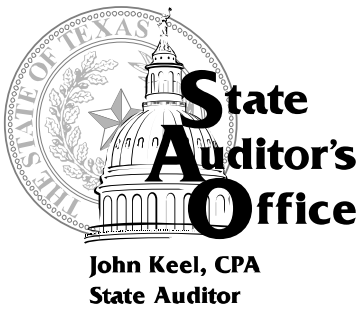




John Keel, CPA
State Auditor

An Audit Report on
**Selected Groundwater
Conservation Districts**

October 2014
Report No. 14-004



An Audit Report on

Selected Groundwater Conservation Districts

SAO Report No. 14-004
October 2013

Overall Conclusion

Auditors selected 21 groundwater conservation districts and 2 underground water conservation districts (districts) and audited their (1) achievement of selected groundwater management plan goals and (2) compliance with selected statutory requirements. Results are summarized below.

Districts' Achievement of Groundwater Management Plan Goals

Eight (35 percent) of the 23 districts fully achieved all applicable groundwater management plan goals audited. Texas Water Code, Chapter 36, requires districts to establish groundwater management plans (see text box for additional details on those plans). Those eight districts were:

- Clearwater Underground Water Conservation District.
- Cow Creek Groundwater Conservation District.
- Goliad County Groundwater Conservation District.
- Lone Star Groundwater Conservation District.
- McMullen Groundwater Conservation District.
- Pineywoods Groundwater Conservation District.
- Rolling Plains Groundwater Conservation District.
- Upper Trinity Groundwater Conservation District.

Ten (43 percent) of the 23 districts fully or partially achieved all applicable groundwater management plan goals audited. Those 10 districts were:

Background Information

Texas Water Code, Chapter 36, requires groundwater conservation districts (districts) to develop groundwater management plans that show the steps the districts will take to protect and manage groundwater.

Each district's groundwater management plan must contain goals that are applicable to each district as described in Texas Water Code, Section 36.1071. Districts develop one or more objectives to support each goal.

The Water Development Board reviews and approves districts' groundwater management plans, including the goals and objectives. The Commission on Environmental Quality has the authority to enforce districts' compliance with the statutory requirements outlined in Texas Water Code, Chapter 36. See Appendix 2 for a more detailed description of state agency roles in the groundwater management process and Appendix 4 for more information about the statutory goals.

As of April 2013, there are 97 confirmed districts. Two additional districts await confirmation by voters in local elections. See Appendix 3 for a map showing the districts.

- Coastal Plains Groundwater Conservation District.
- Colorado County Groundwater Conservation District.
- Crockett County Groundwater Conservation District.
- Fayette County Groundwater Conservation District.
- Lower Trinity Groundwater Conservation District.
- Menard County Underground Water District.
- Mid-East Texas Groundwater Conservation District.
- Southern Trinity Groundwater Conservation District.
- Texana Groundwater Conservation District.
- Wes-Tex Groundwater Conservation District.

Five (22 percent) of the 23 districts did not achieve 1 or more of the applicable groundwater management plan goals audited. Those five districts were:

- Clear Fork Groundwater Conservation District.
- Hays Trinity Groundwater Conservation District.
- Kimble County Groundwater Conservation District.
- Northern Trinity Groundwater Conservation District.
- Trinity Glen Rose Groundwater Conservation District.

Auditors reviewed activities that the districts performed to achieve selected management plan goals. Examples of those goals were providing for the most efficient use of groundwater, controlling and preventing waste, addressing drought conditions, and addressing conservation. A list of the eight statutorily required groundwater management plan goals is presented in Appendix 4.

Districts' Compliance with Statutory Requirements

Fourteen (61 percent) of the 23 districts audited fully complied with 8 or more of the 10 Texas Water Code statutory requirements audited. Seven of those districts fully complied with all applicable Texas Water Code requirements audited. Those seven districts were:

- Clearwater Underground Water Conservation District.
- Colorado County Groundwater Conservation District.
- Fayette County Groundwater Conservation District.

- Lone Star Groundwater Conservation District.
- Mid-East Texas Groundwater Conservation District.
- Pineywoods Groundwater Conservation District.
- Upper Trinity Groundwater Conservation District.

Examples of the Texas Water Code requirements audited included requirements for the districts to obtain surety bonds for employees and members of their boards of directors, obtain an annual financial audit, adopt annual budgets, hold quarterly board meetings, and adopt policies and rules. In some instances, certain statutory requirements did not apply to a district. See Table 25 in Chapter 2 for detailed results.

Summary of Management's Response

Generally all districts agreed to implement the recommendations as presented in this report. However, the Northern Trinity Groundwater Conservation District did not submit management's responses to the specific recommendations addressed to it in this report (see Chapter 1-P). Management's responses from each district are provided after the recommendations in each chapter in the Detailed Results section of this report.

Summary of Objectives, Scope, and Methodology

The audit objectives were to determine whether selected districts complied with applicable statutes and to summarize information from districts' audited annual financial statements.

The scope of this audit covered 23 districts located in 10 of the 16 groundwater management areas in Texas. The audit scope covered each district's fiscal years 2011 and 2012, except as noted.¹ This audit did not include a review of any district's information technology systems.

The audit methodology included:

- Assessing whether each district was actively engaged in achieving four goals from its groundwater management plan, including all objectives related to each selected goal. For the goal of addressing conservation, auditors reviewed only the objectives specifically related to conservation. If a district achieved all of the objectives for a goal during all fiscal years reviewed, auditors concluded that the district had fully achieved that goal. If a district achieved at least part of all

¹ The dates of each district's fiscal year varied among the 23 districts audited.

of the objectives related to a goal, auditors concluded that the district had partially achieved that goal. If a district did not achieve all parts of any objectives related to a goal, auditors concluded that the district did not achieve that goal.

- Assessing whether each district complied with 10 requirements selected from Texas Water Code, Chapter 36.
- Obtaining an understanding of statutory requirements by reviewing the Texas Water Code and each district's enabling legislation.

Contents

Detailed Results

Chapter 1	
Districts' Achievement of Groundwater Management Plan Goals	1
Chapter 2	
Districts' Compliance with Statutory Requirements	68

Appendices

Appendix 1	
Objectives, Scope, and Methodology	88
Appendix 2	
State Agency Roles in the Groundwater Management Process	92
Appendix 3	
Map of Groundwater Conservation Districts Audited and Groundwater Management Areas.....	93
Appendix 4	
Statutorily Required Groundwater Management Plans and Required Goals	94
Appendix 5	
Related State Auditor's Office Work	95

Detailed Results

Chapter 1

Districts' Achievement of Groundwater Management Plan Goals

Eighteen (78 percent) of the 23 groundwater conservation districts (districts) audited fully or partially achieved all of the applicable objectives for groundwater management plan goals audited. Specifically:

- Eight districts fully achieved all applicable groundwater management goals audited.
- Ten districts fully or partially achieved all applicable groundwater management goals audited.

The remaining 5 (22 percent) of the 23 districts did not achieve one or more of their management plan goals audited.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal.

If a district achieved all of the objectives for a goal during both fiscal years reviewed, auditors concluded that the district fully achieved that goal. If a district achieved at least part of one objective related to a goal, auditors concluded that the district partially achieved that goal. If a district did not achieve all objectives related to a goal, auditors concluded that the district did not achieve that goal. Table 1 summarizes districts' achievement of those goals.

Table 1

Districts' Achievement of Groundwater Management Plan Goals for Fiscal Years 2011 and 2012					
District	Goal	Number of Objectives Audited	Achievement		
			Number of Objectives Fully Achieved	Number of Objectives Partially Achieved	Number of Objectives Not Achieved
1 Clear Fork Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	-	1	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	-	-	1

Districts' Achievement of Groundwater Management Plan Goals for Fiscal Years 2011 and 2012

District	Goal	Number of Objectives Audited	Achievement		
			Number of Objectives Fully Achieved	Number of Objectives Partially Achieved	Number of Objectives Not Achieved
2 Clearwater Underground Water Conservation District	Providing the Most Efficient Use of Groundwater	4	4	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	2	2	-	-
	Addressing Conservation	1	1	-	-
3 Coastal Plains Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	3	2	1	-
	Controlling and Preventing Waste of Groundwater	2	2	-	-
	Addressing Drought Conditions	1	-	1	-
	Addressing Conservation	2	2	-	-
4 Colorado County Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	3	2	1	-
	Controlling and Preventing Waste of Groundwater	4	2	2	-
	Addressing Drought Conditions	2	2	-	-
	Addressing Conservation	1	1	-	-
5 Cow Creek Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	3	3	-	-
	Addressing Drought Conditions	3	3	-	-
	Addressing Conservation	2	2	-	-
6 Crockett County Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	-	1	-
7 Fayette County Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	3	3	-	-
	Controlling and Preventing Waste of Groundwater	4	3	1	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	1	-	-

Districts' Achievement of Groundwater Management Plan Goals for Fiscal Years 2011 and 2012

District	Goal	Number of Objectives Audited	Achievement		
			Number of Objectives Fully Achieved	Number of Objectives Partially Achieved	Number of Objectives Not Achieved
8 Goliad County Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	1	-	-
9 Hays Trinity Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	1	-	-	1
	Addressing Drought Conditions	4	1	1	2
	Addressing Conservation	1	1	-	-
10 Kimble County Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	3	2	1	-
	Controlling and Preventing Waste of Groundwater	4	3	-	1
	Addressing Drought Conditions	1	-	-	1
	Addressing Conservation	1	1	-	-
11 Lone Star Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	3	3	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	3	3	-	-
12 Lower Trinity Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	3	2	1	-
	Addressing Drought Conditions	3	3	-	-
	Addressing Conservation	1	-	1	-
13 McMullen Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	1	-	-

Districts' Achievement of Groundwater Management Plan Goals for Fiscal Years 2011 and 2012

District	Goal	Number of Objectives Audited	Achievement		
			Number of Objectives Fully Achieved	Number of Objectives Partially Achieved	Number of Objectives Not Achieved
14 Menard County Underground Water District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	5	4	-	1
	Addressing Drought Conditions	1	-	1	-
	Addressing Conservation	1	-	1	-
15 Mid-East Texas Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	-	1	-
	Controlling and Preventing Waste of Groundwater	1	-	1	-
	Addressing Drought Conditions	1	-	1	-
	Addressing Conservation	1	-	1	-
16 Northern Trinity Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	-	-	2
	Controlling and Preventing Waste of Groundwater	2	-	-	2
	Addressing Drought Conditions	1	-	-	1
	Addressing Conservation	1	-	-	1
17 Pineywoods Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	1	-	-
18 Rolling Plains Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	1	1	-	-
	Addressing Drought Conditions	2	2	-	-
	Addressing Conservation	2	2	-	-
19 Southern Trinity Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	2	2	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	1	-	1	-

Districts' Achievement of Groundwater Management Plan Goals for Fiscal Years 2011 and 2012

District	Goal	Number of Objectives Audited	Achievement		
			Number of Objectives Fully Achieved	Number of Objectives Partially Achieved	Number of Objectives Not Achieved
20 Texana Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	-	1	-
	Controlling and Preventing Waste of Groundwater	1	-	1	-
	Addressing Drought Conditions	1	-	1	-
	Addressing Conservation	1	-	1	-
21 Trinity Glen Rose Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	1	1	-	-
	Controlling and Preventing Waste of Groundwater	3	1	2	-
	Addressing Drought Conditions	3	2	1	-
	Addressing Conservation	2	-	-	2
22 Upper Trinity Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	2	2	-	-
	Controlling and Preventing Waste of Groundwater	3	3	-	-
	Addressing Drought Conditions	1	1	-	-
	Addressing Conservation	2	2	-	-
23 Wes-Tex Groundwater Conservation District	Providing the Most Efficient Use of Groundwater	3	3	-	-
	Controlling and Preventing Waste of Groundwater	2	2	-	-
	Addressing Drought Conditions	1	-	1	-
	Addressing Conservation	2	2	-	-

The Clear Fork Groundwater Conservation District Fully or Partially Achieved Three of the Four Goals Audited

The Clear Fork Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$200,722
Total Liabilities	\$ 20,506
Statement of Revenues and Expenditures	
Total Revenues	\$ 59,534
Total Expenditures	\$ 36,079
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

- Fully achieved the following goals:
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing drought conditions.
- Partially achieved the goal of providing the most efficient use of groundwater.
- Did not achieve the goal of addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 2 provides additional information.

Table 2

Clear Fork Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> The District will present annually educational information relating to conservation practices for the efficient use of water resources. These will include but are not limited to publications from the Texas Water Development Board, the Texas Commission on Environmental Quality, Texas Cooperative Extension Service, the Texas Water Resource Institute, and other resources.		
<u>Performance Standard:</u> A District official will meet with Soil and Water Conservation District Board on a monthly basis. A District official will also offer presentations & publications annually to the local civic organizations, such as Lions Clubs and the Fisher County Agri Day. The District officials will present annually educational information to the students of Fisher County. Documentation of all information disseminated will be in the Annual Report.	Partially	The district provided documentation of educational information disseminated to students during fiscal years 2011 and 2012. However, it did not always meet on a monthly basis with the Soil and Water Conservation District Board for fiscal years 2011 and 2012 as required. The district met 7 times in 2011 and 10 times in 2012.
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Document reports of wasted groundwater. The District will collect and will document each report of possibly-wasted groundwater.		
<u>Performance Standard:</u> The District will investigate 100 percent of the reports to determine if any waste is occurring, and will take action to stop real waste. The Board of Directors will receive a report at each regular meeting that includes the number of wasted groundwater reports made to the District and the number of investigations. Additionally, the report will include the District's recommendations on how to address and how to end 100 percent of the wasteful practices.	Yes	

Clear Fork Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The District will monitor the Palmer Drought Severity Index (PDSI) by Texas Climatic Division. If PDSI indicates that the District will experience severe drought conditions, the District will notify all public water suppliers within the District.		
<u>Performance Standard:</u> The District staff will monitor the PDSI and report findings and actions to the District Board at each regular meeting. The reports and information will be included in the District Annual Report.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> The district will submit an article regarding water conservation for publication each year to at least one newspaper of general circulation in Fisher County.		
<u>Performance Standard:</u> A copy of the article submitted by the District for publication will be included in the annual report given to the Board of Directors.	No	The district did not include a copy of the articles it submitted for publication as part of its annual reports for fiscal years 2011 and 2012.

Recommendations for the Clear Fork Groundwater Conservation District

The Clear Fork Groundwater Conservation District should comply with its groundwater management plan objectives to:

- Meet with the Soil and Water Conservation District Board on a monthly basis.
- Include a copy of the articles it submits for publication in at least one newspaper in its annual report to the board of directors.

Management's Response from the Clear Fork Groundwater Conservation District

The board of the Clear Fork Groundwater Conservation District will comply with the groundwater management plan objective and the General Manager shall continue to meet with the Soil and Water Conservation District board on a monthly basis and the General Manager will attach copies of articles submitted for publication in the newspaper with the annual report presented to the board of directors by the General Manager beginning with the 2014 Fiscal Year.

The Clearwater Underground Water Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012

Balance Sheet
 Total Assets \$918,824
 Total Liabilities \$ 95,270

Statement of Revenues and Expenditures
 Total Revenues \$558,621
 Total Expenditures \$492,193

Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.

The Clearwater Underground Water Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 3 provides additional information.

Table 3

Clearwater Underground Water Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, the District will require the registration of all wells within the District's jurisdiction.		
<u>Performance Standard:</u> Each year, the number of new and existing wells registered with the District will be presented in the District's annual report.	Yes	
<u>Objective:</u> Each year, the District will require permits for all non-exempt use of groundwater in the District as defined in the District rules, in accordance with adopted procedures.		
<u>Performance Standard:</u> Each year, a summary of the number of applications for the drilling of non-exempt wells, the number of applications for the permitted use of groundwater, and the disposition of the applications will be presented in the District's annual report.	Yes	
<u>Objective:</u> Each year, the District will maintain a groundwater database to include information relating to well location, production volume, and other pertinent information deemed necessary by the District to enable effective monitoring of groundwater in Bell County.		
<u>Performance Standard:</u> a. Each year, the District's annual report will include a status report of the database development. b. Each year, the District's annual report will include a summary of changes in the water level condition of the aquifers included in the district water-level monitoring program.	Yes	

Clearwater Underground Water Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Objective: Each year, the District will disseminate educational information on groundwater through publication of a District newsletter.		
Performance Standard: The annual report will include a copy of the District newsletter published each year.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
Objective: Each year, the District will disseminate educational information on controlling and preventing the waste of groundwater focusing on water quality protection through at least one classroom or public presentation.		
Performance Standard: The annual report will include a summary of the District presentation to disseminate educational information on controlling and preventing the waste of groundwater focusing on water quality protection.	Yes	
Goal 3: Addressing Drought Conditions		
Objective: Each year, the District will monitor drought conditions in the Edwards aquifer through the process established in the drought management plan for the Edwards aquifer adopted by the Board of Directors.		
Performance Standard: Each year, a summary of the District monitoring of drought conditions in the Edwards aquifer and the implementation of any conservation measures will be provided in the annual report.	Yes	
Objective: Each year, the District will monitor drought conditions in the Trinity aquifer through the process established in the drought management plan for the Trinity aquifer adopted by the Board of Directors.		
Performance Standard: Each year, a summary of the District monitoring of drought conditions in the Trinity aquifer and the implementation of any conservation measures will be provided in the annual report.	Yes	
Goal 4: Addressing Conservation		
Objective: Each year, the District will promote conservation by conducting an annual scholastic contest on water conservation or distributing conservation brochures/literature to the public.		
Performance Standard: Each year, the annual report will include a summary of the District activity during the year to promote conservation.	Yes	

The Coastal Plains Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

The Coastal Plains Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$ 686,169
Total Liabilities	\$ 27,284
Statement of Revenues and Expenditures	
Total Revenues	\$216,697
Total Expenditures	\$202,552
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

- Fully achieved the following goals:
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing conservation.
- Partially achieved the goals of:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Addressing drought conditions.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 4 provides additional information.

Table 4

Coastal Plains Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, the District will require 100 percent of exempt or permitted wells that are constructed within the boundaries of the District to be registered with the District in accordance with the District rules.		
<u>Performance Standard:</u> The number of exempt and permitted wells registered by the District for the year will be incorporated into the Annual Report submitted to the Board of Directors of the District.	Yes	
<u>Objective:</u> Each year, the District will regulate the production of groundwater by maintaining a system of permitting the use of groundwater within the boundaries of the District in accordance with the District Rules.		
<u>Performance Standard:</u> Each year the District will accept and process applications for the permitted use of groundwater in the District in accordance with the permitting process established by District rules. The number and type of applications made for the permitted use of groundwater in the District and, the number and type of permits issued by the District will be included in the Annual Report given to the Board of Directors.	Yes	
<u>Objective:</u> The District will conduct an investigation to evaluate the aquifers of the district and the production of groundwater within the district in preparation of establishing a monitor well network within the boundaries of the District.		

Coastal Plains Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<p><u>Performance Standard:</u> Each year the District will utilize the monitor well network to take samples of water quality and to conduct regular measurements of the changing water-levels in the aquifers of the District. The District will monitor the water levels in at least 5 wells monthly throughout the District. The District will also annual test the water quality in at least one well for each county precinct in Matagorda County. A progress report on the work of the District regarding monitoring the water quality and water-levels of aquifers within the District will be included in the Annual Report of the District each year.</p>	Partially	The district monitored the water levels in at least five wells on a monthly basis, but it did not test the water quality in at least one well for each precinct in Matagorda County as required by its management plan.
Goal 2: Controlling and Preventing Waste of Groundwater		
<p><u>Objective:</u> Each year, the District will make an evaluation of the District Rules to determine whether any amendments are recommended to decrease the amount of waste of groundwater within the District.</p>		
<p><u>Performance Standard:</u> The District will include a discussion of the annual evaluation of the District Rules and the determination of whether any amendments to the rules are recommended to prevent the waste of groundwater in the Annual Report of the District provided to the Board of Directors.</p>	Yes	
<p><u>Objective:</u> Each year, the District will provide one article to the public on eliminating and reducing wasteful practices in the use of groundwater on the District's website.</p>		
<p><u>Performance Standard:</u> Each year, a copy of the information provided on the District's website regarding groundwater waste reduction will be included in the District's Annual Report to be given to the District Board of Directors.</p>	Yes	
Goal 3: Addressing Drought Conditions		
<p><u>Objective:</u> Each month, the District will download the updated Palmer Drought Severity Index (PDSI) map and other drought related information from the National Weather Service - Climate Prediction Center website.</p>		
<p><u>Performance Standard:</u> Quarterly, the District will make an assessment of the status of drought in the District and prepare a quarterly briefing to the Board of Directors. The downloaded PDSI maps and other related information will be included with copies of the quarterly briefing in the District Annual Report to the Board of Directors.</p>	Partially	The district met this object for fiscal year 2012. However, for fiscal year 2011, the district did not meet the requirement to prepare a quarterly briefing for the board that included downloaded PDSI maps.
Goal 4: Addressing Conservation		
<p><u>Objective:</u> The District will annually submit an article regarding water conservation for publication to at least one newspaper of general circulation in the District.</p>		
<p><u>Performance Standard:</u> A copy of the article submitted by the District for publication to a newspaper of general circulation in the District regarding water conservation will be included in the Annual Report to the Board of Directors.</p>	Yes	

Coastal Plains Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Objective:</u> The District will develop or implement a pre-existing educational program for use in public or private schools located in the District to educate students on the importance of water conservation.		
<u>Performance Standard:</u> A summary of the educational program developed or implemented by the District for use in public or private schools located in the District will be included in the Annual Report to the Board of Directors for every year this plan is active.	Yes	

Recommendations for the Coastal Plains Groundwater Conservation District

The Coastal Plains Groundwater Conservation District should comply with its groundwater management plan objectives to:

- Annually test the water quality in at least one well for each precinct in Matagorda County.
- Ensure that the quarterly drought assessments, briefings to the board of directors, and the Palmer Drought Severity Index (PDSI) maps are discussed and documented in the district’s annual report to its board of directors.

Management’s Response from the Coastal Plains Groundwater Conservation District

- *The District agrees with this recommendation. At least one well for each precinct in Matagorda will be tested for water quality at least annually. We hope to accomplish this task for this year within 90 days.*
- *The District agrees with this recommendation. Unfortunately, we cannot be retroactive to correct the one mistake made in the one missing quarterly drought report, but we will do our best to continue to avoid this type of omission in our annual report.*

The Colorado County Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

The Colorado County Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$569,917
Total Liabilities	\$118,302
Statement of Revenues and Expenditures	
Total Revenues	\$284,734
Total Expenditures	\$212,867
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

- Fully achieved the following goals:
 - ♦ Addressing drought conditions.
 - ♦ Addressing conservation.
- Partially achieved the goals of:
 - ♦ Providing efficient use of groundwater.
 - ♦ Preventing waste of groundwater.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 5 provides additional information.

Table 5

Colorado County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<p>Objective: The CCGCD [Colorado County Groundwater Conservation District] will establish a water-level monitoring network which will include data from existing monitoring programs performed by the Texas Water Development Board baseline. Additionally, CCGCD will add at least five new water-level monitoring wells by year end 2010 and ensure that there are no less than five monitor wells available in any calendar year. Volunteers will be solicited from District landowners to allow testing of these additional key wells. Locations will be chosen that best complement the existing monitor wells and represent current water conditions within the district boundaries. The depth to the water level will be measured at least once annually and results will be recorded in the district's database.</p>		
<p>Performance Standard: The following will be the expected key metrics used to measure progress of management objectives: 1. The number of new CCGCD monitor wells established by year end 2010; and, 2. The number of total CCGCD monitor wells at the end of each calendar year. 3. The number of wells with water levels measured once annually.</p>	Yes	
<p>Objective: Upon adoption of the rules, the CCGCD will require all exempt and non-exempt wells, both future and present, to be registered with the District. These registrations will allow the District to record exact take-point locations and to provide more reliable estimates of current water usage and future projections. The CCGCD staff will provide an annual report to the District Board each January that will disclose the number of registrations of new and existing wells.</p>		
<p>Performance Standard: The following will be the expected key metrics used to measure progress of management objectives: 1. The annual number of exempt well registration applications; 2. The annual number of non-exempt well registration applications; and, 3. The total number of historical and current well registrations in the District.</p>	Yes	

Colorado County Groundwater Conservation District
Achievement of Groundwater Management Plan Objectives

Goal and Objective Audited	Achieved?	Additional Information
<p><u>Objective:</u> Upon adoption of the rules, the CCGCD will require that 100 percent of the non-exempt wells be permitted. Operating permits will be issued within 30 days of application or as soon as possible thereafter. This process will help to ensure that drilling and completions of wells are being done safely and efficiently. The CCGCD staff will provide an annual report to the District Board each January that will disclose the number of permits applied for, granted and pending.</p> <p>Water-well drillers and pump installers operating in the District will be notified of the requirement for owners of non-exempt wells to obtain an operating permit and the requirement that the driller and/or pump installer insure that no non-exempt well, not otherwise excluded, is placed into service within the District without an operating permit. Notifications will be sent out no later than one month after the adoption of District Rules and Regulations. The CCGCD staff will provide the total number of notifications sent out at the next scheduled Board meeting after adoption of District Rules.</p> <p>Random inspections of new well sites will help to assure compliance to the District's completion and spacing standards. CCGCD will conduct at least one random inspection of a new well site annually. Written notice will be sent to the well owner and/or driller should the well fail to meet the standards within 30 days of inspection. The governing board of the District will vote on final approval of the permit at the next scheduled meeting. The CCGCD staff will provide in its annual report to the District Board each January, the total number of on-site inspections performed and the total number of notices sent out informing well owners or drillers that the well failed to meet proper District standards.</p>	Partially	<p>The district had evidence demonstrating that it met the following key metrics for fiscal years 2011 and 2012:</p> <ul style="list-style-type: none"> ▪ The total number of permits issued. ▪ The number of pending requests at year end. ▪ The total number of notifications informing recipients of requirements for permitting sent to water-well drillers and pump installers within one month of the adoption of district rules. ▪ The total number of on-site inspections performed. ▪ The number of letters delivered to permit applicants requesting additional information or to make changes to comply with district rules. <p>However, the district's annual reports for fiscal years 2011 and 2012 did not report the total number of permits applied for.</p>
Goal 2: Controlling and Preventing Waste of Groundwater		
<p><u>Objective:</u> The CCGCD will establish a water-quality monitoring network which will include data from existing monitoring programs performed by the Texas Water Development Board (TWDB) and other entities in order to access historical data that will be necessary to establish a baseline. Additionally, CCGCD will act on requests from constituents involving water quality concerns as early as practically possible following approval of District Rules. Data acquired from CCGCD investigations will be added to the TWDB database. CCGCD will proactively test wells in areas where likelihood for increased contamination is deemed highest. CCGCD will ensure at least one well will be tested annually. CCGCD staff will provide in its annual report to the District Board each January, the total number of monitor wells established, total number of samples collected and analyzed and any results that may directly or indirectly infer contamination.</p>		

Colorado County Groundwater Conservation District
Achievement of Groundwater Management Plan Objectives

Goal and Objective Audited	Achieved?	Additional Information
<p><u>Performance Standard:</u> The following will be the expected key metrics used to measure progress of management objectives: 1. The number of water-quality monitoring wells; 2. The number of samples collected and analyzed annually; and, 3. The annual number and locations of wells where contamination has been discovered or reported and the associated results of analysis.</p>	Partially	<p>The district met the following metrics for fiscal years 2011 and 2012:</p> <ul style="list-style-type: none"> ▪ The number of samples collected and analyzed annually. ▪ The annual number and locations of wells where contamination has been discovered or reported and the associated results of analysis. <p>However, the district's annual reports for fiscal years 2011 and 2012 did not report the number of water-quality monitoring wells because the district has not established any water quality wells.</p>
<p><u>Objective:</u> The District will monitor and communicate to well owners any indications of inefficiency in well operations that might cause waste of groundwater. The CCGCD will conduct at least one random inspection of well operations in the district annually. Not only will mechanical inefficiencies be monitored and reported as needed, but indications of contamination due to faulty equipment will be reported. The CCGCD staff will provide in its annual report to the District Board each January, the number of site visits to check equipment, the number of notices and violations of District rules, and the number of wells the District required to be closed.</p>		
<p><u>Performance Standard:</u> The following will be the expected key metrics used to measure progress of management objectives: 1. The annual number of site visits to check equipment; 2. The annual number of notices and violations of District rules regarding well maintenance; and, 3. The number of wells the District required to be closed each year.</p>	Partially	<p>The district met this objective for fiscal year 2012. However, the district's annual report for fiscal year 2011 did not report (1) the annual number of site visits to check equipment, (2) the annual number of notices and violations of district rules regarding well maintenance, or (3) the number of wells the district required to be closed that year.</p>
<p><u>Objective:</u> The CCGCD will inspect abandoned wells to assure proper closing of wells in accordance to rules set forth by the Water Well Drillers Board (WWDB). Notices will be sent to well owners or operators whose wells do not meet WWDB requirements and District Rules and Regulations. CCGCD staff will provide in its annual report to the District Board each January, the total number of reported abandoned wells, the number of inspections of abandoned wells and the number of subsequent notices sent out.</p>		
<p><u>Performance Standard:</u> The following will be the expected key metrics used to measure progress of management objectives:</p> <p>1. The number of reported wells abandoned each year; 2. The number of inspections of abandoned wells each year; and, 3. The annual number of notices sent out to well owners or operators concerning violations of WWDB or District rules.</p>	Yes	
<p><u>Objective:</u> In conjunction with efforts in water conservation, the CCGCD will implement a waste prevention program with the purpose of educating constituents of the District on ways to prevent waste of water. Among the items that may be presented are rainwater harvesting, brush control and recharge projects. The District staff will implement this waste prevention program annually through at least one publication written in brochures or in media outlets (newspapers), and at least one update to the District web site and through at least one oral program or curriculum provided to schools or other community outlets. The District staff will also ensure that the web site will have available links to CCGCD presentations and other useful sources on waste prevention and/or conservation.</p>		
<p><u>Performance Standard:</u> The following will be the expected key metrics used to measure progress of management objectives: 1. The number of oral presentations to schools and community and government groups each year; 2. The number of printed (or web-site oriented) waste prevention articles presented to the public each year; and, 3. The number of published brochures made available to the public during each calendar year.</p>	Yes	

**Colorado County Groundwater Conservation District
Achievement of Groundwater Management Plan Objectives**

Goal and Objective Audited	Achieved?	Additional Information
Goal 3: Addressing Drought Conditions		
<p>Objective: The CCGCD will track rainfall records from nearby weather stations on an ongoing basis. This data will be compared to hydrographs in monitoring wells used by the CCGCD. Additionally, the District will monitor the updated PDSI [Palmer Drought Severity Index] map by downloading at least one map monthly and check for periodic updates to the Drought Preparedness Council Situation Report posted on the Texas Department of Public Safety web site and the Agricultural Drought Task Force hosted by the Texas Agrilife Extension. The CCGCD staff will provide in its annual report in January the precipitation amounts, water levels and any apparent associated trends. Upon Board approval, information will be disseminated to the public by the District's web site and/or local newspapers.</p>		
<p>Performance Standard: The following will be the expected key metrics used to measure progress of management objectives: 1. Report on precipitation amounts as compared to water levels within CCGCD; and, 2. Manner and timing of distribution of precipitation and water level data to the public.</p>	Yes	
<p>Objective: The annual amount of groundwater permitted by the District for withdrawal from the portion of the aquifers located within the District may be curtailed during periods of extreme drought in the recharge zones of the aquifers or because of other conditions that cause significant declines in groundwater surface elevations. Within twelve months of approval of District Rules and Regulations, District staff will develop criteria for implementing emergency water conservation measures. District staff will notify the Board immediately of any situation where the measurements obtained from the water level monitoring network may require curtailment of groundwater. The Board may order curtailment based on the District's monitoring wells or by recommendation of the TWDB or a comparable agency.</p>		
<p>Performance Standard: The following will be the expected key metrics used to measure progress of management objectives: 1. Development of criteria for implementing emergency water conservation measures within 12 months of District Rules and Regulations approval. 2. Report to the Board on any situation where the measurements obtained from the water level monitoring network were utilized to identify and anticipate, if possible, any situations that may require curtailment of groundwater withdrawal; and, 3. Report to the Board any significant warnings about drought conditions put forth by the government agencies. 4. Report to the Board the number of months the District was in a severe drought conditions and the amount of pumpage curtailment that may have resulted.</p>	Yes	
Goal 4: Addressing Conservation		
<p>Objective: In coordination with efforts in waste prevention, the CCGCD will implement a conservation program with the purpose of educating the constituents of the District on ways to conserve water. The District staff will implement this conservation program annually through at least one publication written in brochures or in media outlets (newspapers), and at least one update to the District web-site and through at least one oral program or curriculum provided to schools or other community outlets. The District staff will also ensure that the web site will have available links to CCGCD presentations and other useful sources on water conservation and/or waste prevention.</p>		
<p>Performance Standard: The following will be the expected key metrics used to measure progress of management objectives: 1. Number and copies of media publications per year; 2. Number and copies of updates to the District web site per year; 3. Number of oral presentations to schools, community or government groups each year; and, 4. Number of published brochures made available to the public during each calendar year.</p>	Yes	

Recommendations for the Colorado County Groundwater Conservation District

The Colorado County Groundwater Conservation District should comply with its groundwater management plan objectives to:

- Establish water-quality monitoring wells.
- Include in its annual report to its board of directors:
 - ♦ The total number of permits applied for and issued annually in the district and the total number of on-site inspections performed.
 - ♦ The annual number of site visits to check equipment and perform a random inspection.

Management's Response from the Colorado County Groundwater Conservation District

The Colorado County Groundwater Conservation District (CCGCD) agrees to include in its annual report the groundwater management plan objectives cited in the State Auditor's recommendations as designated below:

- *The total number of permits applied for and issued annually in the district and the total number of on-site inspections performed.*
- *Establish water-quality monitoring wells.*
- *The annual number of site visits to check equipment and perform a random inspection.*

Please note that CCGCD is scheduled to update the management plan in 2014 and some existing objectives may be altered or removed.

The Cow Creek Groundwater Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012

The District did not obtain an annual audit of its financial statements for the fiscal year ending September 30, 2012.

Therefore, no financial information is presented in this report. See Chapter 2 for additional information on this district's compliance with the annual audit requirement.

The Cow Creek Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 6 provides additional information.

Table 6

Cow Creek Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Implement and maintain a program of issuing well operating permits for non-exempt wells within the district.		
<u>Performance Standard:</u> Ongoing program of issuance of one or more well operating permits each year. The number of well operating permit applications and the number of permits issued will be included in the annual report to the District Board of Directors.	Yes	
<u>Objective:</u> Ongoing program of collecting and maintaining actual meter readings from permitted non-exempt wells within the District.		
<u>Performance Standard:</u> Annual report submitted to the District Board outlining the previous year's water use from at least 25% of the District's permitted non-exempt wells.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year the District will provide to local media articles describing groundwater waste prevention practices available for implementation by groundwater users.		
<u>Performance Standard:</u> Each year provide at least one article to the local media related to groundwater waste prevention practices.	Yes	
<u>Objective:</u> Provide to the public water efficient literature handouts.		
<u>Performance Standard:</u> Each year provide water efficient literature handouts on at least one occasion. The District will also maintain a supply of water efficient literature at the office.	Yes	

Cow Creek Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Objective:</u> Provide either a speaker at a local club or organization or a display booth at public events.		
<u>Performance Standard:</u> Each year the District will provide a speaker at a local club or organization or a display booth at public events a minimum of twice a year.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Review the District's monitor well data, the Palmer Drought Severity Index, stream flow and rainfall data to determine status of drought condition and, if necessary, report to District Board on need to implement drought contingency plan.		
<u>Performance Standard:</u> The District Board will conduct a review of the current drought stage status on a monthly basis. A copy of the review will be included in the annual report to the District Board of Directors.	Yes	
<u>Objective:</u> Provide to the public drought-orientated literature handouts.		
<u>Performance Standard:</u> Each year provide drought-oriented literature handouts on at least one occasion. The District will also maintain a supply of drought-oriented literature at the office.	Yes	
<u>Objective:</u> To evaluate groundwater availability the District will monitor water levels on selected wells representative of the Trinity aquifer within the District in accordance with the water level monitoring schedule in Table 10 [of the District's Management Plan, which states that the Trinity Aquifer has a total of 25 wells that must be monitored at least once per month.]		
<u>Performance Standard:</u> The District will take a minimum of 250 well readings annually and report the findings to the District Board.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> Each year the District will provide to local media articles identifying the importance of groundwater conservation and various groundwater conservation methods available for implementation by groundwater users.		
<u>Performance Standard:</u> Each year provide at least one article to the local media related to the importance of groundwater conservation and various groundwater conservation methods available for implementation by groundwater users.	Yes	
<u>Objective:</u> Provide to the public water conservation literature handouts.		
<u>Performance Standard:</u> Each year provide water conservation literature handouts on at least one occasion.	Yes	

The Crockett County Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$581,940
Total Liabilities	\$ 4,907
Statement of Revenues and Expenditures	
Total Revenues	\$216,237
Total Expenditures	\$184,153
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

The Crockett County Groundwater Conservation District:

- Fully achieved the following goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing drought conditions.
- Partially achieved the goal of addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 7 provides additional information.

Table 7

Crockett County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Provide public information programs on water conservation.		
<u>Performance Standard:</u> Annually report to the Board of Directors on the number of programs conducted during the year.	Yes	
<u>Objective:</u> Each year the District will publish one article or newsletter on water conservation.		
<u>Performance Standard:</u> Annually report to the Board of Directors on the number of articles or newsletters published each year.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, register all new wells drilled in the District.		
<u>Performance Standard:</u> Annually report to the Board of Directors on the number of new wells registered during the year.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Each year the District will monitor the Palmer Drought Severity Index, Standardized Precipitation Index and the Crop Moisture Index to help develop strategies that would offset adverse climatic conditions.		
<u>Performance Standard:</u> Provide a report quarterly to the Board of Directors on climatic conditions and proposed management strategies.	Yes	

Crockett County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 4: Addressing Conservation and Precipitation Enhancement		
<u>Objective:</u> Provide and distribute literature on water conservation to area residents.		
<u>Performance Standard:</u> <ul style="list-style-type: none"> ▪ The district staff will provide information to area residents about water conservation by publishing at least one newsletter or newspaper article annually. ▪ Annual report to the Board of Directors listing the number of times newsletters or newspaper articles were published. 	Partially	The district published at least one newsletter or newspaper article in each of fiscal years 2011 and 2012. However, the district's annual reports for fiscal years 2011 and 2012 incorrectly listed the number of times newsletters or newspaper articles were published.

Recommendation for the Crockett County Groundwater Conservation District

The Crockett County Groundwater Conservation District should ensure that it accurately reports the number of times newsletters or newspaper articles were published in its annual reports to its board of directors as required by its management plan.

Management's Response from the Crockett County Groundwater Conservation District

That was a typographical error and will be corrected for future annual reports to the Board of Directors.

The Fayette County Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

The Fayette County Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$236,507
Total Liabilities	\$ 13,061
Statement of Revenues and Expenditures	
Total Revenues	\$237,788
Total Expenditures	\$262,984
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

- Fully achieved the following goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Addressing drought conditions.
 - ♦ Addressing conservation.
- Partially achieved the goal of controlling and preventing waste of groundwater.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 8 provides additional information.

Table 8

Fayette County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Establish a water level monitoring network by first, identifying the wells to be monitored, and secondly, by annually measuring the depth to water in those wells; record all measurements and/or observations; enter all measurements into District's computer data base; file specific locations of wells in the District's filing system. Establish a baseline by using existing wells, preferably those for which the District already has some historical data, in all major and minor aquifers where wells are available.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The percent of water level monitoring wells for which measurements were recorded each year. 2. The number of data records entered into District's data base each year. 3. The number of wells in the water level measurement network each year. 4. The number of wells added to the network, if required, each year.	Yes	
<u>Objective:</u> Annually, the District will investigate all reports filed by District constituents, on forms provided by the District, regarding pumpage of groundwater in excess of the maximum production allowable under the District's rules. Investigation of each occurrence shall occur within 30 days of receiving the report. Each case will be remedied in accordance with District rules.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of reports investigated each year. 2. The average amount of time taken to investigate reports each year.	Yes	

Fayette County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
3. The number of incidences where violations occurred and violators were required to change operations to be in compliance with District rules each year.		
<u>Objective:</u> Issue water well drilling permits for the drilling and completion of non-exempt water wells in the District within 30 days of application, or as soon thereafter as possible. Randomly inspect new well drilling sites to be assured that the District's completion and spacing standards are met. Send written notification to the well owner if the well fails to meet standards within 30 days of inspection. The Board will vote on final approval of the permit at the next scheduled meeting and insure that well completion standards have been met.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of permits issued each year in Fayette County. 2. The number of on-site inspections performed of all wells for which District staff have reason to question compliance with District rules. 3. The number of permits field checked each year. 4. The number of letters mailed to permit applicants requesting applicant to provide additional information or make changes to comply with District rules. 5. The number of these letters which result in changes to comply with District rules and the number of cases still open at year-end.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> The District staff will obtain water quality samples for analysis from wells within the monitoring network in order to track water quality changes in the District, and will resample a representative group of the wells sampled the previous year. The results of the tests will be published and entered in to the District's computer data base, and will be made available to the public.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of samples collected and analyzed each year. 2. The percent of previously sampled wells that were sampled in the current testing year. 3. The number of analyses entered into District's computer data base each year.	Partially	The district met this objective for fiscal year 2012. However, while the district asserted that it obtained water quality samples in fiscal year 2011, it did not report the percent of previously sampled wells that were sampled in the current testing year (fiscal year 2011).
<u>Objective:</u> The District staff will inspect all sites reported as being open or improperly covered in a timely manner and follow through to assure proper closing or repair.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of open, improperly covered, or deteriorated wells reported and inspected each year. 2. The number of letters of notification of an open hole or deteriorated well mailed to well owners and/or operators each year. 3. The number of wells the District required to be closed each year.	Yes	

Fayette County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Objective:</u> Field inspect each reported well abandoned or replaced, and assure proper closing under Water Well Drillers' Rules or that the well is re-equipped in accordance with District rules.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of reported wells abandoned or replaced each year. 2. The number of reported wells destroyed and noted on the topographic map each year. 3. The number of reported wells re-equipped in accordance with the District's rules each year.	Yes	
<u>Objective:</u> The District will investigate all identified wasteful practices within a reasonable number of working days of identification or complaint received, depending upon the magnitude of the wasteful practice.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of wasteful practices identified and the average number of days District personnel took to respond or investigate after identification or complaint received. 2. The actions taken to resolve the identification or complaint received.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The annual amount of groundwater permitted by the District for withdrawal from the portion of the aquifers located within the District may be curtailed during periods of extreme drought in the recharge zones of the aquifers or because of other conditions that cause significant declines in groundwater surface elevations. Such curtailment may be triggered by the District's Board based on the groundwater elevation measured in the District's monitoring well(s).		
<u>Performance Standard:</u> The District shall monitor at least one well each year. Annually report to the Board of Directors the number of measurements obtained from the water level monitoring network. A summary report of the water level measurement results and an analysis of any situations that may require curtailment of groundwater withdrawal will be included in the report.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> The District will develop and sponsor a water conservation education curriculum, available upon request for all schools within the District. The District will utilize the methodologies listed under Goal 5 [related to the implementation of public relations and educational programs] in order to raise public awareness of the necessity and importance of a water conservation program.		
<u>Performance Standard:</u> Annually report to the Board of Directors on: 1. The number of schools where water conservation education curriculums are presented each year. 2. The number of water conservation articles presented to the public via the various methodologies outlined in Goal 5.	Yes	

Recommendation for the Fayette County Groundwater Conservation District

The Fayette County Groundwater Conservation District should comply with its groundwater management plan objectives to annually report to the board of directors the percent of previously sampled water quality wells that were sampled in the current testing year, as required in the district's management plan.

Management's Response from the Fayette County Groundwater Conservation District

Management agrees with the recommendations stated in the audit report. As stated during the audit, the missing information was an oversight and has been corrected. The Fayette County Groundwater Conservation District strives to remain in compliance with all applicable regulations. Remedial actions to address the State Auditor's recommendation will include proofreading of all reports by other staff members to insure that all information is included.

The Goliad Groundwater Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012

The district did not obtain an annual audit of its financial statements for the fiscal year ending September 30, 2012. Therefore, no financial information is presented in this report. See Chapter 2 for additional information on this district's compliance with the annual audit requirement.

The Goliad Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 9 provides additional information.

Table 9

Goliad County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> The District will maintain an aquifer water level program monitoring a minimum of 20 wells in the District annually.		
<u>Performance Standard:</u> By February 15 of each year, the District will furnish a public report of the wells monitored the previous year.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, the District will sample the water quality in at least five (5) selected wells in order to monitor water quality trends and identify if contamination of groundwater is occurring. The District will also make available to well owners a sample service for well water quality analysis, to be paid for by the well owner.		
<u>Performance Standards:</u> a. Annual report of wells sampled for water quality by the District. b. Annual report of wells sampled by the District upon request.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Semiannually the District will update the rainfall values for the District for the previous six months. An analysis will be made to predict possible changes in aquifer level. These predictions will be based on historic trends established by the water level monitoring program.		
<u>Performance Standard:</u> The District will issue one report semiannually, listing the rainfall values for the county.	Yes	

Goliad County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 4: Addressing Conservation		
<u>Objective:</u> The District will at least on two occasions each year provide public information on water conservation and waste prevention through presentations at public schools and civic organizations or newspaper articles.		
<u>Performance Standard:</u> The District will report the number of speaking appearances made by the District each year and the number of newspaper articles published in the local newspaper each year addressing conservation.	Yes	

The Hays Trinity Groundwater Conservation District Fully or Partially Achieved Three of the Four Goals Audited

The Hays Trinity Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$144,743
Total Liabilities	\$ 16,568
Statement of Revenues and Expenditures	
Total Revenues	\$218,585
Total Expenditures	\$176,591
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

- Fully achieved the following goals of:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Addressing conservation.
- Partially achieved the goal of addressing drought conditions.
- Did not achieve the goal of controlling and preventing waste of groundwater.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 10 provides additional information.

Table 10

Hays Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year District will hold at least one educational event.		
<u>Performance Standard:</u> Each year a summary of the District educational events will be included in the Annual Report.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year the District will take complaints from any concerned citizen or entity in the district on cases of waste or possible waste.		
<u>Performance Standard:</u> In each Annual Report, the District will include a discussion of the recent issues with waste and determine if any amendments to the rules are recommended to prevent the waste of groundwater.	No	The district did not include a discussion of issues with waste in its annual reports for 2011 and 2012.
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The District has developed a Drought Contingency plan to protect and conserve groundwater during critical climatic conditions. The plan will be updated as additional data becomes available.		
<u>Performance Standard:</u> The District will post a copy of the plan on the HTGCD [Hays Trinity Groundwater Conservation District] website and will include an updated Drought Contingency plan, available to end-users, in the annual report.	Partially	The district posted a copy of its drought contingency plan on its Web site; however, it did not provide an updated drought contingency plan in its annual reports for fiscal years 2011 and 2012.

Hays Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Objective:</u> Each quarter the District will check the National Weather Service-Climate Prediction Center website http://www.cpc.ncep.noaa.gov/products/monitoring_and_data/drought.shtml for updates of the Palmer Drought Index. The District will download the updated Palmer Drought Severity Index (PDSI) map and check for periodic updates to the Texas Drought Preparedness Council Situation Report (Situation Report) posted on the Texas Department of Public Safety website: http://www.txdps.state.tx.us/dem/sitrepindex.htm .		
<u>Performance Standard:</u> Quarterly, the District will make an assessment of the status of drought in the District and prepare a quarterly briefing to the Board of Directors. The downloaded PDSI [Palmer Drought Severity Index] maps and Situation Reports will be included with copies of the quarterly briefing in the District Annual Report to the Board of Directors.	No	The district's annual reports for fiscal years 2011 and 2012 did not include (1) its quarterly briefing documents it provided to the board of directors regarding the status of drought in the district and (2) the Palmer Drought Severity Index (PDSI) maps and situation reports.
<u>Objective:</u> Each year the District will collect monthly water level data from a network of monitoring wells.		
<u>Performance Standard:</u> Each year a report of the District water level collection activities including a table of the water levels measured in District monitoring wells will be included in the Annual Report.	No	The district did not include a report on its water level collection activities in its annual reports for fiscal years 2011 and 2012.
<u>Objective:</u> Each year the District will monitor data collected from the U.S. Geological Survey springflow monitoring station at Jacob's Well, a major Trinity Aquifer spring.		
<u>Performance Standard:</u> Each year, the District, at a public meeting, will review the prior year's monitoring data with local, state or federal organizations and prepare a summary to be included in the Annual Report.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> Each year the District will submit one article for publication regarding water conservation to at least one newspaper of general circulation in Hays County.		
<u>Performance Standard:</u> Each year a copy of the article submitted for publication will be included in the Annual Report.	Yes	

Recommendations for the Hays Trinity Groundwater Conservation District

The Hays Trinity Groundwater Conservation District should comply with its groundwater management plan objectives to:

- Include a discussion of the recent issues with waste in its annual reports and determine if any amendments to the rules are recommended to prevent the waste of groundwater.
- Include in its annual reports to its board of directors:
 - ♦ An updated drought contingency plan that is available to the end users.

- ♦ An assessment of the status of drought in the district.
- ♦ Quarterly briefing documents it provided to the board of directors that includes downloaded PDSI maps and situation reports.
- ♦ A report of the district's water level collection activities and a table of the water levels measured in the district's monitoring wells.

Management's Response from the Hays Trinity Groundwater Conservation District

The Hays Trinity Groundwater Conservation District (District) has reviewed your analysis of the District's Management Plan and is in full agreement with the recommendations provided. As General Manager of the District, I take full responsibility for implementing corrective action prior to year's end, 2013. Any updates to the District's Management Plan shall go before the HTGCD Board of Directors for their review and approval at a public hearing.

Goal 1: **Achieved**

Goal 2: The District will include a discussion of the recent issues with waste within the Annual Report to determine if any amendments to the District's Rules are recommended to prevent the waste of groundwater.

Goal 3:

- **Partially Achieved:** *The District will post a copy of the Drought Contingency Plan on the District website as well as a copy within each Annual Report.*
- *The District will include, within each Annual Report, its quarterly briefing documents it provided to the Board of Directors regarding the status of the drought including the Palmer Drought Severity Index maps and Situation Reports.*
- *The District will include a report on its water level collection activities including a table of the water levels measured within each Annual Report.*
- *Achieved*

Goal 4: **Achieved**

The Kimble County Groundwater Conservation District Fully or Partially Achieved Three of the Four Goals Audited

The Kimble County Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$306,303
Total Liabilities	\$ 0
Statement of Revenues and Expenditures	
Total Revenues	\$ 47,223
Total Expenditures	\$ 34,930
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

- Fully achieved the goal of addressing conservation.
- Partially achieved the following goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Controlling and preventing waste of groundwater.
- Did not achieve the goal of addressing drought conditions.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 11 provides additional information.

Table 11

Kimble County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
Objective: At least once each year the District will provide, in a public meeting or forum, available information on water conservation practices for the efficient use of water. These will include but are not limited to publications from the Texas Water Development Board, Texas Commission on Environmental Quality, Texas Agricultural Extension Service, and other sources.		
Performance Standard: Report to the Board of Directors on distribution of informational materials on water conservation practices in a public meeting or forum at least once each year.	Partially	The district met this objective for fiscal year 2012. However, the district did not conduct a public meeting or forum where it could distribute informational materials on water conservation practices in fiscal year 2011.
Objective: At least once each year the District will publish in a newspaper with local circulation an article on efficient water use and availability of information materials at the District Office.		
Performance Standard: One article published each year.	Yes	
Objective: Each year the District will present a program in a local school, to a class or other school group, on water conservation practices, water quality analysis, or other water issues.		
Performance Standard: Report to the Board of Directors on one program on water conservation practices, water quality analysis or other water issues presented each year in a local school.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
Objective: To collect data for the purpose of managing for prevention of waste of groundwater, the District will, over the next five years, develop a network of 16 monitor wells, distributed as evenly as practicable around the county.		

Kimble County Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> The addition of two monitor wells each year to the district well-monitoring network until a total of 16 has been reached.	Yes	
<u>Objective:</u> To measure, record and accumulate a historic record of static water levels in monitor wells on a regular periodic basis.		
<u>Performance Standard:</u> The static water levels in two monitor wells will be measured and recorded every quarter until the district has four monitor wells in its network. Thereafter four monitor wells will be measured and recorded every quarter.	Yes	
<u>Objective:</u> At least twice each year the District will publish the availability of water analysis services in the local newspaper.		
<u>Performance Standard:</u> Two advertisements for water testing services published each year.	No	The district did not publish any advertisements for water testing in either fiscal year 2011 or fiscal year 2012 as required by the district's management plan.
<u>Objective:</u> To monitor water quality in the district, the District will sample and conduct water quality tests on selected monitor wells at least once each year for possible contamination which would jeopardize the integrity of the groundwater supply.		
<u>Performance Standard:</u> Four water quality analysis tests performed each year on selected monitor wells.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Each year the District will monitor the Palmer Drought Severity Index [PDSI] by downloading at least one PDSI map per month. If the index indicates that the District will experience severe drought conditions, the District will publish a notice or article in the local paper bringing attention to the severity of the drought and the need to practice water conservation.		
<u>Performance Standard:</u> Annual report to Board of Directors listing the number of months each year that at least one PDSI map was downloaded, the number of times the Palmer Drought Severity Index indicated severe drought conditions, and the number of times a notice was published in the local newspaper.	No	The district's annual reports for fiscal years 2011 and 2012 did not list (1) the number of months in each year that at least one Palmer Drought Severity Index (PDSI) map was downloaded, (2) the number of times the PDSI indicated severe drought conditions, or (3) the number of times it published a notice in the local newspaper.
Goal 4: Addressing Conservation		
<u>Objective:</u> At least once each year the District will distribute water conservation literature in a public forum such as a district meeting, a livestock show, or a county function.		
<u>Performance Standard:</u> Annual report to Board of Directors listing when and where water conservation information was distributed during the year.	Yes	

Recommendations for the Kimble County Groundwater Conservation District

The Kimble County Groundwater Conservation District should:

- Conduct a public meeting or forum at least once a year and distributes informational materials on water conservation.
- Publish at least two advertisements for water testing services each year.
- Include in its annual reports to the board of directors:
 - ♦ The number of months each year that at least one Palmer Drought Severity Index (PDSI) map is downloaded.
 - ♦ The number of times the PDSI indicated severe drought conditions.
 - ♦ The number of times it published a notice in the local newspaper.

Management's Response from the Kimble County Groundwater Conservation District

- *The district will conduct a public meeting or forum at least once a year and distribute informational materials on water conservation.*
- *Two advertisements in the local newspaper for water testing services are now in place.*
- *The district manager will report to the Board of Directors the number of months each year that at least one PDSI map was downloaded, the number of times the Palmer Drought Severity Index indicated severe drought conditions and the number of times a notice was put in the local newspaper.*

The Lone Star Groundwater Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$4,849,150
Total Liabilities	\$2,286,414
Statement of Revenues and Expenditures	
Total Revenues	\$2,010,042
Total Expenditures	\$1,810,071
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

The Lone Star Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 12 provides additional information.

Table 12

Lone Star Groundwater Conservation District		
Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, the District will require all new exempt or permitted wells that are constructed within the boundaries of the new District to be registered or permitted with the District in accordance with the District Rules.		
<u>Performance Standard:</u> The number of exempt and permitted wells registered or permitted by the District for the year will be incorporated into the Annual Report submitted to the Board of Directors of the District.	Yes	
<u>Objective:</u> Each year, the District will regulate the production of groundwater by maintaining a system of permitting the use and production of groundwater within the boundaries of the District in accordance with District Rules.		
<u>Performance Standard:</u> Each year the District will accept and process applications for the permitted use of groundwater in the District in accordance with the permitting process established by the District Rules. The number and type of applications made for the permitted use of groundwater in the District and the number and type of permits issued by the District will be included in the Annual Report given to the Board of Directors.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, the District will make an evaluation of the District Rules to determine whether any amendments are recommended to decrease the amount of waste of groundwater within the District.		

Lone Star Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> The District will include a discussion of the annual evaluation of the District Rules and the determination of whether any amendments to the rules are recommended to prevent the waste of groundwater in the Annual Report of the District provided to the Board of Directors.	Yes	
<u>Objective:</u> Each year, the District will apply a water use fee structure to the permitted use of groundwater in the District to encourage the elimination and reduction of waste of groundwater.		
<u>Performance Standard:</u> Each year, with the exception of wells exempt from permitting, the District will apply a water use fee to the permitted use of groundwater in the District pursuant to District rules. The amount of fees generated by the water use fee structure and the amount of water used for each type of permitted use of groundwater will be included in a section of the Annual Report given to the Board of Directors of the District.	Yes	
<u>Objective:</u> Each year, the District will provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by including information on groundwater waste reduction on the District's website.		
<u>Performance Standard:</u> Each year, a copy of the information provided on the groundwater waste reduction page of District's website will be included in the District's Annual Report to be given to the District's Board of Directors.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Each month, the District will download the updated Palmer Drought Severity Index (PDSI) map and check for the periodic updates to the Drought Preparedness Council Situation Report (Situation Report) posted on the Texas Water Information Network website www.txwin.net .		
<u>Performance Standard:</u> Quarterly, the District will make an assessment of the status of drought in the District and prepare a quarterly briefing to the Board of Directors. The downloaded PDSI maps and Situation Reports will be included with copies of the quarterly briefing in the District Annual Report to the Board of Directors.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> The District will annually submit an article regarding water conservation for publication to at least one newspaper of general circulation in Montgomery County.		
<u>Performance Standard:</u> A copy of the article submitted by the District for publication to a newspaper of general circulation in Montgomery County regarding water conservation will be included in the Annual Report to the Board of Directors.	Yes	

Lone Star Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<p><u>Objective:</u> The District will develop or implement a pre-existing educational program for use in public or private schools in Montgomery County to educate students on the importance of water conservation by January 1, 2005. (State Auditor's Office Note: Instead of developing or implementing a program by January 1, 2005, the district's annual reports reflect the most current fiscal years of 2011 and 2012, which are within the scope of this audit.)</p>		
<p><u>Performance Standard:</u> A description of the educational program developed or implemented by the District for use in Montgomery County public or private schools will be included in the Annual Report to the Board of Directors for the year 2005. (State Auditor's Office Note: Instead of developing or implementing a program by January 1, 2005, the district's annual reports reflect the most current fiscal years of 2011 and 2012, which are within the scope of this audit.)</p>	Yes	
<p><u>Objective:</u> Each year, the District will include an informative flier on water conservation within at least one mail out to groundwater use permit holders distributed in the normal course of business for the District.</p>		
<p><u>Performance Standard:</u> The District's Annual Report will include a copy of the informative flier distributed to groundwater use permit holders regarding water conservation and the number of fliers distributed.</p>	Yes	

The Lower Trinity Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$142,866
Total Liabilities	\$ 1,845
Statement of Revenues and Expenditures	
Total Revenues	\$108,512
Total Expenditures	\$100,479
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

The Lower Trinity Groundwater Conservation District:

- Fully achieved the following goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Addressing drought conditions.
- Partially achieved the goals of:
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 13 provides additional information.

Table 13

Lower Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, the District will require 100 percent of the new exempt and non-exempt wells that are constructed within the boundaries of the District to be registered or permitted with the District in accordance with the District Rules.		
<u>Performance Standard:</u> The number of exempt and non-exempt wells registered or permitted by the District for the year will be incorporated into the Annual Report submitted to the Board of Directors of the District.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, the District will make an evaluation of the District Rules to determine whether any amendments are recommended to decrease the amount of waste of groundwater within the District.		
<u>Performance Standard:</u> The District will include a discussion of the annual evaluation of the District Rules and the determination of whether any amendments to the rules are recommended to prevent the waste of groundwater in the Annual Report of the District provided to the Board of Directors of the District.	Yes	
<u>Objective:</u> Each year, the District will provide information to the public on eliminating and reducing wasteful practices in the use of the groundwater by publishing an article on groundwater waste reduction on the District's website at least once per year.		

Lower Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> Each year, the number of articles published on the District's website and a copy of the information provided in the groundwater waste reduction article on the District's website will be included in the District's Annual Report submitted to the Board of Directors of the District.	Partially	The district met this objective for 2011. However, for fiscal year 2012, the district did not provide evidence that its annual report included a copy of the article regarding groundwater waste reduction that was published on its Web site.
<u>Objective:</u> Each year, the District will provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by speaking at least once per year at service organizations or public schools.		
<u>Performance Standard:</u> Each year, the number of speaking appearances at service organizations or public schools and a copy of the information provided during speaking appearances by the District each year will be included in the District's Annual Report submitted to the Board of Directors of the District.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The drought status will be monitored by downloading the updated Palmer Drought Severity Index (PDSI) map at least once monthly and check for the updates to the Drought Preparedness Council Situation Report (Situation Report) posted on the Texas Department of Public Safety - Division of Emergency website (http://www.txdps.state.tx.us//dem/sitreindex.htm) at least once monthly.		
<u>Performance Standard:</u> On a quarterly basis, the District will make an assessment of the status of drought in the District and prepare a quarterly report to the Board of Directors of the District. The download PDSI maps and Situation Reports will be included in the quarterly report to the Board of Directors of the District.	Yes	
<u>Objective:</u> The District will publish an article in two newspapers and one article on the District web site when the Palmer Drought Severity Index indicates that the District is experiencing moderate drought conditions (PDSI = -2 to -3) for three consecutive months.		
<u>Performance Standard:</u> The number of times the Palmer Drought Severity Index indicates a moderate drought within the District for three consecutive months, the number of newspaper articles published, and the number of articles published on the District web site will be included in the annual report provided to the Board of Directors of the District.	Yes	
<u>Objective:</u> In developing the contingency plan, the District will consider the economic effect of conservation measures upon all water resource user groups, the local implications of the degree and effect of changes in aquifer conditions, the specific hydro geologic conditions of the aquifers within the District, and the appropriate conditions under which to implement the contingency plan. The drought contingency plan will be reviewed once annually in order to access whether any changes are required to the plan, and a report of the review will be written.		
<u>Performance Standard:</u> The number of drought contingency plan reviews and a copy of the drought contingency plan review report will be included in the annual report to the Board of Directors of the District.	Yes	

Lower Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 4: Addressing Conservation		
Objective: Once a year the District will provide the public information on water conservation through an article published in local newspapers or the District's newsletter and website. The District will maintain a record of the article published.		
Performance Standard: The annual report to the Board of Directors of the District will include the article published in local newspapers or the District's newsletter and website each year.	Partially	The district met this objective in fiscal year 2011. However, for fiscal year 2012, the district did not maintain evidence that it published an article on its Web site about water conservation for inclusion in its annual report.

Recommendation for the Lower Trinity Groundwater Conservation District

The Lower Trinity Groundwater Conservation District should comply with its groundwater management plan by maintaining evidence of articles published in local newspapers, the district's newsletter, and Web site each year that are to be included in the district's annual report to the board of directors.

Management's Response from the Lower Trinity Groundwater Conservation District

The District's Management agrees with the recommendation regarding Chapter 1 to the District's Groundwater Management Plan and will comply by maintaining articles that are published in local county newspapers and the District website each year. This documentations will also be included in the District's annual report to the Board.

The McMullen Groundwater Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$107,737
Total Liabilities	\$ 0
Statement of Revenues and Expenditures	
Total Revenues	\$71,313
Total Expenditures	\$32,259
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

The McMullen Groundwater Conservation District fully achieved the following goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 14 provides additional information.

Table 14

McMullen Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year the District will provide education materials concerning the efficient use of groundwater.		
<u>Performance Standard:</u> Provide educational materials to at least one school annually.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater in the District		
<u>Objective:</u> Measure water levels from the land surface on strategic wells on an annual basis and report waste to the District Board.		
<u>Performance Standard:</u> a. Report to the District Board annually the number of water level measurements. b. The District will investigate all reports of waste of groundwater within five working days. The number of reports of waste as well as the investigation findings will be reported to the District Board in the annual report.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The District will monitor the Palmer Drought Severity Index.		
<u>Performance Standard:</u> A report of the Palmer Drought Severity Index will be presented to the District board on an annual basis.	Yes	

McMullen Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 4: Addressing Conservation		
<u>Objective:</u> Each year the District will make available educational material to the public promoting conservation methods and concepts.		
<u>Performance Standard:</u> The District will make at least one educational brochure available per year through service organizations, and on a continuing basis at the District office.	Yes	

The Menard County Underground Water District Fully or Partially Achieved All Four of the Goals Audited

The Menard County Underground Water District fully achieved the goal of providing the most efficient use of groundwater.

Selected Financial Information for Fiscal Year 2012

Balance Sheet

Total Assets \$321,971
Total Liabilities \$ 4,955

Statement of Revenues and Expenditures

Total Revenues \$85,978
Total Expenditures \$62,521

Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.

In addition, it partially achieved the following goals:

- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. The district had different management plans in effect for fiscal years 2011 and 2012 and auditors evaluated the district's compliance based on the particular management plans in effect for each year. Table 15 provides additional information.

Table 15

Menard County Underground Water District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> At least once each year the District will provide, in a public meeting or forum, available information on water conservation practices for the efficient use of water. These will include, but are not limited to, publications from the Texas Water Development Board, Texas Natural Resource Conservation Commission, Texas Agricultural Extension Service, and other sources.		
<u>Performance Standard:</u> One distribution of informational materials in a public meeting or forum each year.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> To collect data for the purpose of managing for prevention of waste of groundwater, The District will, over the next five years, develop a network of monitor wells, at the rate of at least two additional wells per year until the network includes a total of ten wells distributed around the county, with priority given to locations that will better enable the district to monitor aquifer levels that affect spring flows.		
<u>Performance Standard:</u> The addition of two monitor wells each year to the district well-monitoring network until a total of ten is reached.	Yes	
<u>Objective:</u> To measure, record and accumulate a historic record of static water levels in monitor wells on a regular periodic basis.		
<u>Performance Standard:</u> The static water levels in two monitor wells will be measured and recorded every quarter until the district has four monitor wells in its network. Thereafter four monitor wells will be measured and recorded every quarter.	Yes	

Menard County Underground Water District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Objective: To collect data for the purpose of managing for prevention of waste of groundwater, the District will measure, record and accumulate a historic record of static water levels in monitor wells on a regular periodic basis, with priority given to locations that will best enable the district to monitor aquifer levels that affect the major springs in the district.		
Performance Standard: The static water levels in six monitor wells will be measured and recorded every quarter, and the measurements submitted to the Texas Water Development Board. At least four of the monitor wells will be located in the catchment basin for the Government and Clear Creek springs.	Yes	
Objective: At least once each year the District will publish the availability of water testing services in the local newspaper.		
Performance Standard: One advertisement for water testing services published each year.	No	The district did not publish an advertisement for water testing services in fiscal years 2011 and 2012.
Objective: To monitor water quality in the district, the District will sample and conduct water quality tests on selected monitor wells at least once each year for possible contamination which would jeopardize the integrity of the groundwater supply.		
Performance Standard: One water quality analysis test performed each year on two selected water quality monitor wells.	Yes	
Goal 3: Addressing Drought Conditions		
Objective: To raise public awareness of the need for additional conservation during periods of drought in the district.		
Performance Standard: Publication in the local newspaper of a notice for need to conserve water once each month during times that the LCRA [Lower Colorado River Authority] stream gauge at Menard has readings of less than 8 cfs [cubic feet per second] for the duration of a week or more. The notice will include a link to the Texas Water Development Board (TWDB) drought website at http://www.twdb.state.tx.us/DATA/DROUGHT/index.asp . Stream gauge readings will be reported to the board of directors at monthly meetings.	Partially	While the district published some notices, it did not publish notices for all of the months in which the Lower Colorado River Authority stream gauge readings were less than 8 cubic feet per second for fiscal years 2011 and 2012.
Goal 4: Addressing Conservation		
Objective: At least once each year the District will publish in a newspaper with local circulation an article on water conservation and availability of information materials in the district office.		
Performance Standard: One article on conservation published each year.	Partially	The district published an article on conserving water in fiscal year 2011; however, it did not publish an article in fiscal year 2012.

Recommendations for the Menard County Underground Water District

The Menard County Underground Water District should ensure that it publishes:

- At least one advertisement for water testing services each year.
- A notice for the need to conserve water once each month when the Lower Colorado River Authority stream gauge at Menard has readings of less than eight cubic feet per second.
- At least one article on water conservation each year.

Management's Response from the Menard County Underground Water District

As will be re-iterated in the comments for Chapter 2, the audit was helpful to the district, as relates to the achievement of management goals, in making it clearer what kinds of documentation are necessary to establish that the management goal has been met.

Goal No. 3, Addressing Drought Conditions, is very important to the district, as one of our primary objectives is the management of groundwater to preserve and protect spring and stream flows which supply 90% of all water use in the district. By way of explanation, not of excuse, the district only partially met this goal not as a result of oversight or carelessness, but as a matter of public relations. In 2011 90% of all irrigation rights in the county were suspended by the TCEQ for most of the time during which the gauge at Menard read 8 cfs or less. A significant number of groundwater wells went dry during the same period. Notices were published in the local paper every week during that period, not by the district but by city officials, advising that water rights were suspended and the City's drought contingency plans were in effect. After the district had published the first couple of articles in to implement the management goals, staff began to receive comments from people that they didn't want to read any more articles about conserving water that didn't have anyway because the state and/or the drought was withholding it from them. We didn't publish any more until the suspensions were lifted the next year.

The district will implement the State Auditor Office's recommendations.

The Mid-East Texas Groundwater Conservation Partially Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012

Balance Sheet	
Total Assets	\$256,850
Total Liabilities	\$ 1,518
Statement of Revenues and Expenditures	
Total Revenues	\$117,992
Total Expenditures	\$130,452

Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending August 31, 2012.

The Mid-East Texas Groundwater Conservation District partially achieved the following goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 16 provides additional information.

Table 16

Mid-East Texas Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
Objective: The District will at least once annually conduct at least one program to provide public information and education to promote the efficient use of groundwater. Such programs may include newspaper publications, open meetings, handout brochures and mail-out brochures.		
Performance Standard: The District will document the number of times this activity was completed in the annual report to the Board of Directors and maintain a record of the above for subsequent audits.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.
Goal 2: Controlling and Preventing Waste of Groundwater		
Objective: The District will at least once annually conduct at least one program to provide public information and education of the prevention of the waste of groundwater. Such programs may include newspaper publications, open meetings, handout brochures and mail-out brochures.		
Performance Standard: The District will document the number of times this activity was completed in the annual report to the Board of Directors and maintain a record of the above for subsequent audits.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.
Goal 3: Addressing Drought Conditions		
Objective: The District shall call for the most efficient use of groundwater by all users in the District to maintain sufficient groundwater aquifer resources during periods of drought and for future resources by preventing waste and by regulation of users, if necessary to prevent depletion of the aquifers. The District will review the Texas Palmer Drought [Severity] Index and the Texas Drought Preparedness Report, and monitor the District's production figures annually.		
Performance Standard: The District will document the number of times this activity was completed in the annual report to the Board of Directors and maintain a record of the above for subsequent audits.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.

Mid-East Texas Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 4: Addressing Conservation		
Objective: The District will at least annually conduct at least one program to provide public information and education to promote the conservation of water. Such programs may include newspaper publication, open meetings, handout brochures and mail-out brochures.		
Performance Standard: The District will document the number of times this activity was completed in the annual report to the Board of Directors and maintain a record of the above for subsequent audits.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.

Recommendation for the Mid-East Texas Conservation District

The Mid-East Texas Groundwater Conservation District should prepare annual reports for each fiscal year and submit those reports to its board of directors as required by its management plan.

Management's Response from the Mid-East Texas Conservation District

The District agrees with this statement and wishes to clarify that during a regular board meeting held on July 23, 2013 the Fiscal Year 2010 – 2011 Annual Report was presented and adopted by the Board of Directors. A copy of the file-stamped agenda for this meeting, the minutes of this meeting, and a copy of the signed annual report are attached herein.

In addition, the District agrees with all other aspects of the audit and preliminary audit results as provided to District staff and Board Members by the State Auditor's Office. The goal of the District is to comply with all statutes, rules, regulations, laws and policies. Every effort will be made in the future to ensure that procedures are in place to facilitate this goal.

The Northern Trinity Groundwater Conservation District Did Not Fully Achieve Any of the Four Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$298,562
Total Liabilities	\$153,269
Statement of Revenues and Expenditures	
Total Revenues	\$231,076
Total Expenditures	\$165,021
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012. See Chapter 2 for additional information on this district's compliance with the annual audit requirement.	

The Northern Trinity Groundwater Conservation District did not fully achieve any of the following four goals audited:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 17 provides additional information.

Table 17

Northern Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
Objective: The District will annually require 100 percent of water wells subject to the District's permitting requirements to be permitted in accordance with the District Rules.		
Performance Standard: The number of water wells permitted by the District for each year will be included in the Annual Report submitted to the Board of Directors of the District.	No	The district did not submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.
Objective: The District will regulate the production of groundwater by maintaining a system of permitting which authorizes the use and production of groundwater within the boundaries of the District pursuant to the District Rules.		
Performance Standard: The District will annually accept and process applications for the use of groundwater in the District in accordance with the permitting system established by the District Rules. The number and type of applications made for the permitted use of groundwater in the District, and the number and type of permits issued by the District, will be included in the Annual Report.	No	The district did not submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.
Goal 2: Controlling and Preventing Waste of Groundwater		
Objective: The District will annually provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by one of the following methods: a. Provide newspaper articles for publication; b. Publish a newsletter;		

Northern Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
c. Conduct public presentations; d. Set up displays at public events; e. Distribute brochures/literature.		
Performance Standard: The District's Annual Report will include information about the method and type of information supplied to the public.	No	The district did not submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.
Objective: The District will submit at least one request annually to the Texas Railroad Commission asking for the location of existing salt water and/or waste disposal injection wells which have been permitted by the Texas Railroad Commission within the District within the most recent fiscal year.		
Performance Standard: A copy of each request letter that was submitted to the Texas Railroad Commission asking for the location of existing salt water or waste disposal wells permitted to operate within the District will be included in the Annual Report submitted to the Board of Directors of the District for each fiscal year and the Annual Report will also include the information supplied by the Texas Railroad Commission, if any.	No	The district did not submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.
Goal 3: Addressing Drought Conditions		
Objective: Quarterly, the District will download the updated Palmer Drought Severity Index (PDSI) map and check for the periodic updates to the Drought Preparedness Council Situation Report (Situation Report). The PDSI map can be accessed from the National Weather Service - Climate Prediction Center website: http://www.cpc.ncep.noaa.gov/products/monitoring_and_data/drought.shtml and the Situation Report is available and can be accessed from the Texas Department of Public Safety website: http://www.txdps.state.tx.us/dem/sitrepindex.htm .		
Performance Standard: The District will make an assessment of the status of drought conditions in the District and will prepare a quarterly briefing to the Board of Directors. The downloaded PDSI maps and Situation Reports will be included with copies of the quarterly briefing in the District Annual Report that is provided to the Board of Directors.	No	The district did submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.
Goal 4: Addressing Conservation		
Objective: The District will submit at least one article regarding water conservation for publication each year to at least one newspaper of general circulation in Tarrant County.		
Performance Standard: A copy of the article submitted by the District for publication to regarding water conservation will be included in the Annual Report submitted to the Board.	No	The district did not submit annual reports for fiscal years 2011 and 2012 to its board of directors as required.

Recommendation for the Northern Trinity Groundwater Conservation District

The Northern Trinity Groundwater Conservation District should prepare annual reports each year and submit those reports to its board of directors as required by its groundwater management plan.

Management's Response from the Northern Trinity Groundwater Conservation District

Northern Trinity Groundwater Conservation District did not submit management's responses addressing the specific recommendations in this report. Instead, it submitted the following statement:

The Northern Trinity Groundwater Conservation District, being without staff and due to timing considerations, is not able to provide responses at this time. The Board will address each response at the next District meeting anticipated for the end of the year.

The Pineywoods Groundwater Conservation District Fully Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$95,162
Total Liabilities	\$ 1,664
Statement of Revenues and Expenditures	
Total Revenues	\$156,926
Total Expenditures	\$146,396
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

The Pineywoods Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 18 provides additional information.

Table 18

Pineywoods Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, beginning in FY2002, the District will require the registration of all new wells drilled within the District's jurisdiction and the District will require a permit for all non-exempt wells, new and existing.		
<u>Performance Standard:</u> Each month at regularly scheduled meetings the General Manager reports to the District Board of Directors the number of new and existing wells registered with the District and the number of applications received for new wells within the District.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Determine waste as defined in the Rules of the District and the [Texas] Water Code and respond to reports of waste within 4 days.		
<u>Performance Standard:</u> Annually review all reported sources of waste, and if corrective actions were taken when warranted. A summary that includes the number of reports of waste and the number of days the District took to respond to each report of waste will be included in the annual report to the District Board of Directors.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The District shall call for the most efficient use of groundwater by all users in the District to maintain sufficient groundwater aquifer resources during periods of drought and for future resources by preventing waste and by regulation of users, if necessary, to prevent depletion of the aquifers. To work closely with groundwater users and provide assistance where it is possible to control customer usage as it is outlined in their Drought Contingency Plans.		

Pineywoods Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> Periodically review the Texas Palmer Drought [Severity] Index and the Texas Drought Preparedness [Council Situation] Report, and monitor production figures quarterly. A summary of any drought conditions will be given to the Board of Directors in the annual report along with any recommendations and make necessary changes, as needed.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> Maintain a constant review of all projects to ensure that they are using the best available technology. Publish a newsletter at least quarterly and include some educational information to promote conservation. Provide public education at any opportunity to promote conservation.		
<u>Performance Standard:</u> Annually review all projects to determine if they are using the best available technology and if educational materials are benefiting the conservation program. This review will be included in the annual report to the Board of Directors.	Yes	

The Rolling Plains Groundwater Conservation District Fully Achieved All Four of the Goals Audited.

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$327,302
Total Liabilities	\$ 16,112
Statement of Revenues and Expenditures	
Total Revenues	\$153,488
Total Expenditures	\$133,816
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

The Rolling Plains Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 19 provides additional information.

Table 19

Rolling Plains Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, on four (4) or more occasions, the district will disseminate education information relating to conservation practices for the efficient use of water resources. These will include but are not limited to publications from the Texas Water Development Board, Texas Natural Resource Conservation Commission, Texas Agricultural Extension Service, and other resources.		
<u>Performance Standard:</u> Number, annually, on four (4) or more occasions, the district disseminated educational information relating to conservation practices for the efficient use of water resources.	Yes	
<u>Objective:</u> Each year the District will monitor five (5) or more selected wells within the District for possible contamination problems, which would jeopardize the integrity of the groundwater by collecting samples for analysis		
<u>Performance Standard:</u> (a) Number of samples collected and analyzed each year on five (5) or more wells [and] (b) the number of contamination problems each year.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, on two (2) or more occasions, the District will disseminate educational/informational materials directed toward preventing the waste of groundwater.		
<u>Performance Standard:</u> Number, annually, of two (2) or more occasions the District disseminated educational/informational materials directed toward preventing waste of water each year.	Yes	

Rolling Plains Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 3: Addressing Drought Conditions		
Objective: Each year the District will cooperate with the Natural Resource Conservation Service, the Texas Agricultural Extension Service, and the West Texas Mesonet in providing weather data on a daily basis for residents of the District. This data will be disseminated by a Texas Agricultural Extension Service web site http://texaset.tamu.edu , the West Texas Mesonet website http://www.mesonet.ttu.edu , and the Agricultural Drought Task Force web site http://agrilife.tamu.edu/drought/ . The web sites will provide assistance in calculation of the evapotranspiration rate (ET) of crops and lawns, to provide for efficient watering of these plants and awareness of drought conditions.		
Performance Standard: Number, annually, of one (1) or more weather stations that the District maintains to provide data collection to these cooperating agencies.	Yes	
Objective: Each year, the District will cooperate with the Texas Water Development Board in monitoring wells that may be used to implement drought planning and providing for this information to be available on the Internet.		
Performance Standard: (a) Number, annually, of one (1) or more on-line wells the District assists in the collection and dissemination of well levels and (b) prepare a report reflecting the results of the water level monitor to the Board at the first quarterly meeting each fiscal year, beginning October 2010, for a yearly comparison.	Yes	
Goal 4: Addressing Conservation		
Objective: Each year, on four (4) or more occasions, the District will disseminate educational information relating to conservation of water resources. These will include but are not limited to publications from the Texas Water Development Board, Texas Natural Resource Conservation Commission, Texas Agricultural Extension Service, and other resources.		
Performance Standard: Number, annually on four (4) or more occasions, the District disseminated educational information relating to conservation of water resources.	Yes	
Objective: Each year the District will monitor water levels in five (5) or more selected wells within the district.		
Performance Standard: (a) Number of water levels taken each year on five (5) or more selected wells and (b) prepare a report reflecting the results of the annual water level program to the Board at the first quarterly meeting each fiscal year, beginning October 2010, for a yearly comparison of water level averages.	Yes	

The Southern Trinity Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$489,892
Total Liabilities	\$ 12,103
Statement of Revenues and Expenditures	
Total Revenues	\$248,324
Total Expenditures	\$152,695
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

The Southern Trinity Groundwater Conservation District:

- Fully achieved the following goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing drought conditions.
- Partially achieved the goal of addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 20 provides additional information.

Table 20

Southern Trinity Groundwater Conservation District		
Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> The District will establish a District Aquifer Water Level Observation Well Program with one or more observation well or wells located within the portions of the Trinity and Brazos River Alluvium aquifers within the District, and measure the depth to groundwater in each well or wells at least once annually.		
<u>Performance Standard:</u> a. Establish a District Aquifer Water Level Observation Well Program and its criteria, and begin measurements of the observation wells within one year following the adoption and approval of this plan. b. Water levels at these observation well or wells will be measured a minimum of once annually.	Yes	
<u>Objective:</u> The District will provide educational leadership to citizens within the District concerning efficient use of groundwater. The activity will be accomplished annually through at least one printed publication, such as a brochure, and one public presentation at service organizations and/or public schools.		
<u>Performance Standard:</u> The number of publications and speaking appearances by the District each year will be included in an annual report to the Board.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> The District will provide educational leadership to citizens within the District identifying ways to minimize and avoid the waste of groundwater. This will be accomplished annually through at least one printed or on-line publication, such as a brochure, and one public presentation at service organizations and/or public schools.		

Southern Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> The number of publications and speaking appearances by the District each year will be included in the annual report to the Board.	Yes	
<u>Objective:</u> The District will implement a Well Closure Program. The objective of the well closure program is to obtain the closure and plugging of derelict and abandoned wells in a manner that is consistent with state law, for the protection of the aquifers, the environment, and the public safety. The District will conduct a program to identify, inspect, categorize and cause abandoned and derelict wells to be closed and plugged. The District will fund or otherwise achieve the closure of at least one abandoned well during years when the District's revenues are at a level sufficient to fund the program.		
<u>Performance Standard:</u> When applicable, the annual funding for the District's Well Closure Program and the number of wells closed and plugged as a result of the Well Closure Program will be included in the annual report to the Board.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> The District will track rainfall records from nearby weather stations on an ongoing basis. This data will be compared to hydrographs in monitoring wells used by the District. Additionally, the District will monitor the updated Palmer Drought Severity Index (PDSI) map by downloading at least one map monthly and check for periodic updates to the Drought Preparedness Council Situation Report posted on the Texas Department of Public Safety web site and the Agricultural Drought Task Force hosted by the Texas Agrilife Extension. The district staff will provide in its annual report in January the precipitation amounts, water levels and any apparent associated trends. Upon Board approval, the District's web site and/or local newspapers will disseminate information to the public.		
<u>Performance Standard:</u> Report on precipitation amounts as compared to water levels within the District; and, manner and timing of distribution of precipitation and water level data to the public.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> The District will provide educational leadership to citizens within the District concerning groundwater conservation. The educational efforts will be through at least one printed publication, such as a brochure, annually and at least one public speaking program at a service organization and/or public school annually.		
<u>Performance Standard:</u> The number of brochures issued and the number of public speaking programs regarding water conservation, rainwater harvesting, and brush control will be included in the annual report to the District Board.	Partially	The district met this objective for fiscal year 2011. However, the district's annual report for fiscal year 2012 did not report the number of brochures issued or public speaking programs conducted.

Recommendation for the Southern Trinity Groundwater Conservation District

The Southern Trinity Groundwater Conservation District should comply with its groundwater management plan objectives to include in its annual report to its board of directors the number of brochures issued and the number of public speaking programs regarding water conservation, rainwater harvesting, and brush control.

Management's Response from the Southern Trinity Groundwater Conservation District

Management accepts and concurs with State Auditor's Office result of Partial compliance to the number of public speaking program. Management would like to note that during 2012 new personnel were employed and it was not intentionally disregarded.

In 2013 the District participated in three public speaking programs one of which the District was a financial co-sponsor. Those dates were April 18th, May 10th and May 22nd. The District has also purchased a "Major Rivers" educational package from the Texas Water Development Board used in public speaking engagements in local school districts.

The Texana Groundwater Conservation District Partially Achieved the Four Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$ 66,052
Total Liabilities	\$ 17,760
Statement of Revenues and Expenditures	
Total Revenues	\$129,351
Total Expenditures	\$ 78,486
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

The Texana Groundwater Conservation District partially achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there is one objective and related performance standard that describes the activities the district must perform to achieve the goal. Table 21 provides additional information.

Table 21

Texana Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, the District will provide groundwater awareness information to the citizens of Jackson County that will assist in preservation, conservation, and protection of groundwater resources.		
<u>Performance Standard:</u> Each year, the District will conduct at least 1 public meeting to discuss Texana Groundwater Conservation District (TGCD) activities, submit at least 2 newspaper articles about TGCD activities, present at least 1 website article discussing TGCD activities. The activities will include progress implementation of the Management Plan and review of Rules. Record of the meetings, articles and speakers will be recorded by the District Board Secretary in the last meeting minutes of the fiscal year.	Partially	The district met this objective for fiscal year 2012. However, it did not record the meetings, articles, and speakers in the district's last meeting minutes of fiscal year 2011 or submit an annual report for fiscal year 2011 to its board of directors as required.
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year, the District will promote awareness with the citizens about the waste of groundwater and means to control/prevent groundwater waste.		
<u>Performance Standard:</u> The District will conduct at least 1 public meeting to discuss waste of groundwater, submit at least 2 newspaper articles about groundwater waste control/prevention, and present at least 1 website article discussing waste of groundwater.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.

Texana Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 3: Addressing Drought Conditions		
Objective: The District will participate in notifying the citizens about drought severity conditions through postings on its website and links to drought focused websites such as: http://agriflife.tamu.edu/drought/ http://www.twdb.state.tx.us/DATA/DROUGHT/index.asp http://www.drought.gov .		
Performance Standard: The District will solicit drought conditions information from LNRA [Lavaca-Navidad River Authority], The County Commissioners' Court, and surface water agencies and post drought conditions quarterly. If the Palmer Drought Severity Index (PDSI) reaches the moderate level or higher, the District will begin reporting it on the website monthly to alert interested parties. A record of these postings will be summarized in the last District meeting of the fiscal year.	Partially	The district met this objective for fiscal year 2012. However, it did not submit an annual report for fiscal year 2011 to its board of directors as required.
Goal 4: Addressing Conservation		
Objective: The District will annually submit an article regarding water conservation for publication to at least one newspaper of general circulation in the District.		
Performance Standard: A copy of the article submitted by the District for publication to a newspaper of general circulation in the District regarding conservation will be included in the last meeting minutes of the fiscal year.	Partially	The district met this objective for fiscal year 2012. However, it did not include a copy of the article regarding conservation in its last meeting minutes of fiscal year 2011 or submit an annual report for fiscal year 2011 to its board of directors as required.

Recommendation for the Texana Groundwater Conservation District

Texana Groundwater Conservation District should prepare annual reports for each fiscal year and submit those reports to its board of directors as required by its management plan.

Management's Response from the Texana Groundwater Conservation District

The District agreed with the recommendation that the "...District should prepare annual reports for each fiscal year and submit those reports to its board of directors as required by its management plan." The District recognized this need in 2011 and has taken steps to ensure that all future annual reports are developed and presented to its Board as required by the District's management plan. The District developed and presented to its

Board an annual report for fiscal year 2011-2012 in accordance with the requirements of the management plan.

The Trinity Glen Rose Groundwater Conservation District Fully or Partially Achieved Three of the Four Goals Audited

The Trinity Glen Rose Groundwater Conservation District:

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$539,568
Total Liabilities	\$ 2,925
Statement of Revenues and Expenditures	
Total Revenues	\$229,622
Total Expenditures	\$196,777
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

- Fully achieved the goal of providing the most efficient use of groundwater.
- Partially achieved the goals of:
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing drought conditions.
- Did not achieve the goal of addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 22 provides additional information.

Table 22

Trinity Glen Rose Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Implement and maintain a program of issuing well operating permits for non-exempt wells within the District.		
<u>Performance Standard:</u> Annually, the number of well operating permits applications and the number of permits issued for the year will be included in the Annual Report submitted to the Board of Directors of the District.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater		
<u>Objective:</u> Each year the District will provide to local newspapers at least one-article describing water efficient practices available for implementation by groundwater users.		
<u>Performance Standard:</u> Number of articles describing water efficient practices submitted to local newspapers each year.	Partially	The district met this objective for fiscal year 2012. However, the district did not maintain evidence that it submitted articles to the local newspapers describing water efficient practices during fiscal year 2011.
<u>Objective:</u> Make a speaker available to local clubs and organizations or a display booth at public events.		
<u>Performance Standard:</u> Number of speaking engagements or booth displays offered each year as noted in Annual Report.	Partially	The district met this objective for fiscal year 2011. However, the district's annual report for fiscal year 2012 did not include information on engagements at which the district offered a speaker or made a display booth available.

Trinity Glen Rose Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Objective:</u> The District will make an annual evaluation of the District Rules and determine if amendments to the District Rules are recommended to prevent or reduce the waste of groundwater in the District.		
<u>Performance Standard:</u> Agenda item during at least one monthly Board Meeting for discussion of annual evaluation of the District Rules.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Review Palmer Drought Severity Index (PDSI) posted on the National Weather Service - Climate Prediction Center website www.ncdc.noaa.gov/oa/climate/research/prelim/drought/palmer.html monthly and check for updates to the Texas Drought Preparedness Council Situation Report on the Texas Department of Public Safety website www.txdps.state.tx.us/dem/sitreindex.htm .		
<u>Performance Standard:</u> Report drought status in the District to the Board of Directors at least quarterly.	Partially	In the first quarter of fiscal year 2011, the district did not report the drought status to its board of directors. However, the district met this objective for all other quarters of fiscal year 2011 and for all quarters of fiscal year 2012.
<u>Objective:</u> The District will collect water levels on selected monitor wells representative of the major aquifer within the District in accordance with the water level monitoring plan developed by the Board of Directors.		
<u>Performance Standard:</u> Number of water level records collected annually.	Yes	
<u>Objective:</u> Monitor compliance of non-exempt wells with District's Emergency Drought Management Plan once trigger conditions are reached.		
<u>Performance Standard:</u> Preparation and distribution of Press Releases and District water restriction requirements to District water users.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> Each year the District will provide local newspaper with at least one article identifying the importance of water conservation and water conservation methods.		
<u>Performance Standard:</u> A copy of the article(s) regarding water conservation submitted each year will be included in the Annual Report to the District Board of Directors.	No	The district's annual reports for fiscal years 2011 and 2012 did not include articles regarding water conservation that were provided to a local newspaper.
<u>Objective:</u> Provide to the public, upon request, conservation literature handouts.		
<u>Performance Standard:</u> Number of conservation handouts requested per year.	No	The district did not report the number of conservation handouts requested by the public for fiscal years 2011 or 2012. According to the district, it provides conservation literature to the public, but it does not track the number of handouts requested.

Recommendations for the Trinity Glen Rose Groundwater Conservation District

The Trinity Glen Rose Groundwater Conservation District should comply with its groundwater management plan by:

- Maintaining evidence that it submitted articles describing water efficient practices to local newspapers each year.
- Including in its annual reports to the board of directors:
 - ♦ The number of speaking engagements or booth displays offered each year.
 - ♦ Copies of article(s) regarding water conservation it submitted each year for publication.
- Tracking and reporting the number of conservation handouts requested each year.

Management's Response from the Trinity Glen Rose Groundwater Conservation District

In response to the State Auditor's recommendations, the Trinity Glen Rose Groundwater Conservation District's management agrees with the recommendations brought forth by the Auditors and will comply by taking the following actions:

With regards to the District's achievement of groundwater management plan goals

- *District staff will submit for publication an article on water conservation each year in a local newspaper, and include a copy of the article submitted for publication in the District's annual report.*
- *District staff will ensure the number of speaking engagements and outreach events attended is recorded in the District's annual report.*
- *District staff will create and maintain a spreadsheet recording the number of conservation brochures handed out during speaking engagements and outreach events attended. This number will be reported during the District's annual report.*

The Upper Trinity Groundwater Conservation District Fully Achieved the Four Goals Audited

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$2,979,504
Total Liabilities	\$ 76,192
Statement of Revenues and Expenditures	
Total Revenues	\$1,530,866
Total Expenditures	\$ 801,909
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending December 31, 2012.	

The Upper Trinity Groundwater Conservation District fully achieved the following four goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 23 provides additional information.

Table 23

Upper Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year the District will require registration of all new wells within the District.		
<u>Performance Standard:</u> Annual reporting of well registration statistics will be included in the Annual Report provided to the Board of Directors.	Yes	
<u>Objective:</u> Each year the District will monitor annual production from all non-exempt wells within the District.		
<u>Performance Standard:</u> The District will require installation of meters on all non-exempt wells and reporting of production to the District. The annual production of groundwater from non-exempt wells will be included in the Annual Report provided to the Board of Directors.	Yes	
Goal 2: Controlling and Preventing Waste of Groundwater in the District		
<u>Objective:</u> Annual evaluation of the rules to determine if any amendments are recommended to decrease waste of groundwater within the District.		
<u>Performance Standard:</u> Annual discussion of the evaluation of the rules and a reporting of whether any of the District rules require amendment to prevent waste of groundwater to be included in the Annual Report provided to the Board of Directors.	Yes	
<u>Objective:</u> The District will encourage the elimination and reduction of groundwater waste through the collection of a water-use fee for nonexempt production wells within the District.		

Upper Trinity Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
<u>Performance Standard:</u> Annual reporting of the total fees paid and total groundwater used by non-exempt wells will be included in the Annual Report provided to the Board of Directors.	Yes	
<u>Objective:</u> Each year, the District will provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by including information on groundwater waste reduction on the District's website.		
<u>Performance Standard:</u> Each year, a copy of the information provided on the groundwater waste reduction page of the District's website will be included in the District's Annual Report to be given to the District's Board of Directors.	Yes	
Goal 3: Addressing Drought Conditions		
<u>Objective:</u> Monthly review of drought conditions within the District using the Texas Water Development Board's Monthly Drought Conditions Presentation available at: http://www.twdb.state.tx.us/data/DROUGHT/drought_toc.asp		
<u>Performance Standard:</u> An annual review of drought conditions within the District will be included in the Annual Report provided to the Board of Directors.	Yes	
Goal 4: Addressing Conservation		
<u>Objective:</u> The District will annually submit an article regarding water conservation for publication to at least one newspaper of general circulation in the District counties.		
<u>Performance Standard:</u> Each year, a copy of the conservation article will be included in the District's Annual Report to be given to the District's Board of Directors.	Yes	
<u>Objective:</u> Each year, the District will include an informative flier on water conservation within at least one mail out to groundwater nonexempt water users distributed in the normal course of business for the District.		
<u>Performance Standard:</u> Each year, a copy of the water conservation mailout flyer will be included in the District's Annual Report to be given to the District's Board of Directors.	Yes	

The Wes-Texas Groundwater Conservation District Fully or Partially Achieved All Four of the Goals Audited.

The Wes-Texas Groundwater Conservation District:

- Fully achieved the following three goals:
 - ♦ Providing the most efficient use of groundwater.
 - ♦ Controlling and preventing waste of groundwater.
 - ♦ Addressing conservation.
- Partially achieved the goal of addressing drought conditions.

For each goal in the groundwater management plan, there are one or more objectives and related performance standards that describe the activities the district must perform to achieve the goal. Table 24 provides additional information.

Selected Financial Information for Fiscal Year 2012	
Balance Sheet	
Total Assets	\$353,003
Total Liabilities	\$ 72
Statement of Revenues and Expenditures	
Total Revenues	\$126,478
Total Expenditures	\$ 77,865
Source: These amounts were from the district's annual audited financial statements and were not verified as part of this audit. These amounts are for the district's fiscal year ending September 30, 2012.	

Table 24

Wes-Texas Groundwater Conservation District Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 1: Providing the Most Efficient Use of Groundwater		
<u>Objective:</u> Each year, on four (4) or more occasions, the District will disseminate educational information relating to conservation practices for the efficient use of water resources. These will include but are not limited to publications from the Texas Water Development Board, the Texas Commission on Environmental Quality, Texas Cooperative Extension Service, the Texas Water Resource Institute, and other resources.		
<u>Performance Standard:</u> a. Number of occasions, annually, the District disseminated educational information related to conservation practices for the efficient use of groundwater will be reported to in the Annual Report to the Board of Directors. b. Number of educational literature packets that have been distributed will be reported to the District Board in the annual report.	Yes	
<u>Objective:</u> The District will adopt and enforce a set of rules regarding the spacing of all new wells drilled within the District to limit the areas of overlapping cones of depression.		
<u>Performance Standard:</u> The number of wells drilled each year in compliance with the adopted spacing rules will be reported to the District Board annually.	Yes	
<u>Objective:</u> The District will implement a district-wide monitoring network to evaluate groundwater availability. The monitoring network will be comprised of voluntary well owners. At least 20 wells will be monitored by district personnel (or assigns) for static water levels at least quarterly each year.		
<u>Performance Standard:</u> The number of wells involved in the project, and respective static water levels, will be reported to the Board of Directors annually. Wells will be placed on a well numbering grid map for reference.	Yes	

Wes-Texas Groundwater Conservation District		
Achievement of Groundwater Management Plan Objectives		
Goal and Objective Audited	Achieved?	Additional Information
Goal 2: Controlling and Preventing Waste of Groundwater		
Objective: The District will provide an annual report to the District Board regarding the number and status of reported wasteful practices and non-beneficial water use in the District. If a wasteful practice is reported to the District, the District will respond in writing within five (5) working days.		
Performance Standard: All reports of wasteful practices will be summarized in the annual report to the Board of Directors. Summaries shall include all relevant dates, information, and any remedial action taken by the District (if applicable).	Yes	
Objective: The general manager will disseminate educational information or article concerning beneficial use and the identification of wasteful practices on at least two occasions each year.		
Performance Standard: The number of occasions the District submitted or disseminated information to district citizens shall be reported to the board of directors in the annual report each year.	Yes	
Goal 3: Addressing Drought Conditions		
Objective: On a monthly basis, provided updates have been posted, the district will download at least one updated Palmer Drought Severity Index (PDSI) map posted on the National Weather Service-Climate Prediction Center website: http://www.cpc.ncep.noaa.gov/products/monitoring_and_data/drought.shtml . In addition, the district will check for the periodic updates to the Drought Preparedness Council Situation Report posted on the Texas Department of Public Safety website: http://www.txdps.state.tx.us/dem/sitrepindex.htm .		
Performance Standard: At least quarterly, the District will make an assessment of the status of drought in the District and will provide the downloaded PDSI map(s) and Drought Preparedness Council Situation Report, if available, to the Board of Directors. The downloaded PDSI maps and Situation Reports will be included in the District annual report provided to the Directors.	Partially	The district's annual reports for fiscal years 2011 and 2012 to the board of directors included the <i>Drought Preparedness Council Situation Reports</i> , but they did not include copies of downloaded Palmer Drought Severity Index (PDSI) maps.
Goal 4: Addressing Conservation		
Objective: The district will submit an article regarding water conservation for publication each year to at least one newspaper of general circulation in Nolan County.		
Performance Standard: A copy of the article submitted by the District for publication will be included in the annual report given to the Board of Directors.	Yes	
Objective: District personnel will be available to present water conservation programs to school, 4-H, scouting, and community groups per request. These programs will be scheduled through the administrative office, and will be appropriate to the audience. The manager will present programs at least twice a year.		
Performance Standard: A summary of programs presented, content, and audience group will be submitted in the annual report. A bibliography of any conservation literature received by the audience will be included with the summary. The number of programs presented will be included in the report.	Yes	

Recommendation for the Wes-Texas County Groundwater Conservation District

The Wes-Texas Groundwater Conservation District should comply with its groundwater management plan objectives to include the downloaded Palmer Drought Severity Index (PDSI) maps in its annual report presented to the Board of Directors.

Management's Response from the Wes-Texas County Groundwater Conservation District

The Wes-Tex GCD (Nolan County) prepared and submitted to the Board of Directors an Annual Report for FY 2011 and FY 2012. Management agrees with the recommendations and the General Manager is responsible for preparing the Annual Report and recommendations included in An Audit Report on Selected Groundwater Conservation Districts SAO Report that includes submitting report to Board of Directors within ninety (90) days following the completion of Fiscal Year 2013.

The Wes-Tex GCD (Nolan County) will included the PDSI maps in the Annual Report for FY 2013 and Management agrees with recommendation and General Manager is Responsible for including the maps and quarterly drought assessments in the Annual Report which is to be prepared and submitted to the Board of Directors within ninety (90) days following the completion of each Fiscal Year.

Districts' Compliance with Statutory Requirements

Texas Water Code, Chapter 36, specifies requirements for the manner in which districts must operate. Fourteen (61 percent) of the 23 districts audited fully complied with 8 or more of the 10 applicable Texas Water Code statutory requirements tested.

Seven (30 percent) of the 23 districts audited fully complied with all applicable Texas Water Code requirements audited. Additionally, all 23 districts fully complied with requirements to adopt annual budgets and attend joint planning meetings.

Of the 10 selected Texas Water Code statutory requirements audited, the highest level of noncompliance was with Section 36.061, which requires districts to establish written policies that address:

- A code of ethics.
- Travel reimbursement expenditures.
- District investments.
- Selection, monitoring, or review and evaluation of professional services.
- Management information.

Ten (43 percent) of the 23 districts audited did not fully comply with the requirement to establish policies because their policies did not address all five aspects of the required components. That included 2 (9 percent) of the 23 districts that had not established any district policies.

In addition, one Texas Water Code requirement was not applicable to a significant number of the districts audited. Specifically, Texas Water Code, Section 36.060, allows districts to pay board members for verified fees of office and reimburse them for reasonable and necessary expenses incurred. However, 10 (43 percent) of the 23 districts audited chose not to make either of those types of payments to board members. The remaining 13 districts audited either fully or partially complied with the requirements related to paying board members.

Table 25 on the next page summarizes districts' compliance with the Texas Water Code requirements audited.

Table 25

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable											
Clear Fork Groundwater Conservation District	◐	●	●	●	●	●	●	●	⊗	●	The district: <ul style="list-style-type: none"> ▪ Did not meet during the first quarters of fiscal years 2011 and 2012. It met as required during the other quarters of both fiscal years. ▪ Made no payments to board members during fiscal years 2011 and 2012.
Clearwater Underground Water Conservation District	●	●	●	●	●	●	●	●	●	●	The district complied with all statutory requirements audited.
Coastal Plains Groundwater Conservation District	●	●	◐	●	●	●	●	●	⊗	●	The district: <ul style="list-style-type: none"> ▪ Did not have policies that complied with one of the five requirements tested, including management information in the areas of establishing an audit or finance committee or uniform reporting requirements. ▪ Made no payments to board members during fiscal years 2011 and 2012.
Colorado County Groundwater Conservation District	●	●	●	●	●	●	●	●	●	●	The district complied with all statutory requirements audited.
Cow Creek Groundwater Conservation District	●	●	○	●	○	●	●	●	⊗	●	The district: <ul style="list-style-type: none"> ▪ Did not have written policies for any of the five requirements audited. ▪ Did not obtain annual financial audits as required for fiscal years 2011 and 2012. ▪ Made no payments to board members during fiscal years 2011 and 2012.

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Crockett County Groundwater Conservation District	●	●	●	●	●	●	●	○	◐	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have surety bonds for any of its board members during fiscal years 2011 and 2012. ▪ Did not pay fees of office to board members during fiscal years 2011 and 2012. ▪ Could not provide documentation for 4 of the 16 reimbursements it paid to its board members during fiscal year 2011.
Fayette County Groundwater Conservation District	●	●	●	●	●	●	●	●	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Complied with all statutory requirements audited. ▪ Made no payments to board members during fiscal year 2012.
Goliad County Groundwater Conservation District	●	●	◐	●	○	●	◐	●	●	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies that complied with one of the five requirements tested, including management information in the areas of budgeting and establishing an audit or finance committee or uniform reporting requirements. ▪ Did not obtain an annual financial audit as required for fiscal years 2011 and 2012. ▪ Did not obtain surety bonds for all employees who handled district funds. ▪ Is compliant with board payment requirements. It did not pay fees of office to board members during fiscal years 2011 and 2012. Additionally, it reimbursed board members for actual expenses as required.

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Hays Trinity Groundwater Conservation District	●	●	◐	●	●	●	●	●	●	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies that complied with one of the five requirements tested, including management information in the areas of budgeting and establishing an audit or finance committee and uniform reporting requirements. ▪ Is compliant with board payment requirements. It did not pay fees of office to board members during fiscal years 2011 and 2012. Additionally, it reimbursed board members for actual expenses as required.
Kimble County Groundwater Conservation District	●	●	◐	●	●	●	○	●	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Had policies addressing all five requirements audited; however, the district's board did not approve those policies until May 2013. ▪ Did not obtain surety bonds for all employees who handled district funds during 2011 and 2012. ▪ Made no payments to board members during fiscal years 2011 and 2012.
Lone Star Groundwater Conservation District	●	●	●	●	●	●	●	●	●	●	<p>The district complied with all statutory requirements audited.</p>

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Lower Trinity Groundwater Conservation District	●	●	◐	●	●	●	●	●	●	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies until July 12, 2013, that complied with three of the five requirements tested, including (1) reimbursement of travel expenditures; (2) the selection, monitoring, and review and evaluation of professional services; and (3) management information in the areas of budgeting, establishing an audit or finance committee, and uniform reporting requirements. ▪ Is compliant with board payment requirements. It did not pay fees of office to board members during fiscal years 2011 and 2012. Additionally, it reimbursed board members for actual expenses as required.
McMullen Groundwater Conservation District	◐	●	○	●	●	●	●	●	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not hold a board meeting during the second quarter of 2011 and the fourth quarters of fiscal years 2011 and 2012. It met as required during the other quarters of both fiscal years. ▪ Did not have written policies for any of the five requirements tested during fiscal years 2011 and 2012. The district provided documentation showing that it adopted policies for all five requirements audited in January 2013. ▪ Made no payments to board members during fiscal years 2011 and 2012.

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Menard County Underground Water District	●	●	◐	●	●	●	○	●	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies that complied with two of the five requirements tested, including (1) policies for selection, monitoring, and review and evaluation of professional services and (2) management information in the areas of budgeting, establishing an audit or finance committee, and uniform reporting requirements. ▪ Did not obtain a surety bond for employees who handled district funds. ▪ Made no payments to board members during fiscal years 2011 and 2012.
Mid-East Texas Groundwater Conservation District	●	●	●	●	●	●	●	●	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Complied with all statutory requirements audited. ▪ Made no payments to board members during fiscal year 2012.
Northern Trinity Groundwater Conservation District	◐	●	●	●	●	●	●	●	⊗	◐	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not hold a board meeting during the second quarter of fiscal year 2011. It did meet as required during the other quarters of both fiscal years 2011 and 2012. ▪ Made no payments to board members during fiscal years 2011 and 2012. ▪ Did not deposit district funds into a bank depository from January 2011 through March 2011.
Pineywoods Groundwater Conservation District	●	●	●	●	●	●	●	●	●	●	<p>The district complied with all statutory requirements audited.</p>

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Rolling Plains Groundwater Conservation District	◐	●	●	●	●	●	●	◐	◐	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not hold a board meeting during the first quarter of fiscal year 2011. It did meet as required during the other quarters of fiscal years 2011 and 2012. ▪ Did not have surety bonds in an amount to cover all board members as required. ▪ Did not pay fees of office to board members; however, it could not provide the required verified statements showing the number of days of service that directors worked and a description of duties they performed for the district in order to receive reimbursement for mileage. Instead, the district relied on board meeting roll calls for reimbursements for mileage.
Southern Trinity Groundwater Conservation District.	●	●	◐	●	●	●	●	●	●	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies that complied with one of the five requirements tested, including management information in the area of establishing an audit or finance committee. ▪ Is compliant with board payment requirements. It did not pay fees of office to board members during fiscal years 2011 and 2012. Additionally, it reimbursed board members for actual expenses as required.
Texana Groundwater Conservation District	●	●	◐	●	●	●	●	●	●	●	<p>The district:</p> <ul style="list-style-type: none"> ▪ Did not have policies during fiscal year 2011 that complied with one of the five requirements tested, including an investment policy. ▪ Is compliant with board payment requirements. It did not pay fees of office to board members during fiscal years 2011 and 2012. Additionally, it reimbursed board members for actual expenses as required.

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	
<p align="center">● = Fully complied ◐ = Partially complied ○ = Did not comply ⊗ = Not applicable</p>											
Trinity Glen Rose Groundwater Conservation District.	●	◐	●	●	●	●	○	◐	●	●	<p>The district:</p> <ul style="list-style-type: none"> Did not have rules that complied with one of the five requirements tested, including procedural rules for the board. Did not have surety bonds for employees who handled district funds or for all board members. Is compliant with board payment requirements. It did not reimburse board members for actual expenses. Additionally, it paid fees of office to board members during fiscal years 2011 and 2012 as required.
Upper Trinity Groundwater Conservation District	●	●	●	●	●	●	●	●	●	●	The district complied with all statutory requirements audited.
Wes-Tex Groundwater Conservation District	●	●	●	●	●	●	◐	○	⊗	●	<p>The district:</p> <ul style="list-style-type: none"> Did not have surety bonds for all employees who handled district funds. Did not have documentation that all board members were bonded for fiscal years 2011 and 2012. Made no payments to board members during fiscal years 2011 and 2012.

^a Texas Water Code, Chapter 36, statutory requirements:

Board Meetings: The board is required to provide notice of and conduct meetings at least quarterly. Districts are required to provide notice of meetings of the board (Texas Water Code, Section 36.063). A quorum is required to conduct business (Texas Water Code, Sections 36.064 and 36.053). The board also is required to keep complete records of its meetings and proceedings (Texas Water Code, Section 36.065).

District Rules: The board is required to adopt rules to implement Chapter 36 of the Texas Water Code (Texas Water Code, Sections 36.101 (b), 36.1071(f), and 36.111 through 36.113).

District Policies: The board is required to adopt written policies addressing five specified areas (Texas Water Code, Section 36.061): policies for a code of ethics, travel expenditures, district investments, professional services, and management information.

Joint Planning: The district is required to develop a comprehensive management plan and to meet annually with any other districts in the groundwater management area in which it is located to set desired future conditions for aquifers in the area (Texas Water Code, Section 36.108).

Annual Financial Audit: The board is required to obtain an annual audit of the financial condition of the district (Texas Water Code, Section 36.153).

Annual Budget: The board is required to prepare and approve an annual budget including specified components (Texas Water Code, Section 36.154).

**Districts' Compliance with Statutory Requirements
Fiscal Years 2011 and 2012**

District	Texas Water Code Requirements ^a										Additional Information
	Board Meetings	District Rules	District Policies	Joint Planning	Annual Financial Audit	Annual Budget	Surety Bonds	Board Member Bonds	Board Member Payments	Bank Depository	

● = Fully complied ● = Partially complied ○ = Did not comply ⊗ = Not applicable

Surety Bonds: The district is required to obtain surety bonds in an amount determined by the board to be sufficient to safeguard the district for board members, employees, and consultants who collect, pay, or handle district funds (Texas Water Code, Section 36.057 (d)).

Board Member Bonds: Each director is required to execute a bond for \$10,000 payable to the district and conditioned on the faithful performance of that director's duties before beginning to perform the duties of office (Texas Water Code, Section 36.055(c)).

Board Members Payments: To receive fees of office and to receive reimbursement for expenses, each director shall file with the district a verified statement showing the number of days actually spent in the service of the district and a general description of the duties performed for each day of service (Texas Water Code, Section 36.060 (c)).

Bank Depository: The board is required to name one or more banks to serve as depository for the district's funds (Texas Water Code, Section 36.155).

Recommendation for the Clear Fork Groundwater Conservation District

The Clear Fork Groundwater Conservation District should hold board meetings at least once every quarter.

Management's Response from the Clear Fork Groundwater Conservation District

The Clear Fork Groundwater Conservation District General Manager will see that the board of directors holds at least one board meeting every quarter beginning with the 2014 Fiscal Year.

Recommendation for the Coastal Plains Groundwater Conservation District

The Coastal Plains Groundwater Conservation District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for management information, including the establishment of an audit or finance committee of the board and uniform reporting requirements.

Management's Response from the Coastal Plains Groundwater Conservation District

The District agrees to take such action to officially identify such a committee. The District board consisting of seven members has acted in this capacity as our audit committee since District's creation; however, the district agrees to identify this committee in the District bylaws within 90 days.

Recommendations for the Cow Creek Groundwater Conservation District

The Cow Creek Groundwater Conservation District should:

- Develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for:
 - ♦ A code of ethics.
 - ♦ Travel expenditures.
 - ♦ District investments.
 - ♦ Selection, monitoring, or review and evaluation of professional services.
 - ♦ Management of information, including the establishment of:
 - Budgets for use in planning and controlling costs.
 - An audit or finance committee of the board.
 - Uniform reporting requirements.
 - Obtain annual financial audits.

Management's Response from the Cow Creek County Groundwater Conservation District

In response to the preliminary visit with your office, the District has adopted the above mentioned policies and got caught up on our financial audits. The Board initially adopted a "homemade" Investment Policy on May 20th of this year, but opted to adopt the sample "appendix J" policy on July 31st to ensure compliance with TWC §36.061.

Recommendations for the Crockett County Groundwater Conservation District

The Crockett County Groundwater Conservation District should:

- Ensure that each member of its board of directors executes a bond for \$10,000 payable to the district and conditioned on the faithful performance of his or her duties before beginning to perform the duties of office.
- Obtain verified statements from board members before making reimbursing board members for their expenses.

Management's Response from the Crockett County Groundwater Conservation District

The one statutory requirements in which the report indicates the CCGCD partially complied with the statutory requirements is Board Member Payments. We will receive a verified statement from each director before they are reimbursed for any expenses they are requesting payment for.

The one statutory requirement in which the report indicates the CCGCD did not comply with the statutory requirements is Board Member Bonds; the report states the CCGCD did not have surety bonds for an employee who handled district funds. Please note, per your recommendation, the CCGCD has obtained surety bonds in the amount of \$10,000 each per employee that handles district funds.

Recommendations for the Goliad County Groundwater Conservation District

The Goliad County Groundwater Conservation District should:

- Develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for management information, including the establishment of:
 - ♦ Budgets for use in planning and controlling costs.
 - ♦ An audit or finance committee of the board.
 - ♦ Uniform reporting requirements.
 - ♦ Obtain annual financial audits.
- Obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds.

Management's Response from the Goliad County Groundwater Conservation District

The District acknowledges your recommendations that the Goliad County Groundwater Conservation District should:

Develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for management information, including the establishment of budgets for use in planning and controlling costs, an audit or finance committee of the board, and uniform reporting requirements. The District agrees with the recommendation to develop a written policy for budget planning and controlling costs in line with the current budget activity of the District. The Manager will develop this policy and present it to the Board of Directors for approval and inclusion in the policy manual. The manager will also develop a written policy that complies with the recommendations of the auditor's office concerning a budget or finance committee for the District and present it to the Board of Directors for approval and inclusion in the policy manual. The Manager will develop a written policy for uniform reporting requirements and present it to the Board of Directors for approval and inclusion in the policy manual.

You also recommended that the District should obtain annual financial audits. The District will secure the services of an auditor for an annual audit of the District's finances in compliance with Chapter 36.153 of the Texas Water Code and have a written policy in the policy manual.

The District also acknowledges your recommendation that the District obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds. The District will obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay or handle district funds and have a written policy in the policy manual.

Recommendation for the Hays Trinity County Groundwater Conservation District

The Hays Trinity County Groundwater Conservation District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for management information, including the establishment of budgets for use in planning and controlling costs, an audit or finance committee of the board, and uniform reporting requirements.

Management's Response from the Hays Trinity County Groundwater Conservation District

District Policies: The District will develop, document and implement policies for Management Information as required by Texas Water Code, Section 36.061

*Board Meetings: **Achieved***

*Bank Depository: **Achieved***

*District Rules: **Achieved***

*Board Member Payments: **Achieved***

*Joint Planning: **Achieved***

*Board Member Bonds: **Achieved***

*Annual Financial Audit: **Achieved***

*Surety Bonds: **Achieved***

*Annual Budget: **Achieved***

Recommendations for the Kimble County Groundwater Conservation District

The Kimble County Groundwater Conservation District should:

- Ensure that the district operates from board-approved policies.
- Obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds.

Management's Response from the Kimble County Groundwater Conservation District

- *We have obtained Surety Bonds for all employees and board members.*
- *The District Board of Directors approved the five requirements of our written policies in May, 2013.*

Recommendations for the Lower Trinity Groundwater Conservation District

The Lower Trinity Groundwater Conservation District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for:

- Travel expenditures.
- Selection, monitoring, or review and evaluation of professional services.
- Management of information, including the establishment of:
 - ♦ Budgets for use in planning and controlling costs.
 - ♦ An audit or finance committee of the board.
 - ♦ Uniform reporting requirements.

Management's Response from the Lower Trinity Groundwater Conservation District

In regards to District policies and procedures, District's Management agrees with the recommendation and has formally adopted the three District resolutions as of July 12, 2013.

Recommendations for the McMullen Groundwater Conservation District

The McMullen Groundwater Conservation District should:

- Hold board meetings at least every quarter.
- Develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for:
 - ♦ A code of ethics.
 - ♦ Travel expenditures.
 - ♦ District investments.
 - ♦ Selection, monitoring, or review and evaluation of professional services.
 - ♦ Management of information, including the establishment of:
 - Budgets for use in planning and controlling costs.
 - An audit or finance committee of the board.
 - Uniform reporting requirements.

Management's Response from the McMullen Groundwater Conservation District

- *We agree and the board will strive to hold quarterly meetings as prescribed by statute. The board members work for a living and have chosen not to meet unless there was a need for the board to meet.*
- *This has already been accomplished. The policies were adopted at our January 2013 meeting and have been provided to the State Auditors Office.*

Recommendations for the Menard County Groundwater Conservation District

The Menard County Groundwater Conservation District should:

- Develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for:
 - ♦ Selection, monitoring, or review and evaluation of professional services.
 - ♦ Management of information, including the establishment of:
 - Budgets for use in planning and controlling costs.
 - An audit or finance committee of the board.
 - Uniform reporting requirements.
- Obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds.

Management's Response from the Menard County Groundwater Conservation District

We think it would be very helpful to districts if the first audit by the SAO would take place within three years after the first management plan is adopted. That would give the districts early guidance on implementation of the requirements.

For instance, since the first day the district operated we have had surety bonds on everyone who has authority to sign checks. Since we are entirely tax-based and do not charge permit application fees, we normally only receive one check a month from the appraisal district, and felt it was unnecessary to have a bond on the employee who deposits that check, as the board would certainly notice if that revenue was missing from the bank statement the following month.

Similarly, since the board adopted a written policy that all district funds will be invested in CD's in board-approved banks, we felt a policy for a finance committee was unnecessary.

The district will proceed at once to adopt the required policies.

Recommendations for the Northern Trinity Groundwater Conservation District

The Northern Trinity Groundwater Conservation District should:

- Hold board meetings at least every quarter.
- Maintain one or more banks to serve as a depository for the district funds.

Management's Response from the Northern Trinity Groundwater Conservation District

Northern Trinity Groundwater Conservation District did not submit management's responses addressing the specific recommendations in this report. Instead, it submitted the following statement:

The Northern Trinity Groundwater Conservation District, being without staff and due to timing considerations, is not able to provide responses at this time. The Board will address each response at the next District meeting anticipated for the end of the year.

Recommendations for the Rolling Plains Groundwater Conservation District

The Rolling Plains Groundwater Conservation District should:

- Hold board meetings at least every quarter.
- Ensure that each member of its board of directors executes a bond for \$10,000 payable to the district and conditioned on the faithful performance of his or her duties before beginning to perform the duties of office.
- Obtain verified statements from board members before making payment for fees of office and reimbursing board members for their expenses.

Management's Response from the Rolling Plains Groundwater Conservation District

Rolling Plains GCD recognizes the deficiencies as set forth in the State Auditor's Report and has taken measures to comply with the state requirements, particularly in the areas of deficiency.

The District will take steps to ensure the presence of a quorum for the December Board of Directors meeting by moving the meeting date to earlier in the month to avoid the holidays.

The District has increased the amount of the surety bond to comply with the statute.

The District has developed a form, to be included in the meeting packets, that provides for the Director's signature in order that mileage may be paid.

This corrective action has been taken by the General Manager of the Rolling Plains GCD and approved by the RPGCD Board of Directors.

Recommendation for the Southern Trinity Groundwater Conservation District

The Southern Trinity Groundwater Conservation District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for management of information, including the establishment of an audit or finance committee of the board.

Management's Response from the Southern Trinity Groundwater Conservation District

Management accepts and concurs with State Auditor's Office result of Partial compliance to not having a written policy as required by the Texas Water Code, Section 36.061.

Management responds that the District has been pro-active since the acknowledgement of this lack of policy. On August 29th, 2013 the District Board approved by Resolution 2013-04 an amendment to the by-laws to create a financial /audit committee.

Recommendation for the Texana Groundwater Conservation District

The Texana Groundwater Conservation District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for investment policy.

Management's Response from the Texana Groundwater Conservation District

The District agrees with the recommendation that the "...District should develop, document, and implement policies and procedures as required by Texas Water Code, Section 36.061, for investment policy." The District recognized the need to develop and implement policies as required by Section 36.061 of the Texas Water Code in 2011. The District has developed, implemented, and documented its by-laws and investment policy in March 2012. The District has taken steps to ensure its Board considers it by-laws and investment policy on an annual basis.

Recommendations for the Trinity Glen Rose Groundwater Conservation District

The Trinity Glen Rose Groundwater Conservation District should:

- Develop, document, and implement procedural rules for the board as required by Texas Water Code, Section 36.101(b).
- Obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds.
- Ensure that each member of its board of directors executes a bond for \$10,000 payable to the district and conditioned on the faithful performance of his or her duties before beginning to perform the duties of office.

Management's Response from the Trinity Glen Rose Groundwater Conservation District

With regards to the District's compliance with statutory requirements

- *The District has developed rules governing procedural rules for the Board of Directors. These rules will be presented for review at a public hearing scheduled for October 10, 2013. Following this public hearing, the Board*

of Directors will either adopt the rules as they stand or amend rules as necessary based on public comments and recommendations.

- *Surety bonds have been obtained for District employees that collect, pay, and handle District funds as of April 2013.*
- *District staff has created a bond tracker to assist in ensuring there is no lapse in coverage with regards to Board members bonds.*

Recommendations for the Wes-Tex Groundwater Conservation District

The Wes-Tex Groundwater Conservation District should:

- Obtain surety bonds sufficient to safeguard the district for employees and consultants who collect, pay, or handle district funds.
- Ensure that it maintains documentation that each member of its board of directors executes a bond for \$10,000 payable to the district and conditioned on the faithful performance of his or her duties before beginning to perform the duties of office.

Management's Response from the Wes-Tex Groundwater Conservation District

The Wes-Tex GCD (Nolan County) Secured the Security Bond for one party that was handling money but not the manager for FY 2011 and FY 2012. Management agrees with recommendation and the General Manager is responsible for securing the secured bond for the manager. The secured bond was acquired for the Manager on 8-13-13.

The Wes-Tex GCD (Nolan County) did not secure the Security Bonds for the directors that were on the board for FY 2011 and FY 2012. Management agrees with recommendation and the General Manager is responsible for securing the secured bonds for the Directors. The secured bonds were acquired for the Directors on 8-13-13.

Appendices

Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

- Determine whether selected groundwater conservation districts (districts) complied with applicable statutes.
- Summarize information from districts' audited annual financial statements.

Scope

The scope of this audit covered 23 districts located in 10 of the 16 groundwater management areas in Texas. The audit scope covered each district's fiscal years 2011 and 2012, except as noted.² The 23 districts were:

- The Clear Fork Groundwater Conservation District.
- The Clearwater Underground Water Conservation District.
- The Coastal Plains Groundwater Conservation District.
- The Colorado County Groundwater Conservation District.
- The Cow Creek Groundwater Conservation District.
- The Crockett County Groundwater Conservation District.
- The Fayette County Groundwater Conservation District.
- The Goliad County Groundwater Conservation District.
- The Hays Trinity Groundwater Conservation District.
- The Kimble County Groundwater Conservation District.
- The Lone Star Groundwater Conservation District.
- The Lower Trinity Groundwater Conservation District.
- The McMullen Groundwater Conservation District.

² The dates of each district's fiscal year varied among the 23 districts audited.

- The Menard County Underground Water District.
- The Mid-East Groundwater Conservation District.
- The Northern Trinity Groundwater Conservation District.
- The Pineywoods Groundwater Conservation District.
- The Rolling Plains Groundwater Conservation District.
- The Southern Trinity Groundwater Conservation District.
- The Texana County Groundwater Conservation District.
- The Trinity Glenn Rose Groundwater Conservation District.
- The Upper Trinity Groundwater Conservation District.
- The Wes-Texas Groundwater Conservation District.

Auditors requested and summarized information from the districts’ audited financial statements for fiscal years 2011 and 2012. Two districts—the Goliad County Groundwater Conservation District, and the Cow Creek Groundwater Conservation District—did not obtain financial audits for fiscal year 2012 as required by Texas Water Code, Section 36.153. Therefore, auditors did not summarize information from those districts’ financial statements.

This audit did not include a review of any district’s information technology systems.

Methodology

The audit methodology included:

- Assessing whether each district was actively engaged in achieving four goals from its groundwater management plan, including all objectives related to each selected goal. For the goal of addressing conservation, auditors reviewed only the objectives specifically related to conservation. If a district achieved all of the objectives for a goal during all fiscal years reviewed, auditors concluded that the district had fully achieved that goal. If a district achieved at least part of all of the objectives related to a goal, auditors concluded that the district had partially achieved that goal. If a district did not achieve all parts of any objectives related to a goal, auditors concluded that the district did not achieve that goal.
- Assessing whether each district complied with 10 requirements selected from Texas Water Code, Chapter 36.

- Obtaining an understanding of statutory requirements by reviewing the Texas Water Code and each district's enabling legislation.

Information collected and reviewed included the following:

- District groundwater management plans.
- Documentation of achievement of groundwater management plan objectives submitted by the districts.
- District board of directors' meeting minutes and posted notices.
- District rules, policies, and bylaws.
- Groundwater management area planning group meeting minutes.
- Annual financial audit reports and management letters.³
- District budgets.
- Surety bonds for employees or others who handle district funds.
- Board member bonds.
- Documentation of payments made to board members.
- Documentation of district bank depositories.

Procedures and tests conducted included the following:

- Comparison of district activities to written groundwater management plan performance standards.
- Analysis of district board meeting minutes, financial statements, surety bonds for each member of the board of directors and employees handling cash, and payments to board members.
- Review of district rules, policies and procedures, board meetings and agendas, budgets, and bank depositories for compliance with statutory requirements.
- Review of documentation provided by the districts to show compliance with statutory requirements.

³ For purposes of this audit, a completed financial audit report included management letters.

Criteria used included the following:

- Texas Water Code, Chapter 36.
- Each district's groundwater management plan and related performance standards.

Project Information

Audit fieldwork was conducted from May 2013 through August 2013. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following members of the State Auditor's staff performed the audit:

- Courtney Ambres-Wade, CGAP (Project Manager)
- Robert Burg, CPA, CFE (Assistant Project Manager)
- Benjamin Carter (Assistant Project Manager)
- Isaac A. Barajas
- J. Renee Castro
- George D. Eure, CPA
- Michael Gieringer, MS, CFE
- Mike Goodwin
- Olivia Gutierrez
- Johann A. Hajek, MAcc
- Barrett Sundberg, CPA, CIA
- Becky Beachy, CIA, CGAP (Quality Control Reviewer)
- Angelica M. Ramirez, CPA (Audit Manager)

State Agency Roles in the Groundwater Management Process

Texas Water Code, Chapter 36, describes the roles the Water Development Board, the Commission on Environmental Quality, and the State Auditor's Office play in the groundwater management process.

Texas Water Code, Section 36.1071, requires groundwater conservation districts (districts) to develop groundwater management plans. Each district must submit a groundwater management plan to the Water Development Board for review and certification within three years of the confirmation election to approve the district's creation. The Water Development Board reviews and approves the groundwater management plans for administrative completeness. A district's groundwater management plan is complete when it:

- Addresses the eight statutory management plan goals in Texas Water Code, Chapter 36 (see Appendix 4 for a list of the goals).
- Identifies the performance standards and management objectives for each of the goals and specifies the actions, procedures, performance, and avoidance that are or may be necessary to affect the groundwater management plan.

Texas Water Code, Section 36.061, states that the State Auditor may audit the records of any district for which the State Auditor determines an audit is necessary. Texas Water Code, Section 36.302, states that the State Auditor's Office may audit a district's activities under the direction of the Legislative Audit Committee. The State Auditor makes a determination about whether a district is actively engaged in achieving the objectives in its groundwater management plan based on an analysis of the district's activities.

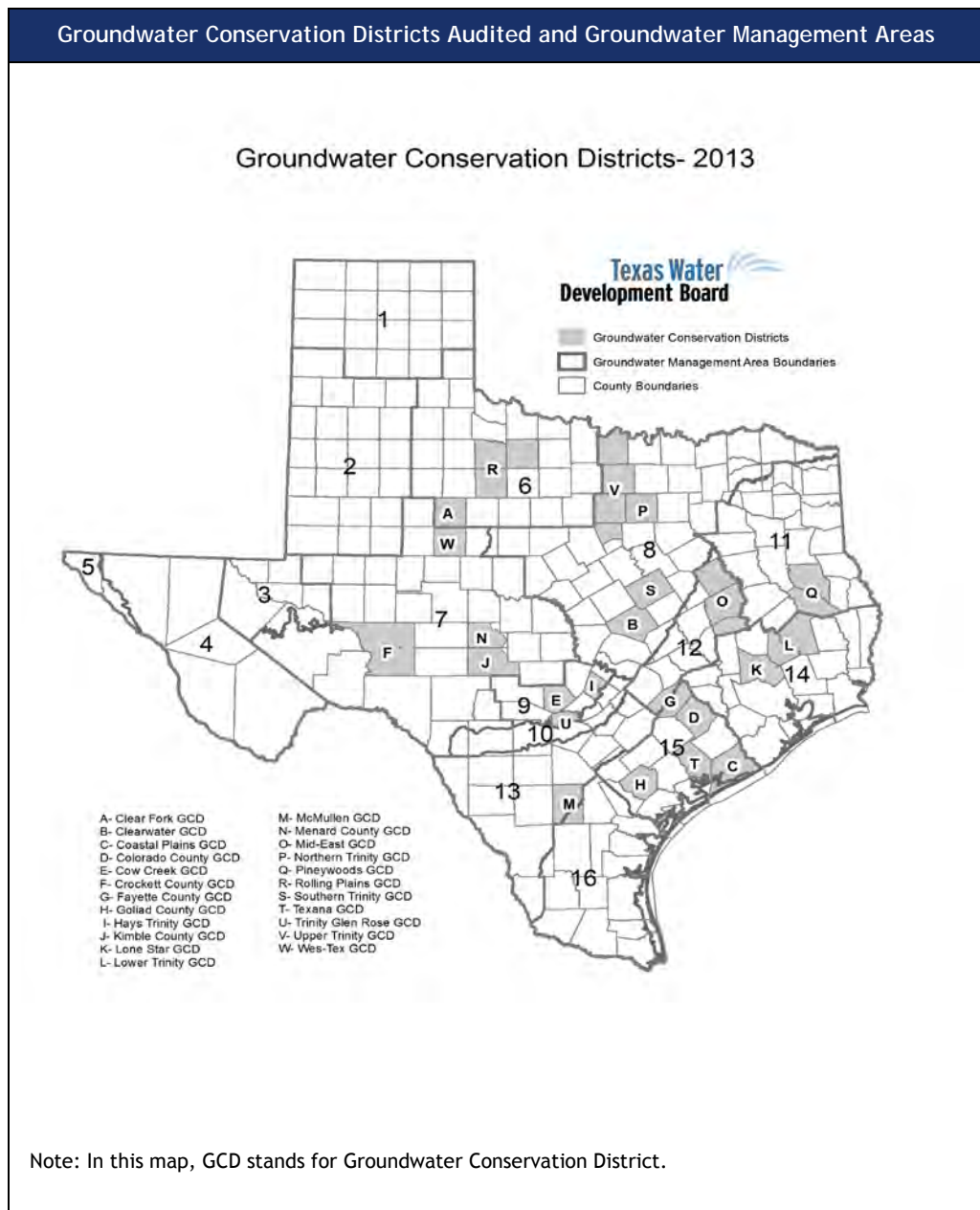
Texas Water Code, Section 36.303, specifies that if a district fails to comply with the provisions of Texas Water Code, Chapter 36, the Commission on Environmental Quality must implement an enforcement action. The Commission on Environmental Quality has several enforcement action options established under the Texas Water Code. Those options include:

- Requiring a district to take or refrain from certain actions.
- Dissolving a district's board and calling for an election to elect a new board.
- Requesting that the Office of the Attorney General bring suit for the appointment of a receiver to collect the assets and carry on the business of the district.
- Dissolving the district.

Map of Groundwater Conservation Districts Audited and Groundwater Management Areas

Figure 1 shows the 23 groundwater conservation districts (districts) audited and the groundwater management areas in which they are located. The Water Development Board has designated 16 groundwater management areas in Texas. The districts audited were located in 10 of the 16 groundwater management areas.

Figure 1



Source: The Water Development Board.

Statutorily Required Groundwater Management Plans and Required Goals

Texas Water Code, Section 36.1071, requires each groundwater conservation district's (district) groundwater management plan to address the following goals:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Controlling and preventing subsidence.
- Addressing conjunctive surface water management issues.
- Addressing natural resource issues.
- Addressing drought conditions.
- Addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost effective.
- Addressing the desired future conditions adopted by the district.

Each district determines which goals are applicable to its needs and develops objectives and performance standards for them.

During this audit, auditors reviewed groundwater management plans for the 23 districts audited and selected the four most common goals to audit. The goals selected for audit were:

- Providing the most efficient use of groundwater.
- Controlling and preventing waste of groundwater.
- Addressing drought conditions.
- Addressing conservation.

Related State Auditor's Office Work

Recent SAO Work		
Number	Product Name	Release Date
12-028	An Audit Report on Selected Groundwater Conservation Districts	April 2012
10-036	An Audit Report on Groundwater Conservation Districts	August 2010

Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair
The Honorable Joe Straus III, Speaker of the House, Joint Chair
The Honorable Thomas “Tommy” Williams, Senate Finance Committee
The Honorable Jim Pitts, House Appropriations Committee
The Honorable Harvey Hilderbran, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Commission on Environmental Quality

Members of the Commission on Environmental Quality
Mr. Bryan W. Shaw, Ph.D., Chairman
Mr. Toby Baker
Mr. Zak Covar, Executive Director

Water Development Board

Members of the Water Development Board
Mr. Carlos Rubinstein, Chairman
Mr. Bech Bruun
Ms. Mary Ann Williamson
Mr. Jason Kevin Patteson, Executive Administrator

Board Members and General Managers of the Following Groundwater Conservation Districts

Clear Fork Groundwater Conservation District
Clearwater Underground Water Conservation District
Coastal Plains Groundwater Conservation District
Colorado County Groundwater Conservation District
Cow Creek Groundwater Conservation
Crockett County Groundwater Conservation District
Fayette County Groundwater Conservation District
Goliad County Groundwater Conservation District
Hays Trinity Groundwater Conservation District
Kimble County Groundwater Conservation District
Lone Star Groundwater Conservation District
Lower Trinity Groundwater Conservation District
McMullen Groundwater Conservation District
Menard County Underground Water District
Mid-East Texas Groundwater Conservation District
Northern Trinity Groundwater Conservation District
Pineywoods Groundwater Conservation District
Rolling Plains Groundwater Conservation District
Southern Trinity Groundwater Conservation District
Texana Groundwater Conservation District
Trinity Glen Rose Groundwater Conservation District

Upper Trinity Groundwater Conservation District
Wes-Texas Groundwater Conservation District



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: www.sao.state.tx.us.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9500 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.