformance to the restrictions of the Policy in the area of diversification and term of maturity. The report will also compare the performance of the District's portfolio to appropriate benchmarks as determined by the Board. The report will include an economic summary discussing interest rate trends, investment strategy and any other information deemed appropriate by the Investment Officer.

G. Compliance Audit

In conjunction with its annual financial audit, the District shall perform a compliance audit of management controls on investments and adherence to the District's established Investment Policies. The results of the audit shall be reported to the Board.

H. Certification

A copy of this Investment Policy will be provided to the senior management of any bank, dealer, broker or investment advisor wishing to transact investment business directly with the District in order that it is apprised of the investment goals of the District. Before business is transacted with the firm, a certification (Appendix A) must be signed by a senior member of a firm. Should the District contract with an external investment advisor to execute the District's investment strategy, including the negotiation and execution of investment transactions, a managing officer of the investment advisory firm may sign the written certification in lieu of the broker/dealer firms. This certification must be included as part of the investment advisory contract.

V. Investment Officer

Dana Christine Wilson, the District's Senior Administrative ~~on~~-Manager, is the Investment Officer foref the District.

**APPENDIX A
BROKER/DEALER CERTIFICATION**

**TEXAS PUBLIC FUNDS INVESTMENT ACT
ACKNOWLEDGMENTS**

These Acknowledgments are executed on behalf of Barton Springs/Edwards Aquifer Conservation District, Texas ("Investor") and _____ ("Business Organization") pursuant to the Public Funds Investment Act, Chapter 2256, Government Code, Texas Codes Annotated (the "Act"), in connection with investment transactions conducted between the Investor and the Business Organization.

Acknowledgment by Investor

The undersigned investment officer of the Investor ("Investment Officer") hereby acknowledges, represents and agrees on behalf of the Investor that:

- (i) The Investment Officer (a) has been duly designated by official action of the governing body of the Investor to act as its Investment Officer pursuant to the Act, (b) is vested with full power and authority under the Act and other applicable law to engage in investment activities on behalf of the Investor, and (c) is duly authorized to execute this Acknowledgment on behalf of the Investor.
- (ii) Pursuant to the Act, the governing body of the Investor has duly adopted a written investment policy which complies with the Act, including an investment strategy (as the same may be amended, the "Investment Policy"), and the Investment Officer (a) has furnished a true and correct copy of the Investment Policy to the Business Organization and (b) will notify the Business Organization of any revision of, or amendment to, the Investment Policy. The Business Organization shall be entitled to rely upon the most recent version of the Investment Policy furnished by the Investment Officer until provided with an amended version;
- (iii) Attached hereto is a list of investments that are authorized pursuant to the Investment Policy and that the Investment Officer understands may be available from the Business Organization. The attached list may be amended from time to time by mutual agreement of the Investor and the Business Organization; and
- (iv) In connection with any investment transaction between the Business Organization and the Investor, the Business Organization is not responsible for assuring compliance with those aspects of the Investment Policy over which the Business Organization has no control or knowledge, such as restrictions as to diversity and average maturity, or which require an interpretation of subjective investment standards.

INVESTMENT OFFICER

Name: _____
Title: _____
Date: _____

Acknowledgment by Business Organization

In reliance upon the foregoing "Acknowledgment by Investor," the undersigned qualified representative of the Business Organization ("Qualified Representative") acknowledges, represents, and agrees on behalf of the Business Organization that:

- (i) The Qualified Representative (a) is registered under the rules of the National Association of Securities Dealers, (b) is the duly appointed and acting officer of the Business Organization, holding the office set forth underneath its name below, and (c) is duly authorized to execute this Certification on behalf of the Business Organization,
- (ii) The Qualified Representative has received and reviewed the Investment Policy furnished by the Investment Officer,
- (iii) The Business Organization will provide the Investment Officer with a periodic account and other reasonably requested information that will assist the Investment Officer in carrying out his or her responsibility to make investment decisions consistent with the Investment Policy; and
- (iv) The Business Organization will not sell to the Investor investments other than those on the attached list, which may be amended from time to time by mutual agreement of the Investor and the Business Organization.

QUALIFIED REPRESENTATIVE

Name: _____
Title: _____
Date: _____

Item 3

Routine Business

- b. General Manager's Report.** *(Note: Topics discussed in the General Manager's Report are intended for general administrative and operational information-transfer purposes. The Directors will not take any action unless the topic is specifically listed elsewhere in this agenda.)*

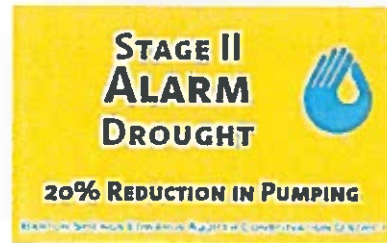
Topics

- 1. Personnel matters.**
- 2. Aquifer conditions and status of drought indicators.**
- 3. Upcoming public events of possible interest.**
- 4. Review of Status Report Update – at directors' discretion.**
- 5. Update on projects and activities of individual teams.**
- 6. Update on Roadway Projects**
- 7. Update on Sustainable Yield Study of the Trinity Aquifer.**
- 8. Update on GMA and regional water planning activities.**

Stage II Alarm Drought Checklist:

Last updated on 2/4/20

- Stage II Alarm Drought road signs available for pickup
- Regulatory database – test drought compliance reports
- Triggers – Verify discharge and water level measurements
- Press Release – Entry into Stage II Alarm Drought
- Website – Post press release on Spotlight & Press Release page
- Notice to Permittees – hardcopy letter
- Notice to Permittees – email Drought Bulletin
 - o Resources: bill insert pdf available, yard signs (2-3 per water utility)
- Notice through eNews
- Drought Management – comply with curtailments the first full month following declaration
- Website – Change Drought icons
- Website – Make Drought Monitor blog entry
- Office – Change vehicle drought magnets, change flag, post road signs
- Triggers – Update drought charts and predictions



Approaching Stage II Alarm Drought Talking Points

- **How close are drought triggers to Stage II Alarm Drought thresholds?** (last updated 2/4/20)
 - o Barton Springs ~~10 day average~~ discharge is currently 42 cfs, which is 4 cfs above the drought trigger threshold of 38 cfs. Flow at Barton Springs is steadily declining, though it is still above its threshold. It is estimated to cross the drought threshold in late-February or early March if we receive additional rainfall.
 - o The water level in the Lovelady Monitor Well is 10 feet above the Stage II Alarm Drought threshold (478.4 feet above mean sea level).
 - o Only one drought trigger below its threshold required to enter into drought.
- **What does Stage II Alarm Drought mean for homeowners?**
 - o Water utilities using groundwater are required to cut back their monthly pumping by at least 20%.
 - o Consequently, all end users that get their water from groundwater will have to reduce their water use.
 - o Check your water bill for monthly water use—should be below 4,000 gallons a person.
 - o Restrict outdoor watering. Follow your water utility's watering restrictions.
- **What is the weather outlook for the next few months?** (last updated 1/10/20)
 - o [U.S. Drought Outlook](#) is predicting a drier than average January - March.
 - o Discharge and water levels are in steady decline; it will take consistent rainfall to saturate the soils to allow runoff to fill creeks. We need enough rainfall so creeks flow consistently for a few weeks—preferably a few months—since the majority of the recharge to the aquifer comes when creeks flow across the recharge zone.
- **Where should people go to find out more information?**
 - o Our website... www.bseacd.org or google 'Barton Springs Aquifer District'.

- **What is the drought response from other area water agencies (updated 2/4/20)?**

- Edwards Aquifer Authority:

- No drought conditions
 - [EAA Critical Stage Info](#) (Triggers, Stages and Reductions)

- City of Austin:

- [City of Austin is in Conservation Stage Restrictions](#) (automatic irrigation limited to 1 day per week, before 10am or after 7pm)
 - Follows LCRA drought triggers (see next section).

- City of San Marcos

- [No drought restrictions](#)

- Lower Colorado River Authority:

- Currently no declared drought.
 - Water storage in Lakes Travis and Buchanan are currently at 87% full (1,746,955 acre feet, 2/4/20). Check real time [Lake Volumes](#).
 - When lakes reach 900,000 acre feet, firm water customers required to reduce water use by 10-20%, and LCRA starts curtailment of interruptible permits and environmental flow allocations.

- Guadalupe-Blanco River Authority:

- Currently no declared drought.
 - See [2011 Drought Contingency Plan](#) for more info.

- Hays-Trinity Groundwater Conservation District:

- No drought conditions

**STATUS REPORT UPDATE
FOR THE FEBRUARY 13, 2020 BOARD MEETING**

Summary of Significant Activities - Prepared by District Team Leaders

UPCOMING DATES OF INTEREST

- Board Meetings: February 13, March 12
- District Offices closed: February 17 President's Day

- Caves, Wildlands, and Groundwater Library Event: Feb. 7 (Kyle)
- Caves, Wildlands, and Groundwater Library Event: Feb. 10 (Buda)
- Water Conservation Symposium: Feb. 13, 2020 (Austin)
- Blue Hole Community Seminar - *One Water: Cutting Costs and Protecting our Aquifers*
Feb 14, 2020 (Wimberley)
- Austin Cave Festival: Feb. 22, 2020 (WFC, Austin)
- TWCA Annual Convention: Mar. 4-6, 2020 (Fort Worth)
- District scholarship applications due: Mar. 25, 2020
- District Well Water Checkup: Apr. 22, 2020
- Texas Water 2020: Mar. 31-April 3, 2020 (Fort Worth)
- TAGD Regular Business Meeting: May 27-28, 2020 (Austin)
- Texas Groundwater Summit: Sep. 1-3, 2020 (San Antonio)

- GMA 9 Meeting: TBD
- GMA 10 Meeting: Mar. 23, 2020 (San Antonio)
- Region K Meetings: Feb. 18, April 22, 2020 (Austin)
- RWQPP Meeting: Feb. 28, 2020 Hyde Park Grill

REGULATORY COMPLIANCE TEAM

Staff: KBE and ES
February 13, 2020

Sustainable Yield

The RC team and Aquifer Science Team developed a process overview that outlines the timeline, milestones, and steps involved with completing the policy discussions, stakeholder aspects, and technical aspects the sustainable yield effort.

DFC Planning

The RC team is actively collaborating in planning discussions with the Aquifer Science Team, neighboring GCDs, GMA 10 representatives, and TWDB staff. We are working on preparing a timeline and planning strategy for our immediate and long-term goals related to DFC revisions and DFC monitoring compliance. Discussions will continue as we continue to attend GMA meetings and prepare to develop presentations, bring information to the Board and engage additional stakeholders. On January 16th, staff made a presentation to the Board on DFC process and proposed revisions.

State Office Administrative Hearing (SOAH) Matters

Electro Purification Production Permit:

- The SOAH hearing on the merits currently set to convene April 2020.
- Motion for Summary Disposition – On 1/6/2020 the ALJs issued an order denying the Protestant’s Motion for Summary Disposition.

SH 45 SW/ Mopac Intersections Roadway Projects

Staff held a SH 45 wrap up discussion meeting with CTRMA in mid-November. Staff is working on an article write up of the project success to be completed in January 2020. Mopac project is still under construction and quarterly environmental storm water inspections are performed by District staff and Dave Fowler. Aquifer Science is still involved in regular site visits to review karst features and advise on mitigation of those features. Dave Fowler conducted a brief SH 45 inspection on January 27th and staff anticipates conducting one final inspection in the spring.

Database Development Intera Contract

Intera continues to work on modules for completion and deployment. Staff has scheduled a strategy meeting with Intera to discuss efficiency and deadlines. Testing of modules that are completed and deployed will begin in Spring 2020.

Strategic Planning Discussions

RC team staff are preparing team priorities to identify core functions, management goals, and long-term project efforts. This will help inform upcoming work session discussions with the full Board.

Permitting: In Review Applications:

- City of Hays Well rehab/ Well Plugging
- Exempt/ LPP domestic wells
- Ruby Ranch ASR Operational Permit

- Sage Hill Inn Above Onion Creek Amendment
- Vance Lane LLC - Rollingwood Irrigation

Permitting: Pre Application Meetings (Soon to be Filed):

Application Type	Entity
Well Drilling Authorization	Gragg Tract #4, #5
Individual Production Permit	Ruby Ranch Class D (ASR 2020)
Individual Production Permit	Stone Ridge Resident (Irrigation)
Combo Drilling/Production Permit	Travis Co Fire Station (Fire/Irrigation)
Combo Drilling/Production Permit	HEB (new irrigation for pond)
Combo Drilling/Production Permit	Mad Rooster/ Greg Schwartz (Commercial)
Production Permit Amendment	Log Cabin Plaza/Diana Espiritu (Commercial)
Test Well	Creedmoor Trinity Test Well (PWS 2020)
Test Well	Maxwell WSC (PWS 2020)

Other Project Efforts/ Planning Discussions

- Internal coordination on preparation and planning for Annual Reports including Management Plan Annual Report & USFWS HCP Annual Report. Staff held the first MAC meeting since the issuance of the HCP on January 28th to provide an overview of the annual report and to solicit feedback. Staff has compiled the feedback and has made warranted changes to the annual report. (All Teams)
- Tracking progress on House and Senate Interim Charges

Drought Compliance – No Drought

AQUIFER SCIENCE TEAM

Staff: BAS, BH, and JC (LC for ILA)
February 7, 2019

Sustainable Yield Evaluation of the Trinity Aquifers

Aquifer Science staff continue to collect data on the geology and hydrogeology related to the Trinity Aquifers. Aquifer Science staff are continuing to work on enhancing the monitor well networks in the EP and Needmore areas and are continuing to collect water-level and water-quality data from wells in these areas. We are working with Hays County to install Trinity monitor wells in the Jacob's Well area. Work on the District's own numerical modeling is ongoing. We are members of a technical committee to guide the development of a numerical groundwater model of the aquifers influenced by the Blanco River. Planning and funding of the Blanco River/Trinity model are close to being finalized with ongoing discussions between Hays County, Meadows Center, and Southwest Research Institute. It is expected that Southwest Research Institute will do most of the modeling work.

Alternative Water Supplies (ASR and Desalination)

Ruby Ranch has completed testing of injection of Edwards water into their Trinity well. Ruby Ranch submitted a final report on the ASR pilot testing to the TCEQ and the District on October 9, 2019. The District has received a permit application from Ruby Ranch for operation of their ASR system. Buda is expected to start drilling a Trinity well in the winter or spring of 2020 for their ASR project.

Drought and Water-Level Monitoring

With very little rainfall over the past six months, water levels and springflow are decreasing and the aquifers are approaching drought conditions. On February 7, the Lovelady well had a level of 487.3 ft msl, which is about 7 ft lower than one month ago. Barton Springs is flowing at 42 cfs, down about 3 cfs from one month ago. Without significant rain in the next few weeks, it is likely that drought conditions will be reached at Barton Springs by late February or early March.

Presentations, Conferences, Reports, and Publications

An abstract and manuscript have been submitted for the 16th Sinkhole Conference that will be held in San Juan, PR in April 2020. A presentation about our ASR projects will be given to the Groundwater Protection Committee annual conference on February 18 in San Antonio.

Travis County ILA - Hydrogeologic Atlas of Western Travis County

A final draft of atlas project is being edited based on a first round of technical peer review. We anticipate publication in March 2020. A second phase of work complimenting Phase I has begun.

EDUCATION TEAM

Staff: RHG and JV

February 6, 2020

Scholarship Programs

Scholarship application packets are updated and available online. Promotion has begun, and targeted outreach to District schools, community groups, and libraries is underway. Deadline to submit applications is March 25. Winners nominated at April Board Meeting, and Award ceremony at May Board Meeting. This year's scholarship programs are funded by the District and through conservation credit donations from City of Austin, Creedmoor Maha, Goforth, and Cook-Walden: Forest Oaks.

Nerd Nite, Tour D'Tap presentation

Austin Nerd Nite hosted 3 cave-related talks for approximately 75 attendees on Jan. 22 from 8-10:30pm at the Wildflower Center Great Hall (Details: <https://austin.nerdnite.com/>). Robin presented about Central Texas water sources in a presentation called The Tour D'Tap (modeled after a District educational activity). This is lead-up promotion for Cave Festival.

Austin Cave Festival, Feb 22

Collaboration and planning meetings are underway for the 2020 Austin Cave Festival to be held at the Wildflower Center on Saturday, Feb. 22. The District works to put on this event in collaboration with the Lady Bird Johnson Wildflower Center, Texas Speleological Society, Austin Parks & Rec, Watershed, and Wildlands Departments. This year staff will be leading sinkhole hikes to highlight surface water/groundwater interaction, recharge, and water quality protection.

Austin Water Conservation Symposium, Feb 13

The District is a co-sponsor of the 10th Annual Central Texas Water Conservation Symposium 'Collaborating for Success: Planning & Programs that get Results' to be held at the Austin Board of Realtors facility on Feb. 13. This symposium aims to provide water utilities with the information needed to implement successful water conservation programs, effectively engage customers, and plan for the future. Speakers include state and national experts that will discuss the latest approaches, what is coming next and best practices for maximum efficiency gains.

One Water: Cutting Costs and Protecting Our Aquifers, Feb. 14

The Friends of Blue Hole Learning Series is hosting an all-day symposium highlighting One-Water elements being incorporated in construction of the WISD Blue Hole Primary School (alternate water supplies, conservation strategies, water reuse, beneficial stormwater capture, etc.). Robin is moderating a panel on planning, community support, design theory, and design practice for the One-Water school project. To date, approximately 120 people have registered to attend.

Regional Water Quality Planning Group, Region K: Robin is the designated alternate for the GMA 10 representative for Region K. She will fill in until a new lead rep can attend planning meetings. The last meeting focused on reviewing Chapter 5: Identification, Evaluation and Selection of Water Management Strategies based on Need. Chapter 6 will be out for review soon. Ch. 6 summarizes the impacts of the Regional Water Plan and will have a discussion of met and

unmet needs, impact to agriculture, surface water, social and economic impacts. The Initially Prepared Plan (IPP) is on schedule to be approved Feb. 18 2020 which will allow it to be publicly posted, presented at a April 22 public hearing, and be available for public comment for 60 days following the public hearing. Next meetings are Feb 18 (2/3 support of voting members necessary to pass IPP) and the public hearing Apr. 22 (no quorum necessary, just receiving comments). When the IPP is posted, direct mail to an extensive list of stakeholders will invite public comment and electronic notices will be available to members to share through their networks.

Other meetings and activities:

- **Cave Fest Brown Bag Meeting with WFC Center Staff:** Staff assisted City of Austin Wildlands and Watershed in presenting to about 25 Lady Bird Johnson Wildflower Center staff and volunteers on the importance of the education provided to attendees at the yearly Austin Cave Festival. Afterwards, staff assisted in leading a tour of Wildflower Cave to introduce them to what visitors are able to experience during the event.
- **Caves, Wildlands, and Groundwater of Kyle & Buda:** Kyle and Buda libraries are hosting the CoA Wildlands, the District, and CaveSim for two family-friendly afternoon events focused on water conservation, water quality protection, and caves. Join us! Kyle Public Library, Fri. Feb 7 4:30-6pm, Buda Public Library, Mon., Feb. 10, 4-7:30pm.
- **Explorer's Guide to the Hill Country:** The SBCA has launched the web version at www.explorersguide.org. A celebration event of the official release of both the print and online guide will be held on Sat. Feb. 8, 12-3pm at Oddwood Ales. In the coming months there are a number of planned outreach events where SBCA staff will be promoting the guide and Explorer's Challenge to visit sites and complete activities within the guide. The District is a main sponsor of the project.
- **Kent Butler Summit planning:** Planning discussions continue with Austin Water, Austin Watershed, Hill Country Alliance staff. Format this year will likely be an invitation-only workshop focused on need/strategies/successes for 'Investing in the Natural Infrastructure of the Hill Country' and will take place in Spring 2020 and will be hosted at the Onion Creek Management Unit of the Water Quality Protection Lands.

Internet Traffic Report - Page views and visits to the District Website

From January-February, the District website had 5,036 total page views by 3,905 unique sessions. Top sites in order of number of views were the Home Page (1,085), Austin Cave Festival (599), Scholarships (187), Staff (159), Maps (128), Kinder Morgan Pipeline (113), and Drought Status (100). *The District Facebook page now has 893 likes and 1,013 followers. The most popular FB posts were the Kent Butler Scholarship announcement (443), Press Release announcing lawsuit against Kinder Morgan (368), and Regulatory Compliance Intern job posting (247). The Nerd Nite event reached 14,000 people and the Cave Festival Facebook event has reached 79,000 people.*

ADMINISTRATION TEAM

Staff: SD, TR, and DW
January 11, 20 – February 6, 2020

Accounts Receivable/Cycle Billings

March monthly billing, and 3rd Quarter cycle billing are to be mailed out on February 14th (due on April 5 and late on April 16) for \$ 329,920 (CoA-AWU accounts for \$245,571 of this amount).

Election – November 2020

There are three director precincts that may be involved this year:

Precinct 1	Mary Stone
Precinct 3	Blake Dorsett
Precinct 4	Dr Bob Larsen

Initial election timeline is in your blue folders.

Financial Reporting – Website

Transparency Star-related. Most current, available financial reports are to be posted. Balance Sheet, Profit and Loss Statements, and Check Registers (Operating and Payroll) through January 2020 have been posted on the District website.

Southwest Travis County ILA Phase II – FY 2020

UPDATE: The second installment of \$25,000 will be invoiced this month (February). The ILA states “no sooner than 60 days after the initial payment.”

Initial invoice of \$50,000 was submitted to Travis County (10.14.19) within 30 days of contract execution, as stipulated in the agreement, and payment was received on 12.5.2019.

Tax Reporting

The Affordable Care Act Section 6055 requires the filing of IRS forms 1094-B and 1095-B. Individual forms are given to each employee by January 31. This report is also submitted to the IRS by February 28.

The purpose of this form is to report to the IRS and to individuals about the minimum essential coverage required of those who sponsor self-insured group health plans (our plan with All Savers is considered a self-insured plan).

Simplified – this form reports the number of months that an individual employee had health insurance coverage.

The Administration Team typically has repetitive monthly tasks e.g. monthly bank reconciliations, daily phone answering, monthly adjusting journal entries, contract/grant/and project tracking, monthly meter reading reporting, etc. These types of tasks are not listed here because they are so repetitive. Administration status reports are generally smaller than the other teams as we list only the extra-ordinary tasks.

Item 4

Presentations

Staff presentation on the draft Annual Report for the US Fish & Wildlife Incidental Take Permit.

Item 5

Board Discussions and Possible Actions

- a. Discussion and possible action on approval of the draft US Fish & Wildlife ITP Annual Report.**

Item 5

Board Discussions and Possible Actions

- b. Discussion and possible action on approval of a once-a-month Board meeting schedule and summer Board meetings.**

Item 5

Board Discussions and Possible Actions

c. Discussion and possible action on the status of the Needmore Water LLC permit.

Item 5

Board Discussions and Possible Actions

d. Discussion and possible action on Strategic/Budget Planning.

**Barton Springs/Edwards Aquifer Conservation District
Board of Directors Strategic Planning Work Session**

**October 24, 2019
Notes**

The following are the notes taken by the facilitator during the discussion from the Strategic Planning Work Session. The Board discussed the factors to consider in establishing priorities, the goals of the Strategic Planning process, and the additional information needed for the Strategic Planning process.

1) What factors will influence establishing priorities for the District

The Board engaged in discussions and brainstormed the following factors, both external and internal to the District, that it may consider in determining District priorities:

- Legal obligations with respect to Electro Purification
- Trinity subsidence
- Will it advance sustainability?
- Does it promote best use of water? (consider adding this to mission statement)
- Budget – what does an effort/project cost?
- Will it work toward a common goal?
- How will it improve the District’s impact on external factors?
- Will it promote GCD cooperation?
- What is required/optional?
- What are the legislative considerations and reactions?
- What can be eliminated or changed?
- Can we do something more efficiently/differently?
- What are the interests of constituents? /public interest?
- Where are our strengths and struggles?
- What are the timeline requirements?

2) Goals for the Board’s Planning Process

The Board generally agreed that it wanted to consider what can be done under a future three-year budget timeframe and to include an assessment of what has been done for the two years prior. It should focus on how to accomplish the District’s requirements and the need to build in flexibility as circumstances change.

The planning process might include the following:

- Add up the budget of the required items
- See what budget is left
- Prioritize
- Adopt and agree on a prioritized list

Methods for accomplishing the process include:

- Use of a Gantt chart format
- Teams prioritize non-required items in advance of Board budget discussions
- Do the above process both with and without Electro Purification considered in the District's expected revenue.

3) What additional information does the Board need to accomplish its goal in the planning process?

The Board noted the following information they wanted:

- List of activities for each Team, identifying the following:
 - Is the activity legally required?
 - Will it achieve District objectives?
 - Or other?
 - What is the prioritization of these activities?
- What are the costs, in a format that is evaluated consistently among each Team, including time, money, and equipment? Costs can be based on a percentage of staff time.
- Political assessment – what are the political forces, issues, costs and ramifications?
- Determine how the use of the database can be maximized?
- Look at Annual Report grade sheet

Possible strategic items to add to list of priorities.

- Brainstorm what District is not doing, what to anticipate
- Development of a communications plan and need for adding this as a budget item
- Legislative agenda for 2021

Item 6

Director's Reports

Directors' Reports.

Directors may report on their involvement in activities and dialogue that are of likely interest to the Board, in one or more of the following topical areas:

- **Meetings and conferences attended or that will be attended;**
- **Committee formation and updates;**
- **Conversations with public officials, permittees, stakeholders, and other constituents;**
- **Commendations; and**
- **Issues or problems of concern.**

Item 7

Adjournment