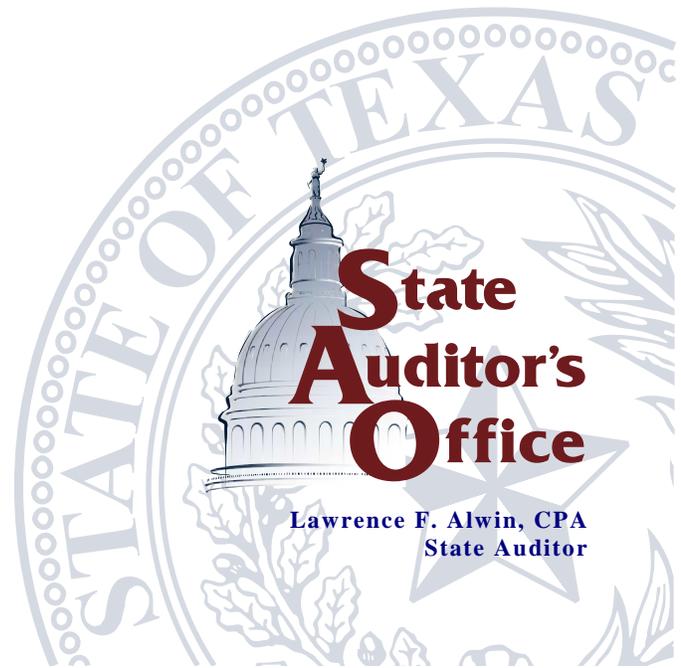


An Audit Report on

Groundwater Conservation Districts Phase 2

October 2001
Report No. 02-005



**State
Auditor's
Office**

Lawrence F. Alwin, CPA
State Auditor

Key Points of Report

An Audit Report on Groundwater Conservation Districts Phase 2

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Overall Conclusion

Five of the 13 local groundwater conservation districts (districts) audited have not achieved a majority of the audited objectives in their groundwater management plans and, therefore, are not operational. The State does not have assurance that these five districts are managing their groundwater appropriately. The remaining eight districts have achieved a majority of the audited objectives in their groundwater management plans and, therefore, are operational. These eight districts appear to be making a good-faith effort to conserve and protect the groundwater they administer.

There are 9 major and 20 minor aquifers across Texas. These underground water systems lie beneath more than 81 percent of the state. Unlike surface water, groundwater is owned by the landowner and is governed by the "rule of capture" laws of Texas. This means that, within reason, landowners can use the water under their land any way they choose. Local groundwater conservation districts are the State's preferred method of groundwater management. This gives landowners local control with limited State oversight.

Key Facts and Findings

- The Collingsworth, Dallam, Fox Crossing, Real-Edwards, and Saratoga districts are not operational. Although these districts have achieved some objectives in their groundwater management plans, overall, these districts are not making a good-faith effort to achieve a majority of the objectives in their plans.
- The five districts that are not operational also are not in compliance with three or more of the audited statutory requirements with which districts must comply.
- The Edwards Aquifer Authority and the Evergreen, Hickory, Hill Country, Medina, North Plains, Springhills, and Uvalde districts are operational and are achieving or making significant progress toward achieving a majority of the objectives in their groundwater management plans.
- Seven of the eight operational districts are in full or partial compliance with the audited statutory requirements for groundwater districts.

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Executive Summary

Five of the 13 local groundwater conservation districts (districts) audited have not achieved a majority of the audited

What is a Groundwater Management Plan?

Texas Water Code, Chapter 36, requires groundwater conservation districts to develop management plans. A successful management plan illustrates the unique issues and concerns facing a district. It shows what steps the district is taking to address those concerns and to protect and manage groundwater.

A groundwater district is **operational** if it has shown a good faith effort to achieve a majority of the audited objectives in its management plan. A groundwater district is **not operational** if it has not shown a good-faith effort to achieve a majority of the audited objectives in its management plan.

In most cases, our determination of whether a district had made a good-faith effort to achieve an objective was based on the district's own performance standards for that objective. When the district had no established performance standards for an objective, we assessed the relevant information available and made an independent conclusion.

objectives in their groundwater management plans and, therefore, are not operational. The State does not have assurance that these five districts are managing their groundwater appropriately.

The remaining eight districts have achieved a majority of the audited objectives in their groundwater management plans and, therefore, are operational. These eight districts appear to be making a good-faith effort to conserve and protect the groundwater they administer.

Five of the 13 Districts Audited Are Not Operational

The five districts that are not operational are not making a good-faith effort to achieve the objectives in their management plans. The State does not have assurance that these five districts are adequately conserving, preserving, and protecting the groundwater they administer. These five districts are:

- Collingsworth County Underground Water Conservation District
- Dallam County Underground Water Conservation District No. 1
- Fox Crossing Water District
- Real-Edwards County Conservation and Reclamation Water District
- Saratoga Underground Water Conservation District

The Water Development Board has certified the management plans of these five districts, but the districts have achieved little progress in accomplishing most of the objectives within their plans.

The Five Districts That Are Not Operational Have Not Fully Complied With Three or More Statutory Requirements Audited

The five districts that are not operational also are not in compliance with three or more of the Texas Water Code statutory requirements we audited. None of the five districts complied with requirements to adopt policies and procedures and to obtain an annual audit of their financial status. None of the five fully complied with statutory budget requirements.

Eight of the 13 Districts Audited Are Operational

The eight districts that are operational are making a good-faith effort to achieve the objectives in their management plans. These eight districts are:

- Edwards Aquifer Authority
- Evergreen Underground Water Conservation District
- Hickory Underground Water Conservation District No. 1
- Hill Country Underground Water Conservation District
- Medina County Groundwater Conservation District
- North Plains Groundwater Conservation District
- Springhills Water Management District
- Uvalde County Underground Water Conservation District

Executive Summary

Seven of the Eight Operational Districts Are in Full or Partial Compliance With Statutory Requirements Audited

Seven of the eight operational districts are in full or partial compliance with all of the Texas Water Code statutory requirements we audited. The Evergreen Underground Water Conservation District was not in compliance with the requirement to adopt policies and procedures.

Summary of Management Responses

The districts generally agree with the observations in this report, and several of them have already begun implementing changes to accomplish the objectives in their management plans. We will forward the districts' responses to the Natural Resource

Conservation Commission, which is responsible for enforcing compliance. Each district's response is included in this report.

Summary of Audit Objectives and Scope

Our objective was to determine whether the 13 districts had achieved the objectives in their groundwater management plans. If a district achieved a majority of the audited objectives in its plan, we considered that district to be operational. A secondary objective was to determine the districts' compliance with selected statutory requirements in Texas Water Code, Chapter 36.

Texas Water Code, Section 36.302, requires the State Auditor's Office to audit the districts' achievement of the objectives in their management plans.

Table 1

Summary of Audit Results by District and Objective								
Districts		Total Objectives	Total Audited	Fully Achieved	Partially Achieved	Not Achieved	Unable to Determine	Not Applicable
Not Operational	Collingsworth County UWCD	17	17	1	1	15	0	0
	Dallam County UWCD No.1	4	4	0	0	3	1	0
	Fox Crossing WD	6	6	2	0	3	0	1
	Real-Edwards County CRWD	5	5	0	0	5	0	0
	Saratoga UWCD	5	5	1	2	2	0	0
Operational	Edwards Aquifer Authority	39	20	16	4	0	0	0
	Evergreen UWCD	4	4	2	0	1	1	0
	Hickory UWCD No.1	4	4	3	1	0	0	0
	Hill Country UWCD	7	7	6	1	0	0	0
	Medina County GCD	5	5	5	0	0	0	0
	North Plains GCD	24	12	10	0	2	0	0
	Springhills WMD	27	11	6	4	1	0	0
	Uvalde County UWCD	5	5	4	1	0	0	0
UWCD- Underground Water Conservation District WMD- Water Management District WD- Water District CRWD- Conservation and Reclamation Water District GCD- Groundwater Conservation District								

Section 1:

Five of the 13 Districts Audited Are Not Operational

Five of the 13 districts have not achieved a majority of the audited objectives in their groundwater management plans. Therefore, these five districts are not operational and are not making a good-faith effort to achieve the objectives of their management plans. As a result, the State does not have assurance that these districts are adequately conserving, preserving, and protecting the groundwater they administer.

Although these five districts have achieved some of the objectives in their management plans, they have not achieved or actively pursued the majority of their plan objectives. These five districts are:

- Collingsworth County Underground Water Conservation District
- Dallam County Underground Water Conservation District No. 1
- Fox Crossing Water District
- Real-Edwards County Conservation and Reclamation Water District
- Saratoga Underground Water Conservation District

Fox Crossing Water District is pursuing the development of objectives that are more closely associated with the management of surface water in the area for which it is responsible. This district chose to pursue other objectives because of the small amount of groundwater that exists in the area it oversees.

Section 1-A:

Collingsworth County Underground Water Conservation District Is Not Operational

Collingsworth County Underground Water Conservation District (District) did not achieve 15 of the 17 audited objectives in its management plan. Therefore, the District is not operational. Among the objectives the District did not achieve were objectives to measure the wells in its network and to define aquifer conditions to be used as a trigger for implementing emergency drought management plans.

The District achieved its objective to write and adopt rules on wasteful practices in groundwater use. It partially achieved its educational packet objective by making educational brochures available to the public in its office. Table 2 provides additional details on each of the audited objectives.

Table 2

Collingsworth County Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 1.0		
Implement a system to improve the basic understanding of groundwater conditions in the District.		
Objective 1.1 Annually measure 10% of the wells in the optimal water-level monitoring network.	No	The District does not measure wells.
Objective 1.1a Average cost per water-level measurement obtained for this year.	No	The District does not measure wells.
Objective 1.2 Annually measure 3% of the wells in the optimal water-quality monitoring network.	No	The District does not measure wells.
Objective 1.2a Average annual cost per water-quality sample obtained for the year.	No	The District does not measure wells.
Objective 1.3 Enter monitoring data into District's database.	No	The District does not maintain a database for water monitoring.
Objective 1.4 Provide to the Board of Directors an annual report of the evaluation methods of estimating current annual aquifer recharge, discharge, movement and storage values annually.	No	The District does not provide an annual report to the board.
Objective 1.5 Submit two grant proposals seeking funds for necessary system upgrades of the monitoring network.	No	The District has not submitted any grant proposals.
Management Goal 2.0		
Implement management strategies that will protect and enhance the quantity of useable quality water by encouraging the most efficient use.		
Objective 2.1 Disseminate educational information at least twice a year regarding the current conservation practices for efficient use of water resources.	No	The District does not disseminate educational information.
Objective 2.1a Number of District demonstrations of conservation practices applicable to District made annually.	No	The District has not made any demonstrations of conservation practices.
Objective 2.1b Number of conservation literature handout packets made available to District patrons and educational institutions.	Partial	The District has educational material available at its office. Conservation literature is available through the Soil and Water Conservation District. The District has not made an effort to get this information to the schools.
Objective 2.2a Number of grant proposals submitted annually seeking funds for beneficial efficiency studies.	No	The District has not submitted any grant proposals since it was awarded two grants in 1996.

Collingsworth County Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Objective 2.3 Determine definitions of aquifer conditions to be used as trigger mechanisms to implement emergency drought management plans.	No	The District has not defined conditions for implementing a drought management contingency plan.
Management Goal 3.0 Implement management strategies that will protect and enhance the quantity of useable quality water by controlling and preventing waste.		
Objective 3.2 Write and adopt rules to regulate wasteful practices.	Yes	The District has adopted rules about wasteful water practices.
Objective 3.3 Initiate a District wide program to identify the location of all abandoned wells.	No	The District has not initiated a program to find abandoned wells.
Objective 3.4 Develop and adopt guidelines for abandoned well owners to ensure voluntary compliance with plugging requirements.	No	The District has not adopted guidelines for abandoned well owners to follow to ensure voluntary compliance with plugging requirements.
Management Goal 4.0 District tracking of progress towards achievement of management goals.		
Objective 4.1 District manager will prepare and present an annual report to the Board of Directors on District performance in regards to achieving management goals and objectives.	No	The District did not prepare an annual report.
Objective 4.1a Annual Report maintained on file at the District office.	No	The District did not prepare an annual report.

Section 1-B:

Dallam County Underground Water Conservation District No.1 Is Not Operational

Dallam County Underground Water Conservation District No. 1 (District) did not achieve three of the four audited objectives in its management plan. Therefore, the District is not operational. The District did not achieve its objectives to measure the wells in its network, to define a trigger for implementing emergency drought management plans, and to publish at least two newspaper articles on the advantages of low pressure sprinkler systems.

We were unable to determine whether the District achieved the fourth objective regarding monitoring waste caused by water/irrigation runoff because the District stated that it had not received any complaints of water irrigation runoff. Table 3 provides additional details on each of the audited objectives.

Table 3

Dallam County Underground Water Conservation District No.1 Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 1.0 Provide the most efficient use of groundwater.		
Objective 1.1 Annually, run at least two (2) articles in the local newspaper on the advantages of low pressure sprinkler systems for irrigation purposes.	No	The District has not written two newspaper articles within the last year.
Management Goal 2.0 Provide the most efficient use of groundwater.		
Objective 2.1 Study the use of underground drip irrigation systems and, when feasible for the District, annually run at least two (2) articles in the local newspaper on the advantages.	No	The District has not conducted studies or written articles for the local newspaper.
Management Goal 3.0 Controlling and preventing waste of groundwater.		
Objective 3.1 Each year, the District will monitor and discourage all waste caused by water/irrigation runoff. (standard—number of complaints received or waste reported)	Unable to determine	The District specified that it has not received any complaints about water/irrigation runoff for at least ten years.
Management Goal 4.0 Address natural resource issues.		
Objective 4.1 Each year, the District will encourage landowners to seek out all abandoned water wells and encourage landowners to plug or cap wells in order to prevent pollution. (standard—number of wells plugged or capped annually)	No	The District asserts that it encourages landowners by word-of-mouth. It is not aware of any abandoned wells and does not keep records of wells that have been plugged or capped.

Section 1-C:

Fox Crossing Water District Is Not Operational

Fox Crossing Water District (District) did not achieve three of the six audited objectives in its management plan. Therefore, the District is not operational. The District did not achieve its objectives to implement a program to investigate groundwater waste, to establish a program to monitor water quality in the cities of Goldthwaite and Priddy, and to publish a newspaper article addressing the importance of reducing brush cover.

The District met two objectives to educate the public on efficient use of groundwater and to encourage contraction of in-channel dams. The District has not yet established

additional sites for container recycling and collection, but the deadline for achieving this objective is not until January 2007.

The District is pursuing the development of objectives that are more closely associated with the management of surface water in the area for which it is responsible. It chose to pursue other objectives because of the small amount of groundwater that exists in the area it oversees.

Table 4 provides additional details on each of the audited objectives.

Table 4

Fox Crossing Water District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 1.0 Implement management strategies that will protect & enhance the quantity of usable quality water by encouraging the most efficient use of groundwater.		
Objective 1.1 Annually the District will provide education to the residents of the Fox Crossing Water District on the efficient use of groundwater by serving as speakers on at least two occasions, by speaking to local service clubs, schools, business groups and rural residents. At least two functions will be addressed at each group annually.	Yes	The District provided photocopies of newspaper articles from the <i>Goldthwaite Eagle-Mullin Enterprise</i> that documented speaking engagements at the Lower Colorado Water Planning Group and the Self Culture Club.
Management Goal 2.0 Implement a program to protect the quality of the aquifer by collecting and recycling waste oil and used filters.		
Objective 2.1 The District will establish at least two (2) additional sites for recycling and collection of containers that have been used for hydrocarbons, pesticides, and fertilizer-type materials by January 2007.	Not Applicable (deadline for achievement is January 2007)	The District asserts it has not implemented waste-oil recycling sites because there are no sites in which to place them. The District also asserts that there is no funding for these sites.
Management Goal 3.0 Implement a program to investigate in a timely manner reports of the waste of groundwater.		
Objective 3.1 The District will implement a program to investigate all reports of groundwater waste by January 2003.	No	The District has done no work in planning to start this program. The District asserts that it focuses on surface water because it has relatively little groundwater to manage.
Management Goal 4.0 Develop a water quality monitoring network for the purpose of establishing the baseline water quality throughout the District.		
Objective 4.1 The District will establish a program to monitor the City of Goldthwaite and the City of Priddy reports on water quality by January 2001.	No	The District has no formal program established to monitor water quality. The District asserts that it would not be cost-effective to monitor reports on water quality because there is so little groundwater.

Fox Crossing Water District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 5.0 Address natural resource issues which impact the use and availability of groundwater and which are impacted by the use of groundwater in the District.		
Objective 5.1 Annually the District will cause at least one article to be published in the <i>Goldthwaite Eagle</i> addressing the importance of reducing brush cover to increase groundwater recharge.	No	The District believes that landowners are already educated on brush control and has not published an article in the local newspaper.
Objective 5.2 Encourage the contraction of in-channel dams on the smaller creeks, draws, and streams in the District plus rivers of major size.	Yes	The District has worked in conjunction with state and national officials to have a water study performed by the U.S. Bureau of Reclamation. The results of this study should indicate the best site to build a dam.

Section 1-D:

Real-Edwards County Conservation and Reclamation Water District Is Not Operational

Real-Edwards County Conservation and Reclamation Water District (District) did not achieve any of the five audited objectives in its management plan. Therefore, the District is not operational. Among the objectives the District did not achieve were objectives to work with interested parties on aquifer storage and recovery projects, and to issue well construction permits. The District re-established itself under a newly appointed board in January 2000 and has stated that it plans to become active in managing groundwater.

Table 5 provides additional details on each of the audited objectives.

Table 5

Real-Edwards County Conservation and Reclamation Water District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 1.0 To control and prevent the waste of groundwater.		
Objective 1.01 Provide education materials to newspapers and general public on at least 6 occasions concerning prohibited waste.	No	The District did not provide education materials on prohibited groundwater waste to newspapers or the general public.

Real-Edwards County Conservation and Reclamation Water District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comment
Management Goal 2.0 Addressing natural resource issues that impact the use and availability of groundwater and are impacted by the use of groundwater.		
Objective 2.1 Work w/ all interested parties and appropriate agencies to develop additional info on aquifer storage and recovery projects and require permits for all aquifer storage and recovery projects.	No	The District has not worked with other parties on the development of additional information on aquifer storage and recovery projects.
Objective 2.2 Require issuance of a well construction permit prior to drilling all new wells.	No	The District has not instituted permitting procedures.
Management Goal 3.0 Providing for the efficient use of groundwater within the District.		
Objective 3.1 Each year provide water measuring devices to the public in response to all requests in an effort to increase the efficiency of irrigating lawns.	No	The District has not provided information to the public on the availability of metering devices.
Objective 3.2 Each year, provide informative speakers to schools and civic groups to raise public awareness of practices which insure the efficient use of groundwater.	No	A guest speaker addressed the board of directors at its October 17, 2000, meeting. No other speakers have addressed the public or schools in the District.

Section 1-E:

Saratoga Underground Water Conservation District Is Not Operational

Saratoga Underground Water Conservation District (District) did not achieve two of the five audited objectives in its management plan, and only partially achieved two of the five audited objectives. Therefore, the District is not operational.

The District did not achieve its objectives to conduct speaking engagements on the wise use of groundwater and to meet with the leaders of the incorporated cities to discuss better use of surface water. The District partially achieved its objective to publish educational newsletters and provide conservation information during Agriculture Day. It partially achieved its objective to maintain a collection site for recycling.

The District achieved its objective to lend its support to surface water monitoring efforts at Sulphur Creek. Table 6 provides additional details on each of the audited objectives.

Table 6

Saratoga Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0		
Implement management strategies that will protect and enhance the quality of useable quality water by encouraging the most efficient use of ground water.		
Objective 1.1 Each year, the District will provide educational materials identifying conservation measures for the efficient use of water. Annually, two District newsletter issues will be published that contain water conservation information. Handout packets with conservation literature will be provided at the annual Lampasas County Agriculture Day, or one other water related function.	Partial	The District did not publish newsletters. However, it did pass out conservation literature at the Lampasas County Agriculture Day.
Objective 1.2 Each year the District will provide informative speakers to local school districts and/or civic organizations to raise public awareness to ensure wise use of ground water.	No	The District did not conduct any speaking engagements concerning the wise use of groundwater.
Goal 2.0		
Implement a program to improve and protect the quality of the aquifer and to control and prevent waste.		
Objective 2.1 Each year, continue to maintain a collection site for recycling of waste oil and used oil filters and provide all necessary reports to District board reflecting results of program.	Partial	The District maintains a collection site, but it does not furnish the board with reports reflecting the results of the program.
Goal 3.0		
Lend support to a water quality monitoring group for the purpose of establishing baseline water quality throughout the District.		
Objective 3.1 District will lend support to a local water monitoring team that monitors Sulphur Creek, the major creek located in the District, for water quality.	Yes	The District met this objective.
Goal 4.0		
Address conjunctive surface water management issues.		
Objective 4.1 Annually meet with leaders of the incorporated cities in our District to discuss and review potential better use of surface water resources in the area. District will consult with other water districts and other informed water conservationists on water issues throughout the year to learn more efficient ways to manage surface water.	No	The District has not begun working on this objective.

Section 2:

The Five Districts That Are Not Operational Have Not Complied With Three or More Statutory Requirements Audited

The five districts that are not operational also are not in compliance with three or more of the Texas Water Code statutory requirements we audited (see text box). None of the five districts complied with requirements to adopt policies and procedures and to obtain an annual audit of their financial status. None of the five fully complied with statutory budget requirements.

Table 7 provides additional details on statutory compliance for the five districts that were not operational.

Table 7

Summary of Non-Operational District Compliance With Statutory Requirements								
District	Statutory Requirement							
	Board Meetings	Notices and Minutes	Annual Budget	Annual Audit	Rules	Policies and Procedures	Joint Planning	Other Financial
Collingsworth	Partial	Yes	No	No	Yes	No	Not applicable	Yes
Dallam	Yes	Partial	Partial	No	Yes	No	No	Partial
Fox Crossing	Partial	Yes	Partial	No	No	No	Not applicable	Partial
Real-Edwards	Yes	Partial	No	No	Partial	No	Not applicable	No
Saratoga	No	Partial	No	No	No	No	Not applicable	Yes

Texas Water Code Chapter 36 Statutory Requirements Audited For Groundwater Districts
<p><u>Board Meetings</u>: The board is required to hold meetings at least quarterly, with a sufficient quorum (Texas Water Code, Sections 36.064 and 36.053).</p> <p><u>Notices and Minutes</u>: Notice of meetings must be given as set forth in the Open Meetings Act. The board shall keep a complete account of all its meetings and proceedings and preserve [them] . . . in a safe place (Texas Water Code, Section 36.065).</p> <p><u>Annual Budget</u>: The board shall prepare and approve an annual budget including specified components (Texas Water Code, Section 36.154).</p> <p><u>Annual Audit</u>: The board shall have an annual audit made of the financial condition of the district (Texas Water Code, Section 36.153).</p> <p><u>Rules</u>: The board shall adopt . . . rules to implement Chapter 36 of the Texas Water Code (Texas Water Code, Sections 36.101, and 36.111-.113).</p> <p><u>Policies and Procedures</u>: The board shall adopt certain specified policies in writing (Texas Water Code, Section 36.061).</p> <p><u>Joint Planning</u>: If two or more districts are located within the boundaries of the same management area, each district shall prepare a management plan and forward a copy of the plan to the other district(s) in the management area (Texas Water Code, Section 36.108).</p> <p><u>Other Financial</u>: Groundwater districts are required to perform financial duties such as bonding of employees who handle funds, setting limits on fees, and disbursing funds by check (Texas Water Code, Sections 36.057, 36.060, 36.151, 36.158, and 36.171).</p>

Section 3:

Eight of the 13 Districts Audited Are Operational

Eight of the 13 districts audited have achieved a majority of the audited objectives in their groundwater management plans. Therefore, these eight districts are operational. Overall, these eight districts are making a good-faith effort to achieve the objectives of their management plans. These eight districts are:

- Edwards Aquifer Authority
- Evergreen Underground Water Conservation District
- Hickory Underground Water Conservation District No.1
- Hill Country Underground Water Conservation District
- Medina County Groundwater Conservation District
- North Plains Groundwater Conservation District
- Springhills Water Management District
- Uvalde County Underground Water Conservation District

Section 3-A:

Edwards Aquifer Authority Is Operational

Edwards Aquifer Authority (Authority) achieved 16 of the 20 audited objectives in its management plan. It partially achieved the remaining four objectives. Therefore, the Authority is operational.

Table 8 provides additional details on each of the audited objectives.

Table 8

Edwards Aquifer Authority Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Management Goal 1.0 Develop, implement, and enforce comprehensive programs for managing withdrawals of water from the Edwards Aquifer in order to sustain domestic, municipal, agricultural and industrial water supplies. These programs will promote efficiency, control and prevent waste, and help protect natural resources.		
Objective 1.2 Develop procedures, implement and maintain a program to review all applications for and to issue term permits for the withdrawal of water from the Edwards Aquifer by March 1998.	Yes	The Authority has adopted rules for term permits. However, it has not had any applications for term permits since 1998 because the board has not approved the issuance of term permits. The rules state that the board must authorize term permits.
Objective 1.3 Develop procedures, and a plan by March 1998 to implement and maintain a program to review all applications and issue emergency permits to withdraw water from the Edwards Aquifer.	Yes	The Authority has adopted rules for the review and issuance of emergency permits.

**Edwards Aquifer Authority
Achievement of Management Plan Objectives**

Objective	Achieved?	Auditor's Comments
Objective 1.5 Develop procedures, implement and maintain a permitting program by March 1998 for drilling, equipping or completing new Edwards Aquifer wells or for substantial alteration of an existing well.	Yes	The Authority has developed rules for well construction permits and the processing of well construction permits.
Objective 1.6 Develop Critical Period Management Plan, by December 1998, for phased reductions in the amount of water that may be used or withdrawn from the Edwards Aquifer during critical drought periods under Interim Authorization.	Yes	The Authority has adopted emergency drought management rules that limit the amount of water withdrawn from the aquifer during critical periods. The general manager has taken enforcement action against violators of the rules.
Objective 1.8 Develop the rules and internal administrative procedures by September 1999 for a monitoring and enforcement program for all permits issued by the Edwards Aquifer Authority.	Yes	The Authority has developed and implemented an enforcement program for all permits. It is enforcing the permitting and emergency rules and proposing settlements to offenders.
Objective 1.9 Develop procedures, implement, and maintain a program by December 2000 to register all existing and new Edwards Aquifer wells.	Yes	The Authority has procedures in its rules for processing applications. Well registration is connected to well construction. Whenever a new well is built, it gets registered. All wells in the Authority require registration under rules of the Authority.
Objective 1.10 Implement a program by December 1998 to provide for the purchase, installation and maintenance of water flow and totalizing meters on irrigation wells withdrawing water from Edwards Aquifer.	Yes	The Authority has secured contracts for supplying, installing, and repairing meters on irrigation wells.
Objective 1.12 Develop and implement a program by March 1999 for issuing credits to increase recharge to the Edwards Aquifer.	Partial	The Authority has been working on developing a recharge program since September 1998; however, the program has not been completely developed or implemented. Draft rules for recharge have been proposed, but the board has not yet adopted them.
Management Goal 2.0		
Facilitate the marketing and transfer of Edwards Aquifer water rights between buyers and sellers in order to promote efficiency and to control and prevent waste.		
Objective 2.1 Develop and implement a program by October 1998 for the review and approval of applications to transfer permits to withdraw water from the Edwards Aquifer.	Yes	The Authority has adopted rules regarding permit transfers. There is a checklist for transfer applications that the Authority follows when reviewing an application. The Authority has approved 396 transfers since the beginning of the program.

**Edwards Aquifer Authority
Achievement of Management Plan Objectives**

Objective	Achieved?	Auditor's Comments
<p>Objective 2.2 Develop and implement a program by the end of 1999 for the retirement of Edwards Aquifer groundwater withdrawal permits to achieve the 450,000 acre-foot per year limitation, unless otherwise modified by the board of directors.</p>	Partial	The Authority has started the rule-making process for this objective by developing discussion draft rules.
<p>Management Goal 3.0 Support and conduct research and, as appropriate, implement strategies to enhance the yield of the Edwards Aquifer and promote conjunctive management of ground and surface water supplies.</p>		
<p>Objective 3.1 Provide funding and management support for the successful initiation, by 1999, of a series of studies to provide information for the development of aquifer management strategies. With input from the Technical Advisory Group, a number of ongoing or proposed research studies have been identified for the Edwards Aquifer Optimization Program. These are grouped into three categories as follows:</p> <ul style="list-style-type: none"> - Edwards Aquifer Studies - Edwards Aquifer Flow Path and Modeling Studies - Biological Assessment Studies 	Yes	The Authority has provided funding and management support for the initiation of studies to provide information for the development of aquifer management strategies. It has formed a technical advisory group to assist in the coordination of aquifer enhancement studies. An overview of aquifer studies also is available. The Authority has implemented a weather modification program to increase aquifer recharge.
<p>Management Goal 4.0 Implement technical and financial assistance programs to encourage the use of cost-effective measures to improve water use efficiency, minimize waste and increase beneficial reuse and recycling of water by municipal, industrial, commercial, institutional and agricultural water users so that water supplies are conserved or made available for alternative or future uses.</p>		
<p>Objective 4.1 Develop and implement a program, by December 1998, to improve irrigation water use efficiency through the application of best management practices.</p>	Yes	The Authority has implemented a program to improve irrigation water use efficiency. It has received funding from the Texas Water Development Board's Agricultural Water Conservation Loan Program. The Authority has issued several loans to residents to promote conservation practices.
<p>Objective 4.2 Develop a water conservation program by the end of 2000 to promote and, as appropriate, require conservation by municipal and other public water suppliers.</p>	Yes	The Authority has adopted a groundwater conservation plan. This plan promotes conservation by municipal and other public water suppliers by defining management practices that must be adopted.

**Edwards Aquifer Authority
Achievement of Management Plan Objectives**

Objective	Achieved?	Auditor's Comments
Management Goal 5.0 Implement programs in cooperation with other local, state and federal agencies to monitor and protect the water quality of the Edwards Aquifer.		
Objective 5.1 Provide funding and staff support for the successful completion of a study by the end of 1999 to correlate the quality of recently recharged groundwater with different types of urban land use.	Yes	The U.S. Geological Survey Department has completed the <i>Water Quality in South-Central Texas</i> report and provided this to the Authority.
Management Goal 6.0 Implement and enforce water management practices, procedures and methods to ensure, by the end of 2012, the continuous minimum springflows of Comal Springs and San Marcos Springs to protect species, habitats, instream uses, and bays and estuaries that are dependent on discharge from the Edwards Aquifer.		
Objective 6.2 By the end of 1999, the Edwards Aquifer Authority will complete an evaluation of the benefits and liabilities of seeking an "incidental take" permit under Section 10a of the federal Endangered Species Act and establish the Edwards Aquifer Authority's policy with respect to seeking such a permit.	Yes	The Authority has evaluated the benefits and liabilities of seeking an "incidental take" permit and is in the process of completing the necessary documentation to obtain this permit.
Management Goal 7.0 Continue to develop, operate and maintain the data collection and retrieval network for the Edwards Aquifer region to improve basic data required to better understand the geology and hydrology of the Edwards Aquifer and to better understand the meteorological conditions that affect the Edwards Aquifer.		
Objective 7.1 Each year, maintain a program for the collection and analysis of Edwards Aquifer water level data."	Partial	The Authority actively measures water levels, but it has not fully achieved this objective for wells that are measured with continuous recorders.
Objective 7.2 Each year, maintain an ongoing program for the collection and analysis of aquifer and surface water quality data	Partial	The Authority actively monitors water wells for water quality, but it has not fully achieved this objective because it has not developed the data dictionary associated with this objective.
Objective 7.5 Each year, prepare a report of hydrogeologic data for the Edwards Aquifer including data on aquifer water levels, recharge, withdrawals and spring discharge, and water quality.	Yes	The Authority prepares an annual report that includes hydrogeologic data.
Management Goal 8.0 Provide information to the public and interested parties on the mission, goals, and initiatives of the Edwards Aquifer Authority and expand education programs on the geology, hydrology, use, conservation and management of the Edwards Aquifer.		
Objective 8.1 Each year, implement a program to build better relations with communities throughout the eight-county region	Yes	The Authority holds meetings and public speaking events with community groups.

Edwards Aquifer Authority Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Management Goal 9.0 Ensure the efficient and cost-effective management and operation of, and the overall fiscal integrity of the Edwards Aquifer Authority.		
Objective 9.1 Each year, project the annual revenues from aquifer management fees accurately.	Yes	The Authority collected 102 percent and 111 percent of its projected revenues in 1999 and 2000, respectively.

Section 3-B:

Evergreen Underground Water Conservation District Is Operational

Evergreen Underground Water Conservation District (District) achieved two of the four audited objectives in its management plan. Therefore, it is operational. However, it did not achieve its objective to perform irrigation efficiency studies. We were unable to determine whether the District achieved the fourth objective regarding the investigation of reports of contamination because the District asserts that no reports were filed in the district during the period covered by the audit.

Table 9 provides additional details on each of the audited objectives.

Table 9

Evergreen Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 The District will implement a management strategy to provide the most efficient use of groundwater.		
Objective 1.1 Each year the District will perform at least 10 Irrigation Efficiency Evaluations to promote water conservation in irrigation practices. The Evaluations will be subject to the availability of the services of Texas Water Development Board Staff.	No	The District has not performed irrigation evaluations since 1999.
Goal 2.0 The District will implement a management strategy to address controlling and preventing the waste of groundwater.		
Objective 2.1 Each year the District will conduct an on-site investigation of any reports of waste of Groundwater within two working days of the time of the receipt of the report to the District.	Yes	The District performed two investigations.

Evergreen Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 3.0 The District will implement a Management Strategy to address the conjunctive use of surface and groundwater.		
Objective 3.1 The District, in cooperation with the Texas Water Development board, Surface Water entities within the District, and other entities, will develop a surface/groundwater model that will identify the relationship of surface/groundwater interaction within the District by January 1999.	Yes	The objective is complete and the District continues to use the model as a management tool to identify surface water and groundwater interaction.
Goal 4.0 The District will implement a Management Strategy that will address natural resource issues which impact the use and availability of groundwater, and which are impacted by the use of groundwater.		
Objective 4.1 The District will perform on-site investigation of any reports of groundwater contamination within two working days of the time of the receipt of the report to the District.	Unable to determine	The District asserts that it received no reports of contamination in fiscal years 1999 and 2000.

Section 3-C:

Hickory Underground Water Conservation District No. 1 Is Operational

Hickory Underground Water Conservation District No. 1 (District) achieved three of the four audited objectives in its management plan. It partially achieved one objective. Therefore, the District is operational.

Table 10 provides additional details on each of the audited objectives.

Table 10

Hickory Underground Water Conservation District No. 1 Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 Implement management strategies that will protect and enhance the quality of usable water by encouraging the most efficient use.		
Objective 1.2 To insure quality ground water, the District will identify 100 wells for annual water level monitoring and obtain water levels on 50% of the selected wells annually.	Yes	The District performs monitoring of well levels in excess of the performance standard stated in this objective.

Hickory Underground Water Conservation District No. 1 Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 2.0 To control and prevent the waste of groundwater.		
Objective 2.1 Each year the District will loan flow meters for use by three irrigating farmers within the District to evaluate irrigation systems and reduce waste.	Partial	The District loans flow meters, but it did not have adequate documentation to support full achievement of this objective.
Goal 3.0 Develop a water quality/monitoring network for the purpose of establishing a baseline water quality.		
Objective 3.1 The District will identify at least twenty (20) wells to be used as water quality monitoring wells that will be sampled annually.	Yes	The District exceeded its objective to test 20 wells in 1998, 1999, and 2000.
Goal 4.0 Address conjunctive surface water management issues.		
Objective 4.1 Annually meet, at least once a year, with the City of Brady to discuss and review potential use of surface water resources in the area.	Yes	The District held meetings with the City of Brady in 1999 and 2000.

Section 3-D:

Hill Country Underground Water Conservation District Is Operational

Hill Country Underground Water Conservation District (District) achieved six of the seven audited objectives in its management plan and partially achieved one objective. Therefore, the District is operational.

Table 11 provides additional details on each of the audited objectives.

Table 11

Hill Country Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 Implement management strategies that will provide for the most efficient use of groundwater.		
Objective 1.1 Each year in the District newsletter provide at least two (2) articles identifying conservation practices and provide to the public upon request handout packets with conservation literature.	Yes	In addition to publishing articles in its newsletter, the District maintains a website offering conservation information. It also distributed book covers with conservation tips to local schools; participated in the Texas Renewable Energy Roundup Fair; and published various articles in the local newspaper concerning the drought, rainwater harvesting, and other topics of interest.

Hill Country Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Objective 1.2 To evaluate groundwater availability each year the District will monitor water levels on selected wells representative of the various aquifers within the District.	Yes	The District monitors groundwater levels using a network of wells aligned with the various aquifers in the district.
Objective 1.3 By January 2000, utilizing a system of local aquifer conditions and the Palmer Drought Severity Index determine aquifer conditions to be used to identify one trigger mechanism to implement emergency drought management plan.	Yes	The City of Fredericksburg maintains the emergency drought management plan. Although no specific trigger mechanisms were identified, the District performed a water budget study of the Old San Antonio Road Well Field to achieve this objective.
Goal 2.0 Implement strategies that will prevent waste of groundwater.		
Objective 2.1 Each year at least twice (2) and upon request provide speakers to schools (Fredericksburg 3rd grade annual field day) and civic groups to raise public awareness of practices to ensure the efficient use of groundwater and prevent wastes.	Yes	The District went well above the goal of two speakers for the year.
Objective 2.2 Beginning with water usage data for the year 1998 from the City of Fredericksburg, an audit of water usage within the City will be made to identify wasteful practices. One audit will be conducted every other year with the results provided to the City and the Board of Directors.	Yes	The audit was completed. This audit included detailed data for specific users within the District (that is, residential, food processing businesses, schools, and churches).
Goal 3.0 Implement management strategies that will address conjunctive surface water management issues.		
Objective 3.1 By December 2000 perform in conjunction with other interested entities one feasibility study to determine effectiveness of Aquifer Storage and Recovery (ASR) on the Ellenburger aquifer to incorporate into the City of Fredericksburg's water management system or other appropriate public water supply systems within the District.	Partial	The District was unable to complete the study by December 2000 but continues to work toward its completion.
Objective 3.2 To evaluate the ground to surface water interrelationships within the District, each year the District will conduct stream flow measurements along eight (8) sites of the Pedernales River between Bear Creek and Palo Alto Creek at least six (6) times per year.	Yes	The District took the required measurements.

Section 3-E:

Medina County Groundwater Conservation District Is Operational

Medina County Groundwater Conservation District (District) achieved all of the five audited objectives in its management plan. Therefore, the District is operational.

| Table 12 provides additional details on each of the audited objectives.

Table 12

Medina County Groundwater Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 To control and prevent the waste of groundwater.		
Objective 1.1 Each year the District will provide education materials to the newspapers and to the general public on at least six occasions concerning waste which is prohibited under the District Rules.	Yes	The District has provided educational materials on several occasions. The District has provided advertisements to local newspapers. The District's general manager also has provided information to the public through radio and television appearances. The District provided conservation information at the Summer '99 Conservation Program and through local speaking engagements.
Goal 2.0 Addressing natural resource issues that impact the use and availability of groundwater and are impacted by the use of groundwater.		
Objective 2.1 Each year the District will work with all interested parties and appropriate agencies to develop additional information on aquifer storage and recovery projects and will require permits for all aquifer storage and recovery projects.	Yes	There are currently no aquifer storage and recovery projects in the District. However, the District has adopted rules for aquifer storage and recovery projects. It monitors proposals for aquifer storage projects in the area in order to be able to take appropriate action if necessary.
Objective 2.2 Each year the District will require issuance of a well construction permit prior to drilling all new wells.	Yes	The District has adopted rules requiring permits prior to construction of new wells. The District issued 80 permits in 2000. It reviews permit applications and issues permits in a timely manner.
Goal 3.0 Providing for the efficient use of groundwater within the District.		
Objective 3.1 Each year the District will provide automatic timer devices to the public in response to all requests in an effort to increase the efficiency of irrigating lawns.	Yes	The District provided automatic timer devices to the public on three occasions. Through its Summer '99 Conservation Program, the District promoted conservation and distributed automatic timer devices. The general manager also distributed automatic timer devices at two public speaking engagements.
Objective 3.2 Each year the District will provide informative speakers to schools and civic groups to raise public awareness of practices which insure the efficient use of groundwater.	Yes	The District conducted speaking engagements at meetings of two civic organizations and at a meeting of residents of Medina Lake. A television station in San Antonio and radio stations in San Antonio and Hondo also interviewed the District's general manager.

Section 3-F:

North Plains Groundwater Conservation District Is Operational

North Plains Groundwater Conservation District (District) achieved 10 of the 12 audited objectives in its management plan. Therefore, the District is operational. It did not achieve its objectives to provide water quality analysis results within three days and to contact the client with possible water contamination results within 24 hours. Specifically, the District lacked documentation that indicated how long it took to provide analysis results and contact clients.

Table 13 provides additional details on each of the audited objectives.

Table 13

North Plains Groundwater Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal IV Collection of Data		
Objective –IV.A.3.1 Maintain an accurate database of water level elevation information.	Yes	The District maintains a database on water level information.
Objective –IV.D.2.1 Provide water quality analysis. MO- Respond to all water quality requests for analysis.	Yes	The District provides water quality analyses upon request.
Objective –IV.D.2.2 Provide water quality analysis. MO- Conduct field visit and collect samples w/n 24 hours of request or at agreeable time.	Yes	The District provides water quality analyses upon request.
Objective –IV.D.2.3 Provide water quality analysis. MO- Provide results of analysis w/n 3 days after results are known.	No	Although the District provides water quality analyses to clients, it has no documentation that supports that it provides results of these analyses within the three day requirement. Its manual logs show test times and results only. There is no evidence that it notifies clients about the results of the analyses.
Objective –IV.D.2.4 Provide water quality analysis. MO- If possible contamination, contact person w/n 24 hours. W/n 3 days, conduct additional field visits and survey for source of contamination.	No	Although the District asserts that it provides the client with an immediate response, it does not document how long it actually takes to notify the client.
Goal V Management and Protection of the Groundwater Supply		
Objective- V.A.1.1 Enforce Rules of the District.	Yes	The District had policies and enforced them at its May 7, 2001 board meeting.
Goal VI Water Conservation and Protection Programs		
Objective-VI.A.1.1 Support research and demonstration projects which protect groundwater quality, reduce waste, and promote efficient use of groundwater.	Yes	The District supports several projects.

North Plains Groundwater Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Objective -VI.B.1.1 Continue to encourage conservation.	Yes	The District encourages conservation by publishing articles on conservation.
Goal VII Public relations and Education		
Objective-VII.A.1.1 Provide current information to residents of District about water conservation and protection.	Yes	The District provides information through articles published in the <i>North Plains Newsletter</i> and the <i>North Plains Agriculture News</i> .
Objective-VII.B.1.1 Inform people w/n and outside of District about goals, programs, duties, and responsibilities of the district.	Yes	The District informs people inside and outside of the district through monthly presentations and demonstrations.
Objective -VII.B.2.1 Continue to provide public school education material to schools in the District.	Yes	The District provides schools with educational materials (such as book covers) and sponsors an essay scholarship contest each year.
Goal VIII Field Services		
Objective-VIII.1.1 Provide prompt field service to all water users of the District.	Yes	The District responds to requests for field services within three days.

Section 3-G:

Springhills Water Management District Is Operational

Springhills Water Management District (District) achieved 6 of the 11 audited objectives in its management plan. Therefore, the District is operational. It partially achieved four objectives, but it did not achieve its objective to evaluate groundwater resources and surface water quality and to report annually to the Commissioner's Court.

Table 14 provides additional details on each of the audited objectives.

Table 14

Springhills Water Management District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 To ensure that both surface and groundwater in the District are used in a manner most beneficial to the citizens of the District.		
Objective 1.1 Maintain and annually measure the static level of 60 percent of the wells in the Districts current groundwater monitoring network of six wells to monitor and improve the basic understanding of groundwater conditions within the District	Yes	The District maintains approximately ten wells that are monitored more than once per year. In addition, the District has monitored the static level of more than 60 percent of six wells.

**Springhills Water Management District
Achievement of Management Plan Objectives**

Objective	Achieved?	Auditor's Comments
<p>Objective 1.2 Review the District's current monitoring well network for viability every two years, and revise as necessary. A monitoring well's viability will be evaluated based on the criteria set by the District. Maintaining each monitoring well as long as the well proves viable and phase new, more effective monitoring wells into the network if necessary.</p>	Partial	The District continuously monitors wells for viability. However, it has not established criteria for evaluating well monitoring.
<p>Goal 2.0 To ensure both surface and groundwater quality and the historic uses of these waters in the District are not impaired for the generations to follow.</p>		
<p>Objective 2.4 Maintain and annually analyze the groundwater quality of 60 percent of the wells in the current groundwater monitoring network of six wells to observe and improve the basic understanding of groundwater quality conditions within the District.</p>	Yes	The District maintains approximately ten wells that are monitored more than once per year. In addition, the District has monitored water quality in more than 60 percent of the six wells.
<p>Objective 2.5: Review the District's current monitoring well network for viability every two years, and revise as necessary. A monitoring well's viability will be evaluated based on the criteria set by the District. Maintaining each monitoring well as the well proves viable and phase new, more effective monitoring wells into the network if necessary.</p>	Partial	The District continuously monitors wells for viability. However, it has not established criteria for evaluating well monitoring.
<p>Objective 2.7 Initiate a public water quality testing program, available upon request, for water wells in Bandera County to allow the District and residents of Bandera County to monitor individual water well's quality.</p>	Yes	The District has a public water quality testing program. A sign posted at its laboratory specifies the hours that it will accept samples and the prices for quality testing.
<p>Objective 2.10 Implement a program to create standards for more efficient groundwater management practices.</p>	Partial	The District has not created a separate program to create standards. However, its rules govern efficient groundwater management practices.
<p>Objective 2.13 Implement and enforce a system of rules for the drilling, completing and equipping of 100 percent of all water wells by January 1, 1999.</p>	Yes	The District adopted amended rules during its April 24, 2001, board meeting. The amended rules require drillers to notify the District prior to drilling. This enables the District to enforce completion regulations by making surprise visits to drill sites. The District also checks for compliance with the Texas Department of Licensing and Regulation rules and District rules by reviewing the well reports submitted to the District and through physical inspection of sites.
<p>Objective 2.14 Initiate a District wide program to identify the location of abandoned wells by January 1, 2000. Report unplugged abandoned water wells to the well owners within sixty (60) days and to the Board annually, upon date of discovery.</p>	Partial	The District participates in a well plugging program but does not actively search for abandoned wells.

Springhills Water Management District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Objective 2.15 Develop and adopt a District well plugging program and adopt necessary District Rules to allow for enforced plugging of wells, to be initiated by January 1, 1999.	Yes	The District started the Well Plugging Program in 2001 by purchasing a grout machine that it uses to plug water wells. In addition, the District has adopted a rule that deals with sealing, capping, and plugging wells.
Goal 3.0 To address conjunctive surface water and groundwater issues.		
Objective 3.1 The District will make an evaluation of groundwater resources and surface water quality for Bandera County and report annually to Commissioner's Court on status of groundwater in Bandera County.	No	The District did not make a report in 2000. Records of reports from previous years could not be located.
Goal 4.0 To develop and promote programs and rules that encourages wise water use and water conservation.		
Objective 4.1 Coordinate an emergency/drought contingency planning with all public water supply purveyors. (Implement by January 1, 2001)	Yes	The District has been working with the Plateau Water Planning Group to coordinate contingency planning.

Section 3-H:

Uvalde County Underground Water Conservation District Is Operational

Uvalde County Underground Water Conservation District (District) achieved four of the five audited objectives in its management plan. It partially achieved one objective. Therefore, the District is operational.

Table 15 provides additional details on each of the audited objectives.

Table 15

Uvalde County Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 1.0 To control and prevent the waste of groundwater.		
Objective 1.1 Each year the District will provide education materials to the newspapers and to the general public on at least six occasions concerning waste which is prohibited under the District Rules.	Yes	The District provided public service announcements to the local radio station on several occasions throughout the year. It also follows up on reports of waste.

Uvalde County Underground Water Conservation District Achievement of Management Plan Objectives		
Objective	Achieved?	Auditor's Comments
Goal 2.0 Addressing natural resource issues that impact the use and availability of groundwater and are impacted by the use of groundwater.		
Objective 2.1 Each year the District will work with all interested parties and appropriate agencies to develop additional information on aquifer storage and recovery projects and will require permits for all aquifer storage and recovery projects.	Yes	There are currently no aquifer recharge projects in the District. However, the District has adopted rules for aquifer recharge projects and monitors proposals for aquifer recharge in the area in order to be able to take appropriate action if necessary.
Objective 2.2 Each year the District will require issuance of a well construction permit prior to drilling all new wells.	Partial	The District has adopted rules requiring permits prior to construction of new wells. It issued 20 permits for new wells and pre-registered 68 exempt wells in 2000. However, the majority of the permits were not issued within the District's target of 20 days specified in the performance standard for this objective.
Goal 3.0 Providing for the efficient use of groundwater within the District.		
Objective 3.1 Each year the District will make available to the public educational brochures prompting and explaining conservation methods and concepts, on at least one occasion.	Yes	The District provided educational materials to area fourth graders in conjunction with the Agri-Women program. Educational brochures also are available at the District's office.
Objective 3.2 Each year the District will provide informative speakers to schools and civic groups to raise public awareness of practices which insure the efficient use of groundwater.	Yes	The District conducted several speaking engagements in 2000. These engagements were conducted at Uvalde High School, the Uvalde Board of Realtors, and the Lions and Kiwanis Clubs.

Section 4:

Seven of the Eight Operational Districts Are in Full or Partial Compliance With Statutory Requirements Audited

Seven of the eight operational districts are in full or partial compliance with all of the Texas Water Code statutory requirements we audited. The Evergreen Underground Water District was not in compliance with the requirements to have policies and procedures.

Table 16 provides additional details on statutory compliance for the eight districts that were operational.

Table 16

Summary of Operational District Compliance With Statutory Requirements								
District	Statutory Requirement							
	Board Meetings	Notices and Minutes	Annual Budget	Annual Audit	Rules	Policies and Procedures	Joint Planning	Other Financial
Edwards Aquifer	Yes	Yes	Yes	Yes	Yes	Yes	Not applicable	Yes
Evergreen	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Hickory	Yes	Yes	Yes	Yes	Yes	Partial	Not applicable	Yes
Hill Country	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Medina	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes
North Plains	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Springhills	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes
Uvalde	Yes	Yes	Partial	Yes	Yes	Yes	Yes	Yes

**Texas Water Code Chapter 36
Statutory Requirements Audited For Groundwater Districts**

Board Meetings: The board is required to hold meetings at least quarterly, with a sufficient quorum (Texas Water Code, Sections 36.064 and 36.053).

Notices and Minutes: Notice of meetings must be given as set forth in the Open Meetings Act. The board shall keep a complete account of all its meetings and proceedings and preserve [them] . . . in a safe place (Texas Water Code, Section 36.065).

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

Annual Audit: The board shall have an annual audit made of the financial condition of the district (Texas Water Code, Section 36.153).

Rules: The board shall adopt . . . rules to implement Chapter 36 of the Texas Water Code (Texas Water Code, Sections 36.101, and 36.111-.113).

Policies and Procedures: The board shall adopt certain specified policies in writing (Texas Water Code, Section 36.061).

Joint Planning: If two or more districts are located within the boundaries of the same management area, each district shall prepare a management plan and forward a copy of the plan to the other district(s) in the management area (Texas Water Code, Section 36.108).

Other Financial: Groundwater districts are required to perform financial duties such as bonding of employees who handle funds, setting limits on fees, and disbursing funds by check (Texas Water Code, Sections 36.057, 36.060, 36.151, 36.158, and 36.171).

Management Responses

**Collingsworth County Underground Water Conservation District
802 9th St. - Wellington, Texas 79095 - Phone (806) 447-2800**

**Jim Cabbell-President
Rudy Tate-Vice President
Dan Henard-Secretary**

**Gary Killian-Member
Dan Langford-Member**

September 11, 2001

Re: Collingsworth County UWCD Audit

In response to your letter of August 30, 2001 concerning Collingsworth County Underground Water Conservation District Audit.

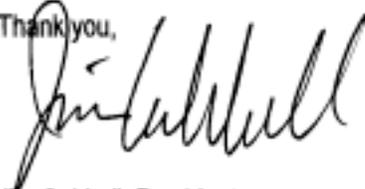
We do agree with your observation that we have not achieved our management objectives. On August 11, 2001 we held a taxing authority election for the Collingsworth County UWCD. This election passed with 82% voting for taxing authority.

Since the district now has taxing authority we can employ personnel to address and correct these management objectives.

However our attorney advises us that we cannot collect taxes until 2002. At this time Mr. Davis is a part-time volunteer manager. Beginning in 2002 we plan to hire permanent management and consultants to carry out the districts management plan.

The Board of Directors is very concerned that the management plan must be carried out and has full intentions of doing so. We estimate it will take us about 18 (eighteen) months to get our house in order and up to date.

If further information is needed, please contact us either by e-mailing us at catrina-moody@tx.nacdnet.org or by calling (806) 447-2800.

Thank you,

Jim Cabbell, President

UVALDE COUNTY UNDERGROUND WATER
CONSERVATION DISTRICT

P.O. BOX 1419
UVALDE, TEXAS 78802
18301 278-8242
FAX: 18301 278-1904

September 11, 2001

Mr. Anthony T. Patrick, Project Manager
State Auditor's Office
Robert E. Johnson Building
1501 North Congress Avenue, Suite 4.224
Austin, Texas 78769

Dear Mr. Patrick:

Following our conversation and receipt of your fax of September 9 changing the assessment of the management plan objective with regard to aquifer recharge, transportation and storage from partially to successfully meeting that objective, I would say that the Uvalde County Underground Water Conservation District management agrees with the observations in your thus amended draft report.

We will of course work to achieve complete compliance, and would appreciate any concrete suggestions you may have for us. As you apparently did not have time to respond to Liza Toombs's request for assistance with our 2001-2002 budget prior to its adoption, I have enclosed a copy of the budget as adopted, and a second draft she thought might better comply with Chapter 36 requirements, as it shows that the "Reserve" figure is the same as the expected year-end balance. We would very much appreciate hearing whether or not either of these is adequate.

Probably we will amend the plan to require decisions on permit applications within 30 days of administrative completeness, in accord with the 77th Legislature's changes to §36.114 of the Water Code.

Thank you for your and Ms. Oliphant's cooperation with regard to the reassessment on the recharge, transportation and storage objective. Please feel free to contact Ms. Toombs or me should you have any questions or wish to discuss anything prior to issuing your report.

Very truly yours,



Vic Hilderbran
General Manager

Enclosures

County of
Lampasas
TEXAS



P.O. Box 231
LAMPASAS, TEXAS 76550
512 / 556-8271
FAX #: 512 / 556-8270

Virgil E. "Ed" Lilley
County Judge

September 13, 2001

Jeanette Snell
Administrative Assistant

Deborah Hirsch
Emergency Management Coordinator

J.T. Martin
Septic Systems Inspector

Jesse Hurst
Veterans Service Officer

Gene Harrison
County Fire Marshal

Anthony T. Patrick
Project Manager
State Auditor's Office
Robert E. Johnson Building
1501 North Congress Avenue, Suite 4224
Austin, TX 78701

Dear Mr. Patrick:

In reference to your letter of August 30, 2001 concerning the audit of the Saratoga Underground Water Conservation District, I am in agreement with the state audit observations.

As I discussed with the auditors, we were aware that we were not as active as we should be, but we were committed to becoming a viable and effective organization. Toward that end, two other directors and I have visited with six other water districts, which was very informative and beneficial to us in terms of helping us better understand our duties and responsibilities.

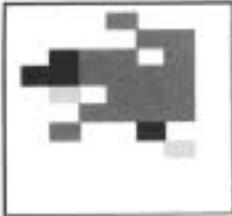
We have also included in our budget for the upcoming year enough money, we believe, to hire a manager and establish a separate office for our water district giving us for the first time a staff person dedicated to our water district.

I might add that I appreciated the courteous and cooperative manner in which the audit was conducted and I pledge to you that we will make significant improvements in the operation of our district in the very near future.

Sincerely,


Virgil E. Lilley
County Judge

VEL/js



HICKORY UWCD NO. 1

P.O. Box 1214 Brady, TX 76825
(915) 597-2785 (915) 597-0133 Fax
E-mail: hick6@centex.net



September 7, 2001

Anthony T. Patrick, Project Manager
State Auditors Office
Robert E. Johnson Building
1501 N. Congress Ave. Suite 4224
Austin, TX 78701

Dear Mr. Patrick:

We have received the audit report and concur with your assessment of the District and appreciate your comments.

Objective 2.1: Each year the District will loan flow meters for use by three irrigating farmers within the District to evaluate irrigation systems and reduce waste was shown as partially achieved due to inadequate documentation to support full achievement of the objective. The District staff has established a more efficient and effective method to insure adequate documentation of flow meter usage by irrigators within the District.

Sincerely,

Stan G. Reinhard
General Manager

sgt/amw

Board of Directors	Staff
W. Owen Parlin, President Bill Sloan, Vice President Bert C. Stringler, Secretary Larry Lohmberg Jim Quinn	Stan Reinhard, General Manager Andrea M. Wilson, Office Manager David Hale, Field Technician

HILL COUNTRY UNDERGROUND WATER CONSERVATION DISTRICT

September 11, 2001

Mr. Anthony T. Patrick, Project Manager
State Auditor's Office
P.O. Box 12067
Austin, Texas 78711

Dear Mr. Patrick:

Thank you for the draft report of the audit you performed on the Hill Country Underground Water Conservation District. The Board of Directors met today, September 11th, to review the report and directed me to provide you with these responses.

The Board generally concurs with the findings of the audit, however the District feels that the partial achievement assessment for Objective 3.1 should be amended or expanded to fully explain why this objective was not fully achieved.

This objective was to undertake and complete a feasibility study to determine whether an ASR Project would be capable of providing a conjunctive surface and groundwater component into the City of Fredericksburg's water supply system. This project is currently underway with the District, the City of Fredericksburg and the LCRA as the project participants. This program will be completed before years-end.

The reason for the delay is that Objective 3.1 states that this objective would be performed in conjunction with other interested entities (i.e. City of Fredericksburg). However the City of Fredericksburg was not prepared to enter into the project before December 2000 and the District never intended to undertake the study on its own. This is due in large part to the fact that the District is prohibited in its enabling legislation from purchasing or selling water. Consequently, the District felt that unless an entity with the authority to market water, such as the City of Fredericksburg or the LCRA, was a participant in the study, there was no point in the District under taking the study on its own.

We appreciate the work by you and your staff during the last few months and the courtesy and professionalism extended to this office. If you have any questions, please do not hesitate to call me.

Sincerely,



Paul Tybor
Manager

PT/mr

508 S. Washington, Fredericksburg, TX 78624
(830) 997-4472 FAX (830) 997-6721



FOX CROSSING WATER DISTRICT

Dale Henry, Chairman
Billy Hale
Thurman Head
Wayne Wilcox

P. O. Box 157
Phone/Fax: 915/985-3576
Mullin, Texas 76854

September 6, 2001

State Auditor's Office
Anthony T. Patrick, Project Manager
1501 North Congress Ave, Ste. 4.224
Austin, Texas 78701

Dear Mr. Patrick:

Reference is made to your letter and attached comments of August 30, 2001.

Goal 3.0 - Objective 3.1

As stated in TWDB Certified Underground Water Plan, Objective 3.1 does not apply at this time. Fox Crossing Water District Board will formulate a plan in the 2002 & 2003 year. This plan when formulated and approved by FCWD Board will be forwarded to the State Auditor's Office to be included in the FCWD file.

Goal 4.0 - Performance Standard 4.1

The district board receives a report annually from the City of Goldthwaite and the City of Priddy. A copy of the City of Goldthwaite is included. A copy of the 2001 City of Priddy report is unavailable at this time. This report will be sent at a later date. This is the method the FCWD monitors the quality of water from both cities. Files of these reports have not been kept in the FCWD office. A file is now in place.

Goal 5.0 - Performance Standard 5.1

FCWD has chosen to stay neutral on the Brush Control issue. In the future, when Eco-Tourism and other Parks & Wildlife Department Programs are in place in our FCWD area, the Board may see it needs to change it philosophy. As an illustration, the Mills County Farm Service Agency (FSA) has allotted monies to control brush on 614 acres in Mills County in the year 2001. This is a continuous annual brush management contract in Mills County without FCWD Board involvement.

Dale Henry
Director, Fox Crossing Water District

REAL-EDWARDS CONSERVATION and RECLAMATION DISTRICT

Rt. 1, Box 65
Mountain Home, Texas 78058

September 17, 2001

Anthony T. Patrick, Project Manager
State Auditor's Office
Robert E. Johnson Building
1501 North Congress Avenue, Suite 4224
Austin, Texas 78873

Dear Mr. Patrick:

This letter is in response to your letter of August 30, 2001 and the draft of your report on Groundwater Conservation Districts Phase Two.

The Real-Edwards County Conservation and Reclamation Water District had a Board Meeting on September 12, 2001 and went over the Auditor's Report and comments. The Board agreed that the Auditor's Report is correct and voted to take action to correct and improve our management plans.

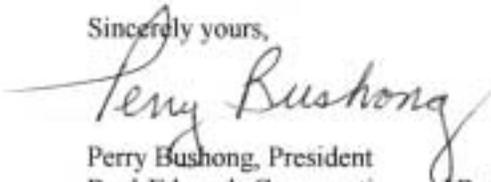
The reason for not achieving our goals is as follows:

1. The Real-Edwards Conservation and Reclamation District has a new board and the members are not knowledgeable on Groundwater Management Plans. We are all working to become more knowledgeable. I, personally, attended a conference, on Aug. 27 & 28 in Austin, that was sponsored by the Texas Groundwater Legal Defense and Education Fund. This was a good conference and I distributed a lot of the information that I received to the board members at our meeting on Sept. 12.
2. The Real-Edwards Conservation and Reclamation District does not have funding of any kind. The board is in the process of getting a tax passed so that we will have financial resources to manage and carry out our management plans. But, this takes time.
3. The new board has moved slowly but our plans are to improve in the future. At our September 12 meeting a draft copy of the Rules for the Real-Edwards Conservation and Reclamation District was received, as well as a draft copy for application for water well permits. Each board member will go over these rules that we plan to adopt, subject to any changes, at our next meeting that will be October 24, 2001. We are very close to having a good set of rules that will consist of 33 pages.

Page 2

4. We could amend our management plans in order to comply with the recommendations but the board agreed at our Sept 12 meeting, not to amend our plans. Instead we will proceed with our present plans. Our goal is to have an active and responsible board, whose best interest is in the groundwater for all of the citizens of this district. In order to accomplish this goal we will need some time, for progress, in the upcoming months. We will then be able to correct and improve our Groundwater Management Plans. Thank you.

Sincerely yours,

A handwritten signature in cursive script that reads "Perry Bushong". The signature is written in black ink and is positioned above the typed name.

Perry Bushong, President
Real-Edwards Conservation and Reclamation District

North Plains

GROUNDWATER CONSERVATION DISTRICT

<http://www.npwd.org>

September 14, 2001

Anthony T Patrick, Project Manager
State Auditor's Office
1501 North Congress Avenue, Suite 4.224
Austin, Texas 78701

Dear Mr. Patrick,

Re: Draft Report on Groundwater Conservation Districts Phase Two

I received the report from you on the North Plains Groundwater Conservation District Achievement of Management Plan Objectives and have reviewed it. I fully agree with the finding in the report and appreciate the deficiencies being noted.

In regard to our failure to have documentation for the water quality analysis report sent to the clients, we have initiated corrective measures. We now include the date we sent the results of the analysis to the clients in the Lab Logbook. In addition, we will provide "date mailed" on the copy of the analysis we keep.

Additionally, we are planning to address others areas of the operations of the District which were discussed during your visit to the District. These changes are in the planning stages and will be addressed by the Board and Staff during the 2001 - 2001 fiscal year.

In closing, I want to express my thanks for the process used in conducting the audit. I feel it was a very beneficial exercise and know it will help our District be more aware of the documentation we need to maintain.

Thanks for the effort you and the "audit team" who came to Dumas provided. I support the performance audit and certainly feel it will benefit Texas by improving the performance of groundwater conservation districts.

Sincerely,



Richard S. Bowers

RICHARD S. BOWERS,
General Manager
DALE HALLMARK
Assistant Mgr./Hydrologist
PAULETTA RHOADES
Financial Secretary
LOYALL TURNER
Water Quality Coordinator
SERGIO RODRIGUEZ
Field Operations Coordinator
DANELLE BARBER
Well Permitting, Education,
& Public Relations Coordinator
CHRISTINE LOPEZ
Meteorologist
DELBERT WILLIAMS
Aviation Supervisor

DE

THERE IS NO SUBSTITUTE FOR WATER

Box 795 • 603 E. First • Dumas, Texas 79029-0795 • Ph (806) 935-6401 • FAX (806) 935-6633

SPRINGHILLS WATER MANAGEMENT DISTRICT

Phone: (830) 796-7260

Fax: (830) 796-8262

E-Mail: swmd@texas.net



James Chastain
President

Randy Roberts
Vice-President

Jerry Sides
Secretary-Treasurer

Russ Luigs
Director

James D. Hemby
Director

Dale Keith, Sr.
Director

Ritch W. Simmons
Director

Ronald E. Solomon
Director

William E. Spangler
Director

David Jeffery
General Manager

P.O. Box 177
202 Twelfth Street
Bandera, TX 78003

September 20, 2001

Mr. Anthony T. Patrick, MBA
State Auditors Office
P O Box 12067
Austin, TX 78711

Dear Mr. Patrick:

Springhills Water Management District (SWMD) has received and reviewed the draft report on the District's audit. Please be advised that the District agrees with your findings.

The District contacted Cameron Cornett, the previous General Manager, regarding the deficient items covered in the audit report. Once again, the District was unable to produce the requested documentation. Corrective action is underway to correct the deficiencies found in the audit.

The Springhills staff and Board would like to thank you and your staff for the time and work involved in conducting the audit. It is the belief of the District that the audit will benefit the District by exposing our deficiencies.

If you have any questions or need additional information, please feel free to contact the District at the phone number above or e-mail us at swmd@texas.net.

Respectfully submitted,

David Jeffery
General Manager



File No. 1.5-18.7

September 14, 2001

Mr. Anthony T. Patrick
Project Manager
State Auditor's Office
Robert E. Johnson Building
1501 North Congress Avenue, Suite 4.224
Austin, Texas 78215

Dear Mr. Patrick:

The following are the Edwards Aquifer Authority's comments to the draft report on Groundwater Conservation Districts Phase Two.

Report Comment on Authority Groundwater Management Plan Objective 1.2

The Authority has adopted rules for term permits. However, the Authority has not had any applications for term permits since 1998 because the board has not approved the issuance of term permits. The rules state that the board must authorize term permits.

Authority Response:

I agree with the comments contained in the draft report. However, I want to clarify that the primary reason the Authority has not issued term permits is because the board has not determined that additional water is available for these permits. Such a determination is required by Rule 711.102 before the Authority can accept applications for term permits.

Report Comment on Authority Groundwater Management Plan Objective 1.10

The Authority has secured contracts for supplying, installing, and repairing meters on irrigation wells.

Authority Response:

I agree with the comments contained in the draft report, but want to add that the Authority has installed 645 meters, representing 98% of all irrigation wells within the Authority's jurisdiction, at a cost of \$965,000.00.



1615 N. St. Mary's Street San Antonio, Texas 78215-1415 (210) 222-2204 (800) 292-1047
P.O. Box 526 Hondo, Texas 78861 Metro (830) 741-8665

Mr. Anthony T. Patrick
September 14, 2001
Page No. 2

Report Comment on Authority Groundwater Management Plan Objective 2.2

The Authority has started the rule-making process for this objective by developing discussion draft rules.

Authority Response:

The Authority's board of directors adopted 31 TEX. ADMIN. CODE, ch. 711, Subchapter G (relating to Groundwater Available for Permitting, Proportional Adjustment, Equal Percentage Reductions) on October 10, 2000. These rules became effective November 7, 2000. These rules specifically include a process to reduce permits to 450,000 acre-feet per year. A copy of these rules is attached.

Report Comment on Authority Groundwater Management Plan Objective 7.1

The Authority actively measures water levels, but it has not fully achieved this objective for wells that are measured with continuous recorders.

Authority Response:

Subobjective 7.1(b) indicates that the Authority will collect water level data from 25 wells equipped with continuous digital recorders. While the Authority did not have 25 wells equipped with continuous digital recorders for the entire 12 months of 2000, additional wells were equipped with continuous recorders late in 2000 to meet, and exceed, the objective.

Report Comment on Authority Groundwater Management Plan Objective 7.2

The Authority actively monitors water wells for water quality, but it has not fully achieved this objective because it has not developed the data dictionary associated with this objective.

Authority Response:

Subobjective 7.2(b) indicates that the Authority will develop a water quality data dictionary. The water quality data dictionary is a portion of a larger data management process that has been initiated but is not complete. The data management process will have proceeded to a point where a water quality data dictionary, that is consistent with the data management process, can be completed by March 30, 2002.

I appreciate the opportunity to submit comments on the draft report. If you have any questions, please contact me at (210) 477-5132.

Sincerely,


Gregory M. Ellis
General Manager

GME:VRD/ssh
Attachment

C:\WINDOWS\TEMP\091401\patrick2.doc

From: Hunter & Oelke, LLP <hunterok@xit.net>
To: <apatrick@sao.state.tx.us>
Cc: <kedlller@xit.net>
Sent: Tuesday, September 25, 2001 3:18 PM
Subject: DCUWCD1 - response

Anthony T. Patrick
State Auditor's Office

September 25, 2001

Dear Mr. Patrick:

The following are our responses to your report:

1. As to Management Goal 1.0: We agree with the auditor's comment and plan to comply with objective 1.1 immediately.
2. As to Management Goal 2.0: The Board of Directors have informally studied the use of drip irrigation systems and have concluded that they are cost prohibitive to farmers in this District.
3. As to Management Goal 3.0: We agree with the auditor's comment and assert that nearly the entire District is irrigated with sprinklers therefore water runoff is not a problem which the District currently faces.
4. As to Management Goal 4.0: The Directors would assert that the District has achieved this goal by contacting landowners who are known to have abandoned wells to encourage them to plug or cap such wells.

The District believes the auditors have been fair and thorough and we are pleased to be made aware of the statutory requirements which are applicable to the District.

Very truly yours,



Kathryn Lobley
Administrative Secretary
Dallam County Underground Water Conservation District No. 1



1613 Avenue K, Suite 105
Hondo, Texas 78861
Voice/Fax: 830.741.3162
E-mail: Medinah20@aol.com

10 September 2001

Mr. Anthony T. Patrick
Project Manager
State Auditor's Office
1501 North Congress Avenue, Suite 4.224
Austin, Texas 78701

RE: Draft Performance Audit

Dear Mr. Patrick:

Thank you for providing an opportunity to comment on the draft performance audit report for the District.

The draft report states that the District only partial achieved Goal 2; Objective 2.1 pertaining to aquifer storage and recovery (ASR) projects. I respectfully disagree with this finding. The District rules were revised in a timely fashion to address ASR projects and the staff has monitored activity in neighboring counties with appropriate parties. Given that no ASR projects are pending or operational within the District, the District has achieved this goal and objective.

The summary chart attached to the draft report indicates partial compliance under the annual budget column. While your staff discussed this, as it relates to Section 10.124, BUDGETARY ACCOUNTABILITY WAS FURNISHED and the District believes it has fully compliance with this section. This was the only budget issue discussed with the staff and the District would like clarification or correction of this partial compliance issue.

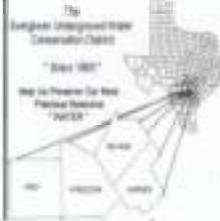
We are willing to discuss these issues in further detail with you or your staff and look forward to your reply.

Sincerely,

A handwritten signature in cursive script that reads "Fred Wells".

Fred Wells
President

Member: Texas Water Conservation Association / Texas Alliance of Groundwater Districts



EVERGREEN UNDERGROUND WATER CONSERVATION DISTRICT

110 Wyoming Blvd.
Pleasanton, Texas 78064

Phone: 830-569-4186

Fax: 830-569-4238

September 24, 2001

Kenneth Stephens
President
Alameda County

Paul Berniowski
Vice-President
Karnes County

William E. Hagle
Secretary/Treasurer
Alameda County

Clifton L. Stacy
Director
Frio County

Blaine L. Schorp
Director
Frio County

A. Doug Brownlow
Appointed Director
Wilson County

Steve Seider
Director
Wilson County

Mark Mitchell
Director
Wilson County

Fabian Jendrysek
Director
Karnes County

Mike Mahoney
General Manager

Melissa Royal
District Secretary
Bookkeeper

Larry Akers
Field Technician

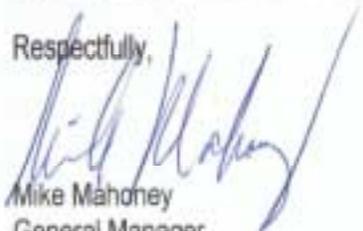
Mr. Anthony T. Patrick
State Auditors Office
Robert E. Johnson Building
1501 North Congress Ave., Ste. 4.224
Austin, TX 78701

Dear Mr. Patrick:

I have received and reviewed the Draft of the Audit of the Evergreen Underground Water Conservation District's Management Plan. I have only one comment that I would like to make, and that is on District Goal 1.0. In 1999 the District performed 11 Irrigation Efficiency Evaluations, and the Auditor's comments states that the District performed no Evaluations for the Audit period of 1999 through the year 2000. I would simply ask for a notation that reflects that the District only failed to achieve the objective for Goal 1.0 in the year 2000.

It has been a pleasure working with you and your staff, if there is ever anything that I can do to be of assistance please feel free to contact me.

Respectfully,


Mike Mahoney
General Manager

Objectives, Scope, and Methodology

Objectives

Our first objective was to determine whether the 13 local groundwater districts (districts) audited were making a good-faith effort in pursuing the objectives in their individual management plans. The management plans addressed the following goals:

- Controlling and preventing groundwater waste
- Controlling and preventing subsidence
- Providing for the most efficient use of groundwater
- Addressing conjunctive surface water management issues
- Addressing natural resource impact issues

Our assessment of a district as being operational or not operational was based on our review of the district's efforts toward achieving the objectives in its management plan. We based the assessment of whether an objective had been achieved on whether a district was actively engaged in pursuing the objective. If a district achieved a majority of the audited objectives in its plan, we considered that district to be operational.

Our second objective was to determine district compliance with selected statutory requirements established in Texas Water Code, Chapter 36. A district's statutory compliance did not affect our assessment of whether the district was operational.

Scope

We reviewed 13 groundwater districts. The 13 districts were located in three Texas regions: North, Central, and South. We conducted field visits at 6 of the 13 districts.

Our audit covered fiscal years 2000 and 2001, or calendar year 2000 to the present. The districts are independent entities and some of them work from a fiscal year calendar while others work from the calendar year.

Methodology

We gained an understanding of Texas groundwater district law by reviewing each district's enabling legislation. We obtained additional knowledge by reviewing individual district groundwater management plans and discussing the development of the plans with personnel from the Texas Water Development Board. We conducted on-site visits at selected districts to gain an understanding of district activities and to aid in our audit of certain objectives.

We selected the management plan objectives that we audited using the following criteria:

- Review at least one objective from each of a district's goals.
- Review at least 50 percent of a district's total objectives.
- Review objectives that districts spent a significant amount of time performing.
- Review objectives of greatest importance to the district (as identified by district staff or management).

Our statutory compliance review included reviewing eight selected requirements from Texas Water Code, Chapter 36. These requirements focused on areas such as joint planning, annual financial audit, other financial, annual budget, rules, notices and minutes, board meetings, and policies and procedures.

Information sources:

- Texas Water Code and other statutes
- District management plans, annual reports, rules and bylaws
- District websites
- Interviews with district managers, staff, and directors
- Interviews with Water Development Board staff
- Interviews with Natural Resource Conservation Commission staff
- Legislative report on groundwater districts and priority management areas
- Observations of district office and field activities

Procedures and tests conducted:

- Comparison of district activities to written management plan objectives
- Analysis of district budgets and financial statements
- Review of rules and policies for compliance with statutory requirements
- Test of district databases to consider reliability of data obtained and reported
- Mapping of information flows for selected district automation reviews

Criteria used:

- District unique management plan objectives
- Statutory requirements in Texas Water Code, Chapter 36
- Budget information
- Information from financial analyses
- Board meeting information
- Groundwater management joint planning information
- District rules
- District policies and procedures

Statement of Compliance with Auditing Standards

We conducted fieldwork from March 2001 through July 2001. The audit was conducted in accordance with generally accepted government auditing standards.

Texas Water Code, Section 36.302, requires the State Auditor's Office to audit district achievement of the objectives in district management plans.

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

- Anthony Patrick, MBA (Project Manager)
- Steve Wright (Assistant Project Manager)
- Michael Dean, MPAff
- Cheryl Munson
- Trent Nicol, MAcc
- Jenay Oliphant
- Rick Rupert, MPA
- Sherry Sewell
- Rebecca Tatarski
- Charles P. Dunlap, Jr., CPA (Quality Control Reviewer)
- Julie Ivie, CIA (Audit Manager)
- Frank N. Vito, CPA (Audit Director)

Background Information

History of State Auditor's Office Groundwater Audits

Texas Water Code, Section 36.302, requires the State Auditor's Office (Office) to perform audits of groundwater conservation districts (districts). The Office is required to determine whether a district is operational based on a review of the district's performance under its unique groundwater management plan. The Office began auditing groundwater districts in fiscal year 1999 when it performed a pilot audit of the Gonzales County Underground Water Conservation District. This district was operational.

In fiscal year 2000, the Office audited nine more districts. These nine districts were the first to be reviewed under new guidelines established in the Texas Water Code. Two of these nine districts were not operational under their management plans; another district's operational status could not be determined. The other six districts were making a good-faith effort to implement their groundwater management plans. The Office reported the two districts that were not operational and the one district whose operational status could not be determined to the Natural Resource Conservation Commission (Commission). It is the Commission's responsibility to take actions it deems necessary to bring the districts into operational status. The three districts the Office reported to the Commission have cooperated with the Commission and have submitted most of the documents required to become operational under their management plans. These districts are subject to another audit within five years after their initial audit.

In fiscal year 2001, the Office audited 13 more districts, bringing the total number of districts audited to 23. The Office has now completed audits of 26 percent of all the districts in the state (see Appendix 4 for maps showing groundwater districts and related audit coverage).

The 77th Legislature Created 35 New Groundwater Districts

The 77th Legislature created 35 new groundwater districts, including 13 temporary districts authorized by the 76th Legislature. There are now a total of 87 groundwater districts across the state.

Appendix 4 contains a map showing the locations of the newly created districts. The new districts will have to adopt groundwater management plans and submit them for certification of administrative completeness by the Water Development Board. One year after their plans become certified, these districts are subject to the Office's groundwater district audit. The Office has five years after a plan's certification to audit a district.

Attributes of Audited Districts

Summary of Attributes of Audited Districts					
Attributes	Collingsworth	Dallam	Edwards Aquifer Authority	Evergreen	Fox Crossing
Date of Creation	August 26, 1985	December 22, 1953	August 30, 1993	August 30, 1965	June 14, 1985
Date of Plan Certification	November 5, 1998	June 10, 1999	September 17, 1998	September 4, 1998	September 15, 1998
Size	Single county	Single county	8 counties or parts of counties	4 counties	Single county
Population	3,206	200 to 300	1,697,800	80,000	5,500
Annual Revenue (Fiscal Year 2000)	\$140	\$8,561	\$7,398,931	\$589,069	\$7,500
Method of Funding	Permit fees	Taxes and interest from a certificate of deposit	Aquifer management fees	Ad valorem taxes	Funds allocated by the county
Tax Rate (per \$100 valuation)	None	\$0.012416	None	\$0.0173	None
Staff Size	2 full-time positions	1 part-time position	30 full-time positions	3 full-time positions	None
Aquifers Under Jurisdiction	Major: Seymour Minor: Blaine	Major: Ogallala	Major: Edwards	Major: Carrizo-Wilcox Minor: Queen City, Sparta, and Younger	Major: Trinity Minor: Hickory, Ellenberger-San Saba
Other Water Authorities in the Geographic Area	None	None	Guadalupe-Blanco San Antonio, Nueces River Authorities, Bexar Water District, Plum Creek Conservation District, Medina Groundwater Conservation District, Uvalde Groundwater Conservation District	Nueces and San Antonio River Authorities	None, the City of Goldthwaite has a municipal water supply
District's Main Areas of Concern (Self-Reported)	Water Conservation	Pollution, conservation, and encouraging landowners to install chemical valves on pumps	Water quantity and quality	Mining of the Carrizo Aquifer, primarily in Frio County	Surface water quantity
Main Activities of the District (Most time consuming as reported by district)	Permitting and well monitoring	Staying abreast of legislation affecting water issues	Permitting and research	Permitting, well measurements, pump tests, and water sampling	Coordinating with other entities to develop adequate sources of surface water

Summary of Attributes of Audited Districts				
Attributes	Hickory	Hill Country	Medina	North Plains
Date of Creation	June 9, 1982	August 31, 1987	April 12, 1991	December 9, 1954
Date of Plan Certification	August 24, 1998	August 24, 1998	August 14, 1998	August 18, 1998
Size	Parts of 6 counties	Single county	Single county	4 full and 4 partial counties
Population	15,000 to 20,000	22,000	35,894	75,000 to 80,000
Annual Revenue (Fiscal Year 2000)	\$184,000	\$130,893	\$93,555	\$949,375
Method of Funding	Ad valorem taxes	Ad valorem taxes and well permit and registration fees	Tax revenue and agricultural loan	Taxes
Tax Rate (per \$100 valuation)	\$0.039	\$0.0109	\$0.0039	\$0.02607
Staff Size	3 full-time positions	2 full-time positions	1 full-time position	8 full-time positions and 1 contractor
Aquifers Under Jurisdiction	Minor: Hickory, Ellenburger-San Saba, and Marble Falls	Major: Edwards-Trinity, Hensell Minor: Ellenburger and Hickory	Major: Trinity, Carrizo-Wilcox Minor: Glen Rose, Anachochoa, and Leona Gravel	Major: Ogallala Minor: Dockum and Rita Blanca
Other Water Authorities in the Geographic Area	Lower Colorado River Authority	Lower Colorado and Guadalupe-Blanco River Authorities	Edwards Aquifer Authority, Bexar-Medina-Atascosa Counties Water Control and Improvement District No. 1	Palo Duro River Authority Water District
District's Main Areas of Concern (Self-Reported)	Water quality and quantity	Water quality and quantity, Longhorn pipeline	Data collection to gain more knowledge of district aquifers	Water conservation and efficient use of water
Main Activities of the District (Most time consuming as reported by district)	Water quality and quantity monitoring, educational and public information, irrigation and water management	Permitting, water monitoring and sample testing, and mapping	Data collection and permitting	Seasonal (usually field work testing of wells)

Summary of Attributes of Audited Districts				
Attributes	Real-Edwards	Saratoga	Springhills	Uvalde
Date of Creation	May 30, 1959	June 14, 1989	June 17, 1989	June 11, 1993
Date of Plan Certification	September 24, 1999	November 5, 1998	September 17, 1998	October 14, 1998
Size	2 counties	Single county	Single county	Single county
Population	A few thousand	16,500	17,400	23,340
Annual Revenue (Fiscal Year 2000)	None	No revenues, only county funding	\$184,409 ^a	\$145,549
Method of Funding	None	County budget	Tax revenue, well permit fees, septic system inspections, and interest income	Property taxes
Tax Rate (per \$100 valuation)	None	None	\$0.023505	\$0.0200
Staff Size	None	None	5 full-time positions	2 full-time positions
Aquifers Under Jurisdiction	Major: Edwards-Trinity Plateau and Trinity	Major: Trinity	Major: Trinity	Major: Trinity Minor: Leona Gravel, Buda Limestone, Anachochoa, Austin Chalk, and Glenrose formation
Other Water Authorities in the Geographic Area	None	Brazos River Authority	Bandera River Authority	Edwards Aquifer Authority and Neuces River Authority
District's Main Areas of Concern (Self-Reported)	Ranchers that want a say in groundwater protection	Well permits, water exports, brush control, and how to proceed as a district	Groundwater preservation and gaining an understanding of the available water in the area	Water conservation, protection of property rights, aquifer levels, and well registration
Main Activities of the District (Most time consuming as reported by district)	Board meetings	Supporting the monitoring of Sulphur Creek	Water quality monitoring and septic system testing	Permitting and inspecting well sites
^a Information obtained from the District's reported actual revenues for 1999.				

Appendix 4:
Related Maps

Confirmed Groundwater Conservation Districts

- 1. Anderson County UWCD
- 2. Barton Springs/Edwards Aquifer CD
- 3. Bee GCD
- 4. Bexar Metropolitan Water District
- 5. Blanco Pedernales GCD
- 6. Clearwater UWCD
- 7. Coke County UWCD
- 8. Collingworth County UWCD
- 9. Culberson County GCD
- 10. Dallam County UWCD No. 1
- 11. Edwards Aquifer Authority
- 12. Emerald UWCD
- 13. Evergreen UWCD
- 14. Fort Bend Subsidence District
- 15. Fox Crossing Water District
- 16. Garza County Underground and Fresh WCD
- 17. Glasscock County UWCD
- 18. Gonzales County UWCD
- 19. Guadalupe County GCD
- 20. Harris Galveston Coastal Subsidence District
- 21. Rolling Plains GCD **
- 22. Headwaters UWCD
- 23. Hemphill County UWCD
- 24. Hickory UWCD No. 1
- 25. High Plains UWCD No.1
- 26. Hill Country UWCD
- 27. Hudspeth County UWCD No. 1
- 28. Iron County WCD
- 29. Jeff Davis County UWCD
- 30. Lipan Kickapoo WCD
- 31. Live Oak UWCD
- 32. Llano Estacado UWCD
- 33. Medina County GCD
- 34. Menard County UWCD
- 35. Mesa UWCD
- 36. North Plains GCD
- 37. Panhandle GCD
- 38. Permian Basin UWCD
- 39. Plateau UWC and Supply District
- 40. Plum Creek CD
- 41. Presidio County UWCD
- 42. Real Edwards C and R District
- 43. Salt Fork UWCD
- 44. Sandy Land UWCD
- 45. Santa Rita UWCD
- 46. Saratoga UWCD
- 47. South Plains UWCD
- 48. Springhills Water Management District
- 49. Sterling County UWCD
- 50. Sutton County UWCD
- 51. Uvalde County UWCD
- 52. Wintergarden GCD

** Originally Haskell No. 22 UWC* - Added Baylor County and changed name during 77th Legislative session.

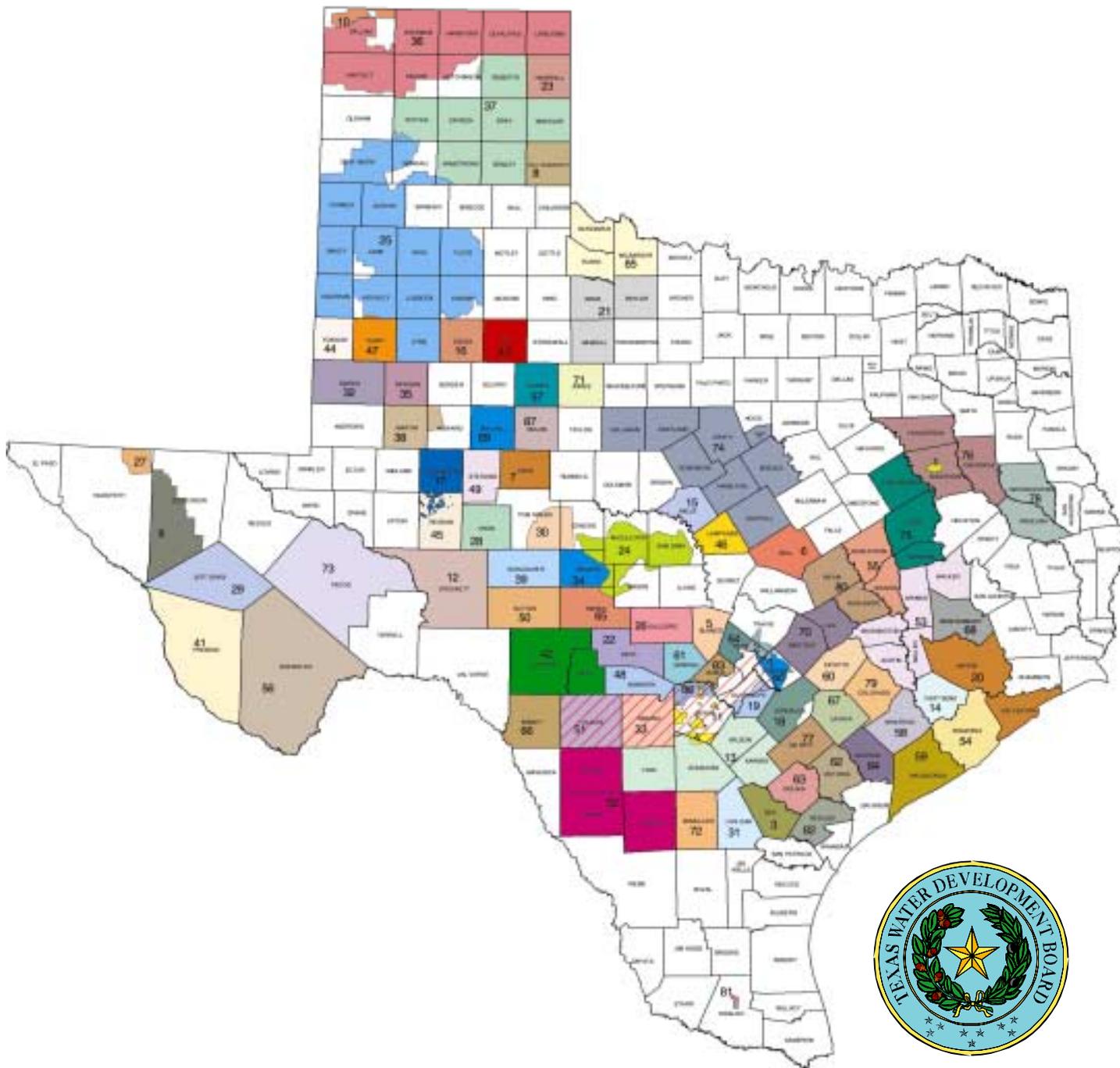
Note: This legend applies to the following maps.

Groundwater Conservation Districts Created by the 77th Texas Legislature

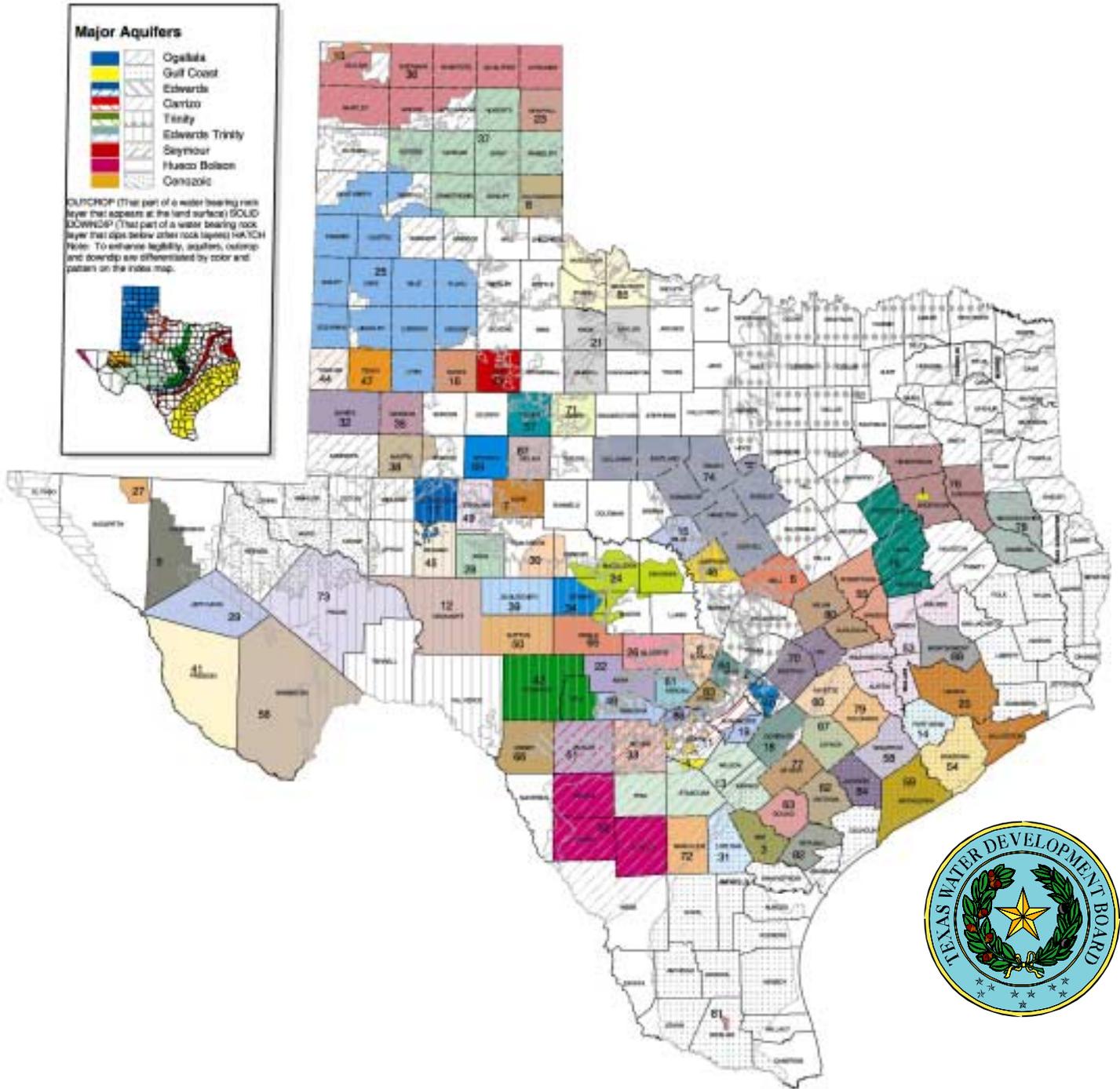
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|-------------------------|----------------------------------|----------------------------|
| 53. Bluebonnet GCD | 65. Kimble County GCD | 77. Pecon Valley GCD |
| 54. Brazoria County GCD | 66. Kinney County GCD | 78. Pineywoods GCD |
| 55. Brazos Valley GCD * | 67. Lavaca County GCD | 79. Post Oak GCD |
| 56. Brewster County GCD | 68. Lone Star GCD | 80. Post Oak Savannah GCD |
| 57. Clear Fork GCD | 69. Lone Wolf GCD* | 81. Red Sands GCD* |
| 58. Coastal Bend GCD | 70. Lost Pines GCD* | 82. Refugio GCD* |
| 59. Coastal Plains GCD | 71. Lower Seymour GCD | 83. Southeast Trinity GCD* |
| 60. Colorado Valley GCD | 72. McMullen GCD* | 84. Texas GCD* |
| 61. Cow Creek GCD* | 73. Middle Pecca GCD* | 85. Tri County GCD* |
| 62. Crossroads GCD* | 74. Middle Trinity GCD | 86. Trinity Glen Rose GCD |
| 63. Goliad County GCD | 75. Mid East Texas GCD | 87. Wes Tex GCD |
| 64. Hays Trinity GCD* | 76. Neches & Trinity Valleys GCD | |

* Authorized by the 76th Texas Legislature (SB 1911)

Confirmed and Newly Created Groundwater Conservation Districts



Confirmed and Newly Created Groundwater Conservation Districts with Major Aquifers



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Legislative Budget Board

Sunset Advisory Commission

Natural Resources Conservation Commission

Mr. Jeff Saitas, Executive Director

Parks and Wildlife Department

Mr. Andrew Sansom, Executive Director

Water Development Board

Mr. Craig Pedersen, Executive Administrator

Board members and managers of the following districts:

Collingsworth County Underground Water Conservation District
Dallam County Underground Water Conservation District No.1
Edwards Aquifer Authority
Evergreen Underground Water Conservation District
Fox Crossing Water District
Hickory Underground Water Conservation District No.1
Hill Country Underground Water Conservation District
Medina County Groundwater Conservation District
North Plains Groundwater Conservation District
Real-Edwards County Conservation and Reclamation Water District
Saratoga Underground Water Conservation District
Springhills Water Management District

| Uvalde County Underground Water Conservation District

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