Brazoria County Groundwater Conservation District

Groundwater Management Plan

2015 Annual Report

November 30, 2015

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Annual Report

2015

Groundwater Management Plan
Management Goals

Brazoria County Groundwater
Conservation District

Introduction

In accordance with the Brazoria County Groundwater Conservation District's ("District") Groundwater Management Plan (BCGCD, 2012), the General Manager of the District will prepare and submit an annual report (Annual Report) to the District Board of Directors. The Annual Report is to include an update on the District's performance in achieving the management goals contained in the Groundwater Management Plan. The general manager will present the Annual Report to the Board of Directors within ninety (90) days following the completion of the District's Fiscal Year (FY). A copy of the annual audit of District financial records will be included in the Annual Report. The District will maintain a copy of the Annual Report on file for public inspection at the District offices, upon adoption by the Board of Directors. Following is a discussion of the District's performance in achieving the management goals.

Management Goals

1. Providing the Most Efficient Use of Groundwater – 31 TAC § 356.52(a)(1)(A)

1.1. **<u>Objective</u> –** Each year, the District will require registration or permitting of all new wells within the boundaries of the District.

Performance Standard – The District has registered 424 exempt wells during FY 2015. Mappable exempt wells are shown in *Exhibit 1* of this document.

TYPE OF REGISTRATION	REGISTERED	PERCENT
Single Family Residence	371	87.5%
Agricultural	44	10.4%
Industrial / Other	9	2.1%
TOTALS	**424**	**100%**

Performance Standard – The District has permitted 59 additional wells during FY 2015. Permitted wells with recorded geographic data are also shown in *Exhibit 1* of this document.

1.2. **Objective –** Each year, the District will regulate the production of groundwater by maintaining a system of permitting the use and production of groundwater within the boundaries of the District in accordance with the District Rules.

Performance Standard – The District has accepted and processed applications for the permitted use of groundwater in the District in accordance with the permitting process established by the District Rules. A summary of the applications is presented below.

TYPE OF PERMIT	APPLICATIONS RECEIVED	PERMITS ISSUED	PERCENT
Commercial / Domestic	19	19	32%
Industrial	7	7	12%
Public Water Systems	12	12	20%
Other	21	21	36%
TOTALS	**59**	**59**	**100%**

2. Controlling and Preventing Waste of Groundwater – 31 TAC § 356.52(a)(1)(B)

2.1. **Objective –** Each year, the District will make an evaluation of the District Rules to determine whether any amendments are recommended to decrease the amount of waste of groundwater within the District.

Performance Standard – During FY 2015, the District engaged in a process of evaluation and revision of the District Rules with assistance from Mr. Greg Ellis, Attorney for the District. The proposed rules were published on the District's website and a public hearing was held on December 11, 2014. The proposed rules were adopted by the Board of Directors on December 11, 2014 and are available on the District website.

Amendments to the District Rules were made to clarify well exemption status, indicating that *"A registered well on private property that serves no more than four single-family dwellings on the same property or adjoining properties and that the groundwater is used only for domestic use is not required to be permitted if a second or replacement well for exempt use was drilled on the same property or any of the adjoining properties served by that well prior to July 22, 2014."*

2.2. Objective – Each year, the District will provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by including information on groundwater waste reduction on the District's website.

Performance Standard – The District website provides links to references regarding waste reduction and water conservation, including a brochure detailing indoor waste reduction and water conservation practices as shown in *Appendix A* of this report.

3. Controlling and Preventing Subsidence – 31 TAC § 356.52(a)(1)(C)

3.1. Objective – Each year, the District may participate in a joint conference with the neighboring Groundwater Conservation or Subsidence Districts focused on sharing information regarding subsidence and the control and prevention of subsidence through the regulation of groundwater.

Performance Standard – During FY 2015, the District continued its participation with surrounding Groundwater Conservation and Subsidence Districts as part of the efforts associated with Groundwater Management Area 14 (GMA 14).

Additionally, the District has partnered with Harris-Galveston Subsidence District (HGSD) to expand the regional subsidence monitoring network. At the District meeting on November 13, 2014, the Board of Directors approved an Interlocal Agreement with HGSD for the installation of seven Periodically Active Monitor

(PAM) sites in Brazoria Count for the purpose of gathering data on land elevations and subsidence. An amended Interlocal Agreement was approved by the Board of Directors at the District meeting on February 12, 2015. Subsequent to these meetings, the PAM sites were installed by HGSD and associated measurement equipment has been purchased. These PAM sites are anticipated to greatly increase the available information regarding subsidence in Brazoria County.

3.2. **Objective –** Each year, the District will provide one article on the District's website to educate the public on the subject of subsidence.

Performance Standard – The District website provides links to references on subsidence, including the information shown in *Appendix B* of this report.

4. Conjunctive Surface Water Management Issues – 31 TAC § 356.52(a)(1)(D)

4.1. **Objective –** Each year, the District will participate in the regional planning process by attending, as able, the Region H - Regional Water Planning Group meetings to encourage the development of surface water supplies to meet the needs of water user groups in the District.

Performance Standard – The District General Manager attended five of the six Region H Water Planning Group meetings held during FY 2015.

5. Drought Conditions – 31 TAC § 356.52(a)(1)(F)

5.1. **Objective –** Each month, the District will check for the periodic updates to the Drought Monitor (http://droughtmonitor.unl.edu/).

Performance Standard – Brazoria County experienced conditions ranging from normal to severe drought during FY 2015, with the majority of the year being within the normal rainfall range for much of the County. The District monitored the status of the drought conditions in the District and prepared regular briefings to the Board of Directors. Individual monthly drought maps are presented in *Appendix C*.

6. Conservation, Recharge Enhancement, Rainwater Harvesting, Precipitation Enhancement, or Brush Control Where Appropriate and Cost Effective – 31 TAC § 356.52(a)(1)(G)

6.1. **Objective** – Each year, the District will provide one article or a link to an article on the District's website regarding water conservation.

Performance Standard – The District website provides links to several references on water conservation practices and related topics, including a brochure detailing indoor waste reduction and water conservation practices as shown in *Appendix A* of this report.

6.2. **Objective** – Each year, the District will provide one article or a link to an article on the District's website regarding rainwater harvesting.

Performance Standard – The District website provides links to several references on rainwater harvesting, including the Texas Water Development Board's T*exas Manual on Rainwater Harvesting* and other summaries of common rainwater harvesting practices. One such article is included in *Appendix D* of this report.

7. Natural Resource Issues That Affect the Use and Availability of Groundwater or are affected by the Use of Groundwater - 31 TAC § 356.52(a)(1)(E)

7.1 **Objective** – Each year the District will query the Texas Railroad Commission database to determine if any new salt water or waste disposal injection wells have been permitted by the Texas Railroad Commission to operate within the District.

Performance Standard – The District has received data from the Texas Railroad Commission identifying the location of existing salt waste or waste disposal injection wells within the District. This data is attached in *Appendix E* and is mapped in *Exhibit 2* of this document. Based on the information provided, 23 new injection were identified in Brazoria County for FY 2015.

7.2 **Objective** – Each year, the District will evaluate available data regarding the aquifers of the District and the quality of groundwater within the District.

Performance Standard – Although the District does not currently maintain an independent groundwater quality monitoring network, the District does support and partially fund ongoing research efforts in Brazoria County by the United States Geological Survey (USGS). At the District meeting on November 13, 2014, the Board of Directors approved the 2015 Joint Funding Agreement with USGS for water resource investigation. At the District meeting on August 13, 2015, the USGS presented a report to the District regarding data collection in Brazoria County under the 2015 Joint Funding Agreement.

8. Addressing in a Quantitative Manner the desired Future Condition of the Groundwater Resources – 31 TAC § 356.52(a)(1)(H)

8.1 **Objective** – The District may undertake development of a more comprehensive well record database to facilitate District operations and achievement of management goals.

Performance Standard – The District has continued the process of development of a more comprehensive well record database initiated in FY 2013, and is now using the new database as the primary interface for storage and retrieval of permit and well data. Records and processes have been converted to the new system, and District staff are engaged in a process of data validation in conjunction with Freese and Nichols, Inc. The District is also currently engaged in the process of refining this system along with ESX Inc.

8.2 **Objective** – Each year, the District will evaluate available data regarding the aquifers of the District and the production of groundwater within the District, including consistency of aquifer levels with DFCs.

Performance Standard – Although the District does not currently maintain an independent groundwater level monitoring network, the District does support and partially fund ongoing research efforts in Brazoria County by the USGS. At the District meeting on November 13, 2014, the Board of Directors approved the

2015 Joint Funding Agreement with USGS for water resource investigation. At the District meeting on August 13, 2015, the USGS presented a report to the District regarding data collection in Brazoria County under the 2015 Joint Funding Agreement.

9. Annual Audit of District Financial Records

A copy of the 2014 annual audit of the District financial records is included as *Appendix F* of this report. The 2015 audit will be completed in early 2016 and will be included in next year's report.

References

Brazoria County Groundwater Conservation District (BCGCD), 2012. "Brazoria County Groundwater Conservation District Groundwater Management Plan." Adopted December 13, 2012.

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Exhibits

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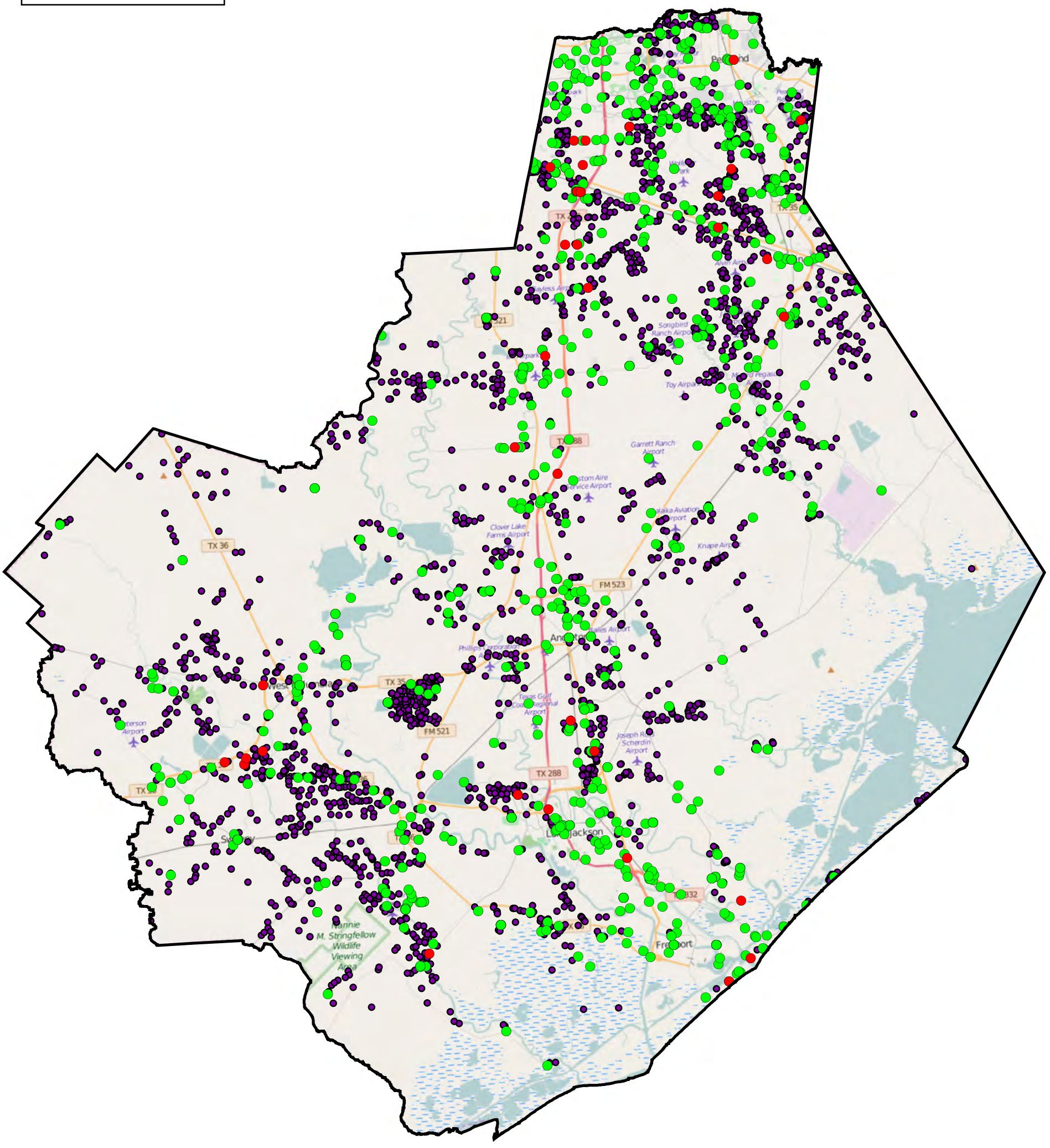
Legend

- New Permits
- Existing Permits
- Exempt Wells



0 5 10 15 20 Miles

Based on BCGCD Database as of 2015/10/23

Freese and Nichols

10497 Town and Countyr Way Suite 600
Houston, Texas 77024
713-600-6800

N W E S

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

FY 2015 Permit Wells and Documented Exempt Wells

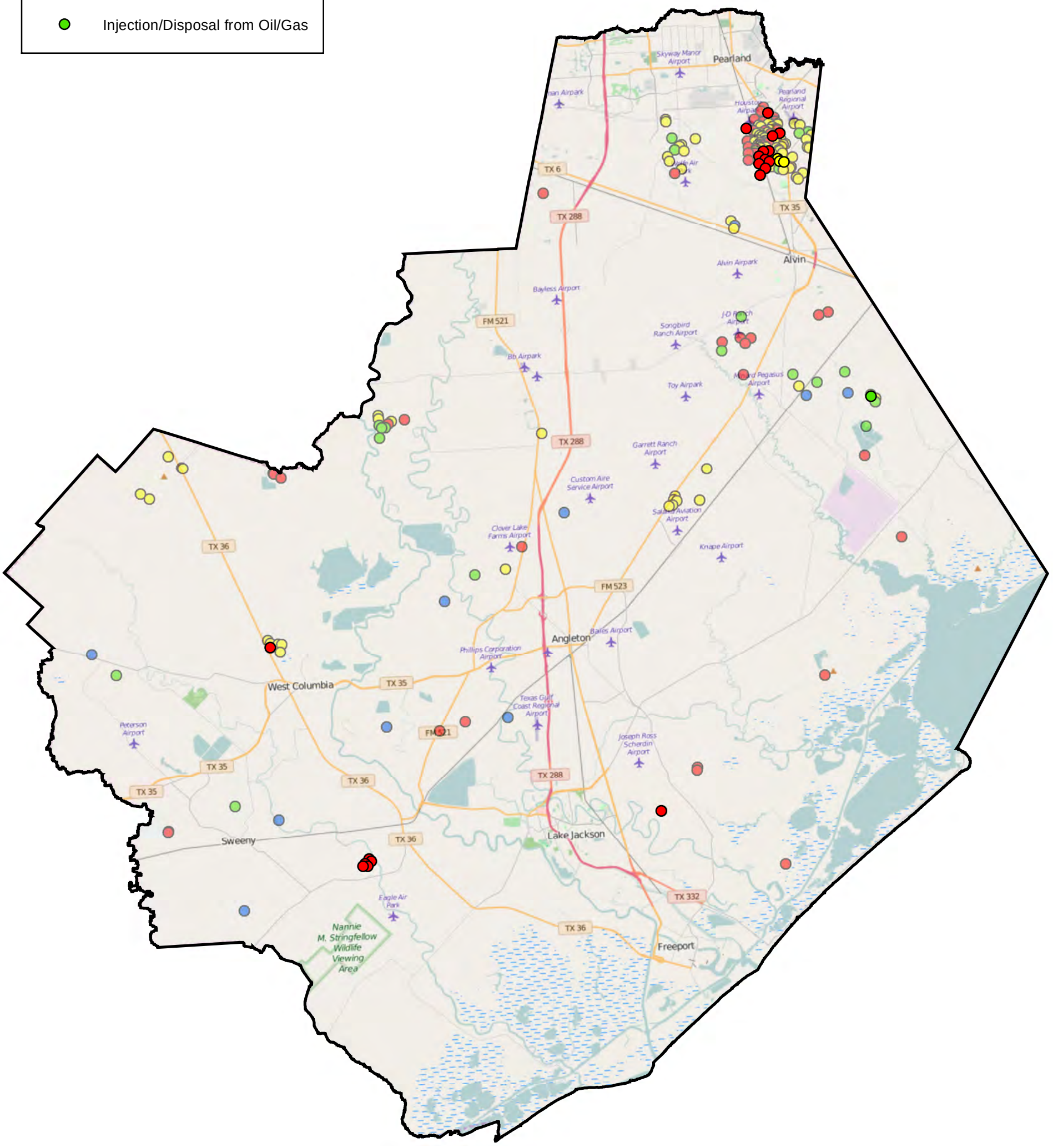
FN JOB NO	BZG15513
FILE	Exh_1_DistrictWells.mxd
DATE	November 2015
SCALE	1:320,000
DESIGNED	02164
DRAFTED	02164

1

Exhibit

Legend

- Injection/Disposal Well
- Injection/Disposal from Oil
- Injection/Disposal from Gas
- Injection/Disposal from Oil/Gas



0 5 10 15 20 Miles

Injection Wells - Bottom Well Locations
Texas Railroad Commission Data
Recieved November 2015
New wells shown in bold

Freese and Nichols
10497 Town and Countyr Way Suite 600
Houston, Texas 77024
713-600-6800

N W E S

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

Injection Wells

FN JOB NO	BZG15513
FILE	Exh_2_Injection.mxd
DATE	November 2015
SCALE	1:320,000
DESIGNED	02164
DRAFTED	02164

2

Exhibit

Appendix A
Public Information Provided by the District Regarding Reducing Waste

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PRACTICE GOOD WATER-USE HABITS

Kitchen

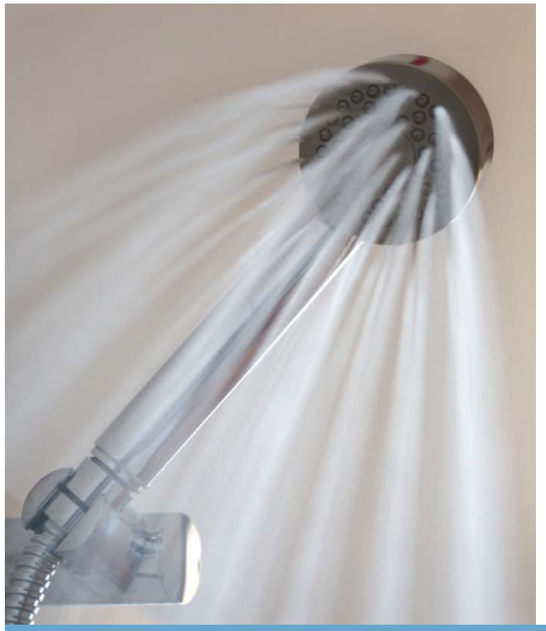
- Dry scrape dishes instead of rinsing them, and do not pre-rinse dishes if you are using the dishwasher.
- Run the dishwasher with a full load to save water, energy, detergent, and money.
- If your machine has a "quick wash" or "light duty" cycle setting, use it!
- Fill a basin or the sink with soapy water instead of letting the water run continuously when washing dishes by hand. Soak pans rather than scrubbing them while the water is running.
- Rinse produce in a pan of cold water instead of letting the water run.
- Transfer frozen foods to the refrigerator to defrost the night before you need them instead of letting water run over them.
- Keep a container of water in the refrigerator rather than running tap water until it is cool enough to drink.
- Limit the use of garbage disposals and consider composting.

Laundry room

- Wash only full loads.
- Match the load setting with the amount of laundry to be washed if you must wash partial loads.
- Use the shortest wash cycle for lightly soiled loads as it uses less water than other cycles.

Bathroom

- Use only as much water as you really need, and turn the water off when you aren't using it.
- Never use your toilet to dispose of trash.
- Run water just to wet and rinse the toothbrush instead of allowing the water to run while brushing your teeth. Apply the same idea when washing your hands.
- Take a short shower instead of a bath.
- Turn off the water while you are shampooing your hair.
- Find out what a "greywater system" can do and if it is right for your situation.



Texas Water Development Board
www.twdb.texas.gov

P.O. Box 13231
Austin, Texas 78711-3231

WATER IQ℠
Know your water.
www.wateriq.org

Visit the following website for additional information.
www.epa.gov/watersense

rev. 08/14

CONSERVING WATER INDOORS

YOU CAN EASILY SAVE WATER at home and at work through simple practices such as installing water-efficient fixtures and locating and eliminating leaks.

Water use in Texas averages 169 gallons per person per day. By adopting water-saving measures, you can reduce that amount and save money. Making a habit of conservation makes sense. It protects the water resources of both current and future Texans.

INSTALL WATER-EFFICIENT APPLIANCES AND FIXTURES

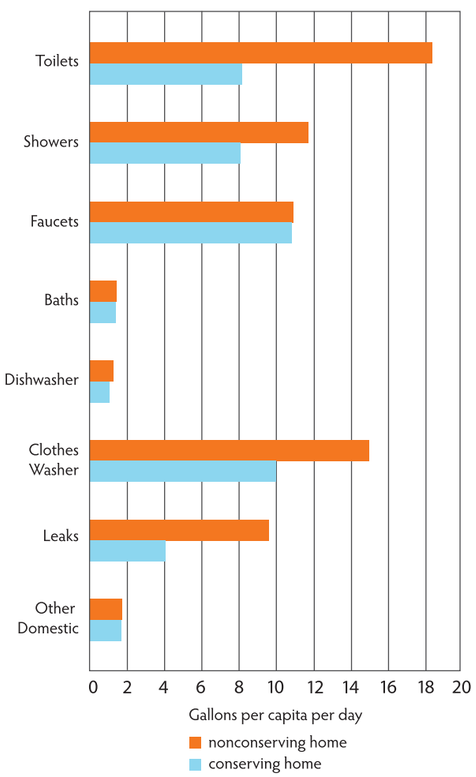
Toilets: Toilets are by far the main source of water use in the home, accounting for approximately 30 percent of indoor water use. They also happen to be a major source of leaks and/or inefficiency. Under state and federal law, toilets must not exceed 1.28 gallons per flush.

- Over the course of your lifetime, you will likely flush the toilet nearly 140,000 times. If you install a high-efficiency toilet, you can save 4,000 gallons per year.
- Many local utilities offer rebates to replace old toilets.
- A leaky toilet can waste 200 gallons of water per day, and it is estimated that nearly 20 percent of all toilets leak.
- Test toilets for leaks. Once in a while, take the top off your toilet tank and watch it flush. Do you notice any leaks? Yes? Replace the flapper or rubber washer. Don't forget about those less obvious leaks. Add a few drops of food coloring or a dye tablet to the water in the tank, but do not flush the toilet. If the coloring appears in the bowl within a few minutes, the toilet has a leak that needs to be repaired.
- Check toilet parts regularly. Replace worn parts with good quality parts as necessary, and retest to make sure the leak has been fixed.

Showers: Installing a water-efficient showerhead is one of the single most effective water-saving steps you can take inside your home.

Take shorter showers. A full bathtub can require up to 70 gallons of water versus a 5-minute shower that uses as little as 10 gallons.

Average indoor water use in conserving versus nonconserving single-family homes in North America



The average indoor use in a conserving North American single-family home is 45.2 gallons per capita per day, and in a nonconserving home it is 69.3 gallons per capita per day.

Source: Handbook of Water Use and Conservation, 2001.

Sinks: Install faucet aerators on sinks for a simple, cost-effective way to save water. Aerators are inexpensive and do not require special adapters. The faucet's efficiency can double without sacrificing performance.

Faucet leaks are usually caused by worn washers or "O" rings (for a washerless faucet). Note the faucet brand, and take the original part with you to a home improvement center for an easy and inexpensive solution.

Washing Machines: When buying a washer, look for a high-efficiency model that has adjustable water levels for different load sizes. High-efficiency washers use 35 to 55 percent less water and 50 percent less energy. They also require less detergent, rinse more thoroughly, are less abrasive on clothes, and can fit larger capacity loads in the same size drum.

Dishwashers: High-efficiency dishwashers use a maximum of 7 gallons per load, but some use as little as 2.1 gallons. Replacing an older model with a water-efficient model could cut dishwasher water use in half. Look for energy efficiency features to cut costs even more.

DON'T WAIT TO FIX LEAKS!

Leaks waste both water and energy and could account for 10 percent or more of your water bill.

Use your water meter to check for invisible leaks.

- Turn off all faucets and any water-using appliances.
- Read the dial on the water meter and record the numbers. (It is often located along the property line near the street.)
- Recheck the meter after 15 to 20 minutes.

If the numbers on the meter changed while no water was used, you have a leak! The services of a plumber or trained water utility employee are often required to locate and fix these invisible leaks.

Appendix B
Public Information Provided by the District Regarding Subsidence

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Measurement FAQ's

Why do we measure subsidence?

In the simplest terms, it keeps us from "flying blind". Groundwater can be a significant freshwater source, but it is increasingly important that we use it wisely. The harmful effects of pumping too much groundwater must be minimized, and measuring subsidence plays a key role in this. The more data we have, and the more accurate that data is, the easier it is for us to maintain a necessary balance.

Measurements not only provide us with data on changes in land elevation, but they also provide us with the data necessary to calibrate models. Why is this important? It allows us to "see" into the future. Through these sophisticated groundwater and subsidence models, we can predict the results of future groundwater pumpage. This means we can plan ahead…developing groundwater regulations that will prevent foreseeable subsidence.

How do we measure subsidence?

The need for data and the distribution of that data is key. As early as 1906, surveys were conducted throughout the Houston area to establish permanent benchmarks (some of which are still used today). Over the years, subsidence measurement methods have evolved from manual site measurement of benchmarks to satellite-based technology, and for the Subsidence Districts, the goal has always been the same: to monitor the effects of groundwater withdrawal within our area (s), and to take appropriate actions based on those measurements.

All land measurement systems have been developed and controlled by the National Geodetic Survey (part of the National Oceanic and Atmospheric Administration – NOAA). From the creation of the HGSD and FBSD to present-day, the NGS has been an integral partner…serving as counselor, setting standards, studying and housing data, and much more.

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Conventional Measurement Method

Also called "geodetic differential leveling", this initial form of measurement originally consisted of the establishment of permanent benchmarks. Included in these benchmarks were precise elevations, latitudes and longitudes for each point.

As the land surface began to subside due to groundwater withdrawal, the need to relevel benchmarks became necessary. Over the years, new benchmarks were added (for a total of more than 2,500) and "relevelings" were conducted in 1978, and again in 1987. And although this measurement method provided excellent spatial subsidence data, the cost of the releveling procedure for a single epoch prohibited us from accessing up-to-date data at a rate necessary to sufficiently monitor the sometimes monthly, weekly, or even daily effects of subsidence. It was time to take advantage of new technologies that could provide us with the same accuracy, yet allow us to constantly monitor subsidence in a cost-effective way. In 1987, in conjunction with the conventional releveling, an experimental GPS releveling was initiated.

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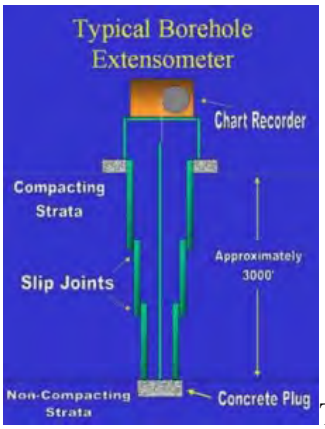
Borehole Extensometers



CONTACT

The first of thirteen (13) deep borehole extensometers (designed and installed by the United States Geological Survey – USGS – in the early 1960s) were used in preparation for the soon-to-be-built manned spacecraft center. Of the thirteen in operation today, six (6) of those are "subsidence" or "total depth" monitors (meaning their bottom is below the aquifers from which we draw water), and the other seven (7) are less than total depth, or "compaction" monitors.

What are they and how do they work? Borehole extensometers are deeply anchored benchmarks. To construct each, a hole is drilled to a depth at which the strata are stable. The hole is then lined with a steel casing with slip-joints to prevent crumpling as subsidence occurs. An inner pipe rests on a concrete plug at the bottom of the borehole and extends to the top. This inner pipe then transfers the stable elevation below to the surface. A measurement of the distance from the inner pipe to the surrounding land surface provides us with the amount of compaction that has occurred.

Although the accuracy of this measurement method is impressive, there is one drawback. The high cost to construct and install the equipment prohibits their use in sufficient numbers, resulting in a lack of adequate information for the entire Harris-Galveston and Fort Bend areas. And, as was stated in the overview, the sufficient amount of and wide distribution of data is extremely important. Over time, as technologies have evolved, we have moved toward more cost-efficient and equally accurate forms of measurement…but borehole extensometers are playing an important role in this new era. Three of our existing extensometers have been outfitted with GPS (Global Positioning System) antennas, and are now the only stable GPS points within the greater Houston area.

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GPS – Using Technology from the World Above To Monitor the Land Below

From feeds to our television sets to national security, the use of satellites has become almost commonplace, and our world of subsidence measurement is no different. In fact, we began working with GPS technology as far back as 1987, and the class-A benchmarks established for that very GPS releveling have proven to be the most valuable benchmarks in the Houston area.

So what do we gain from using GPS, and how does it differ from previous measurement methods? One of the most important advantages to GPS is the ability to have constant data. Using dual-frequency, full-wavelength GPS instruments (with geodetic antennas), data is collected at 30-second intervals and averaged over 24 hours. That means that specific stations being monitored can be assessed on a daily basis. And just as important, the measurements are more reliable and handled at a fraction of the cost. Improved GPS techniques and processing have reduced the cost of releveling from millions of dollars to less than $100,000, and the data provided is accurate to + or – one centimeter. Now that's progress!

Where are GPS measurements taken ? GPS measurements are taken using a system of CORS and PAM's. Sounds complicated, but it's really quite simple. Because of the broad extent of subsidence in the Houston-Galveston area, there were no stable benchmarks. Therefore, stable borehole extensometers were equipped with GPS antennas to provide a reference frame to measure subsidence at other stations throughout the area. These permanent stations are known as local GPS Continuously Operating Reference Stations, or CORS. In the mid 1990s, the District and NGS began developing the use of GPS Port-A-Measure, or PAM's., to provide subsidence measurements.

Seven, portable trailers were built to house and secure GPS receivers and associated equipment (batteries, recording equipment and solar panels). The trailers are moved weekly to different PAM stations where they record Phase data every 30 seconds, allowing for a week's worth of observations on each PAM, every month. The District also operates four (4) permanent CORS, which provide Phase data continuously, providing a basis from which change comparisons may be made and analyzed.

In addition to the points operated by the District, there are a number of additional CORS and Cooperative CORS which can also be used for monitoring purposes. They include:

- Eight (8) CORS operated by TXDOT
- Seven (7) CORS operated by the City of Houston
- A CORS in Angleton operated by the U.S. Coast Guard
- A WAAS (Wide Area Augmentation System) CORS in Houston operated by the FAA
- Six (6) other Cooperative CORS throughout the area

All additional CORS are relatively new and will require several months before they can be reliably used for monitoring.

Historical comparisons between the existing CORS and PAM's. have indicated that some sites are subsiding at rates of seven (7) centimeters per year. This correlates well with rates observed at the Extensometers.

The District plans to double the number of PAM's. from twenty-eight (28) to fifty-six (56), and this will be accomplished without an increase in personnel, equipment and overhead costs. Improvements in GPS equipment have recently eliminated the need for the seven trailers, and they will be phased out in the near future. The expansion of the monitoring network will not only permit a more comprehensive view of what is occurring in Houston and the surrounding areas, but will also serve as a future model for other localities facing similar problems.

With the equipment and technologies available, we're confident we can continue to accomplish our goal of curtailing, and eventually eliminating subsidence.

CONTACT

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Measuring Subsidence in the Future

The Evolution of GPS

In the GPS arena, a new Civil Frequency (L5) is in the planning stages for future satellites. Although not scheduled to be deployed for five years, this advancement will greatly increase the accuracy of GPS and decrease the time required for high-accuracy applications. High-accuracy positioning on moving platforms (auto, plane, boat) will be possible in real time, without the need to post process data through a computer to obtain solutions.

Also, the former Soviet Union and European Space Agencies will launch their own Global Satellite Navigation Systems which can be integrated with our current GPS system. As the number of space vehicles (satellites) increase, so to will the accuracies that can be obtained.

Evolving Technologies

LIDAR (Light Detection and Ranging) and INSAR (Interferometric Synthetic Aperture Radar): these and other interferometric imaging techniques will play a major role in future subsidence detection and tracking as sensors and science improve.

Pulsars and Quasars and Stars

In the not-so-distant future, as technology is developed to efficiently and affordably manufacture powerful semiconductors, GPS will likely be replaced by a system which will use stars, Pulsars, Quasars and more as a signal source. This futuristic navigation system will be more precise than GPS and will be available on a galactic scale!

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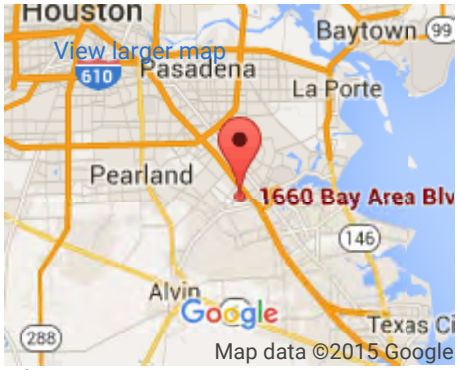
Contact HGSD

Harris-Galveston Subsidence District
1660 West Bay Area Blvd
Friendswood, TX 77546-2640
Voice : (281) 486-1105
Fax: (281) 218-3700

Office Hours

Monday – Friday
8:00 AM – 5:00 PM
Closed on State Holidays.

Google Map to HGSD



View Larger Map

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Appendix C
U.S. Drought Monitor
Monthly Summaries

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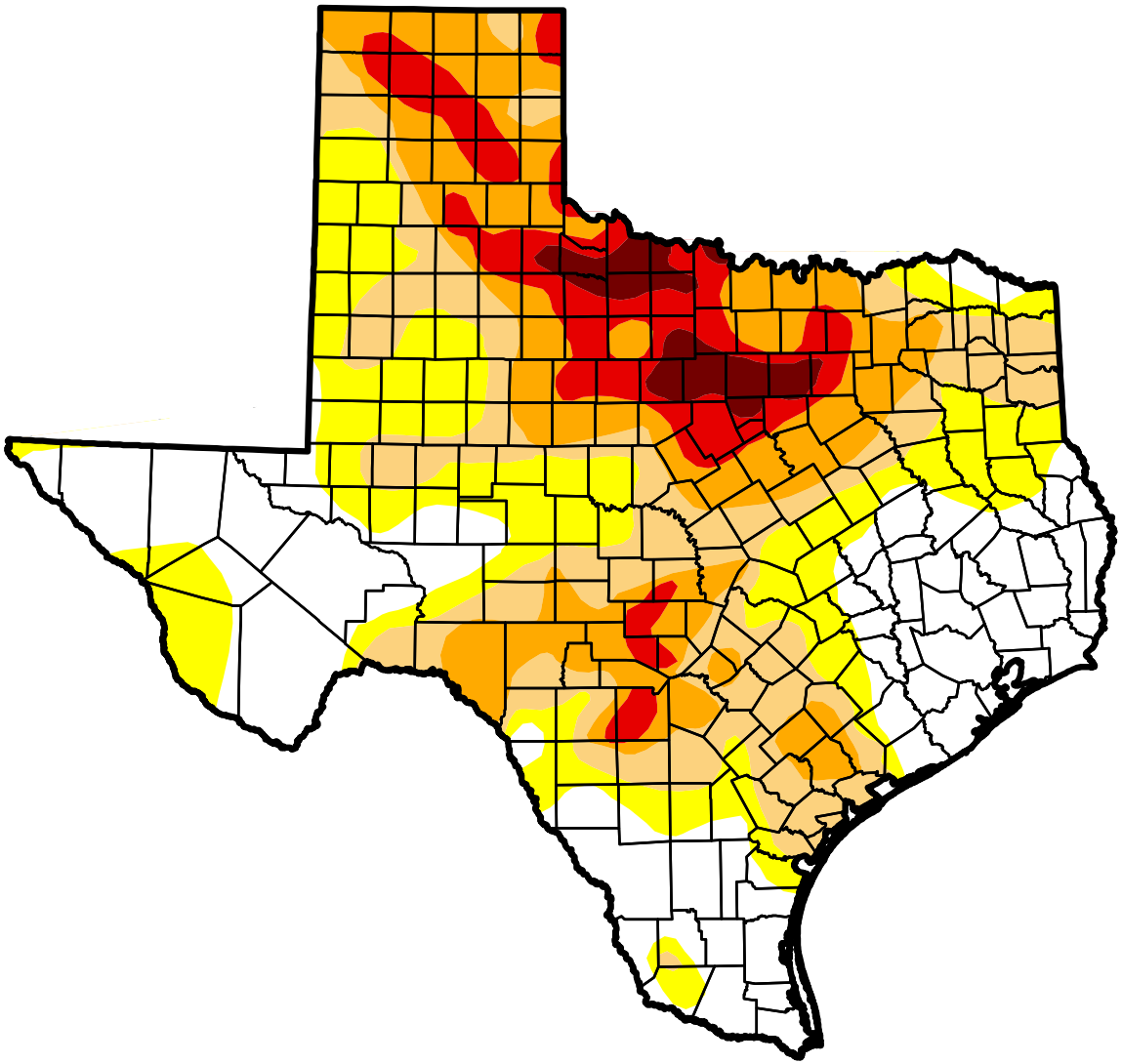
U.S. Drought Monitor

Texas



September 30, 2014

(Released Thursday, Oct. 2, 2014)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	28.92	71.08	48.95	29.54	11.26	2.69
Last Week *9/23/2014*	24.37	75.63	52.18	28.54	11.39	1.79
3 Months Ago *7/1/2014*	12.86	87.14	60.44	36.99	18.51	4.76
Start of Calendar Year *12/31/2013*	28.48	71.52	43.84	21.15	5.82	0.79
Start of Water Year *10/1/2013*	6.62	93.38	70.95	25.08	4.01	0.12
One Year Ago *10/1/2013*	6.62	93.38	70.95	25.08	4.01	0.12

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

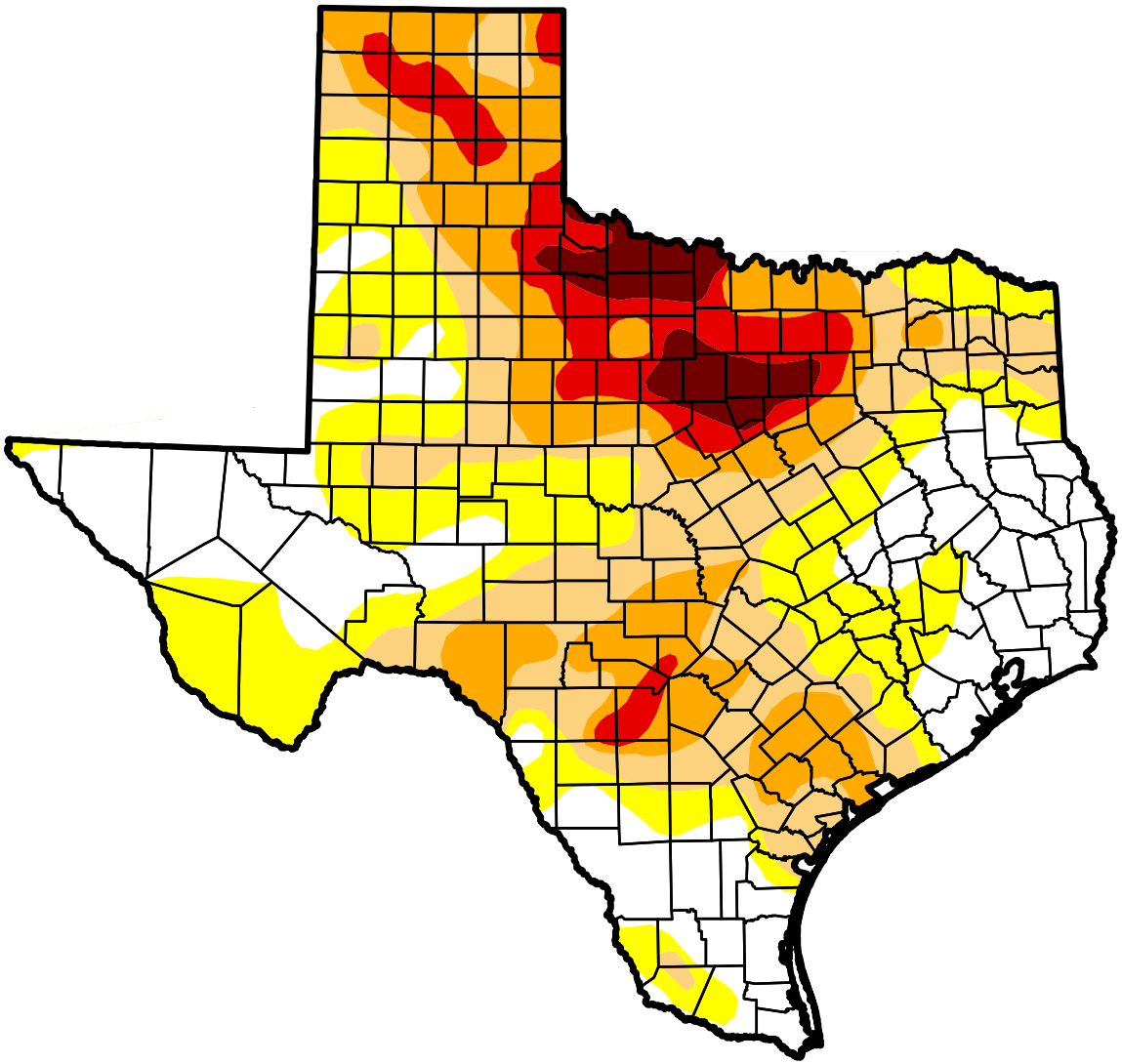
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Richard Heim
NCDC/NOAA

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



November 4, 2014

(Released Thursday, Nov. 6, 2014)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	26.33	73.67	48.48	28.39	10.81	3.62
Last Week *10/28/2014*	24.84	75.16	49.20	27.86	11.90	3.62
3 Months Ago *8/5/2014*	17.20	82.80	56.88	35.52	13.67	2.85
Start of Calendar Year *12/31/2013*	28.48	71.52	43.84	21.15	5.82	0.79
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *11/5/2013*	20.07	79.93	50.49	23.61	5.43	0.49

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

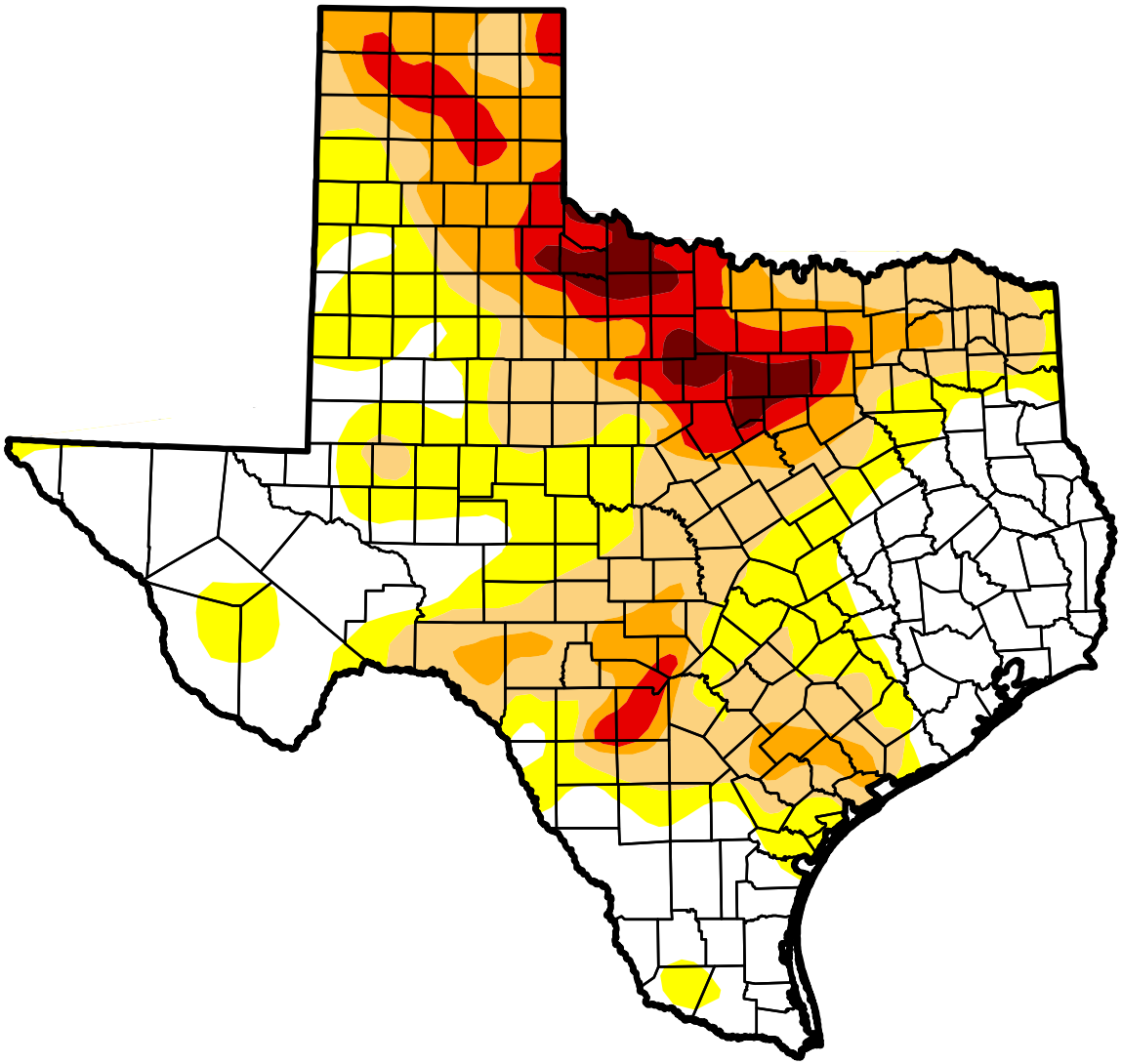
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Matthew Rosencrans
CPC/NCEP/NWS/NOAA

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



December 2, 2014

(Released Thursday, Dec. 4, 2014)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	34.05	65.95	43.29	22.05	9.50	2.57
Last Week *11/25/2014*	34.11	65.89	42.56	22.05	9.50	2.57
3 Months Ago *9/2/2014*	13.26	86.74	61.39	37.92	16.18	2.76
Start of Calendar Year *12/31/2013*	28.48	71.52	43.84	21.15	5.82	0.79
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *12/3/2013*	24.58	75.42	47.39	21.29	5.84	0.96

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

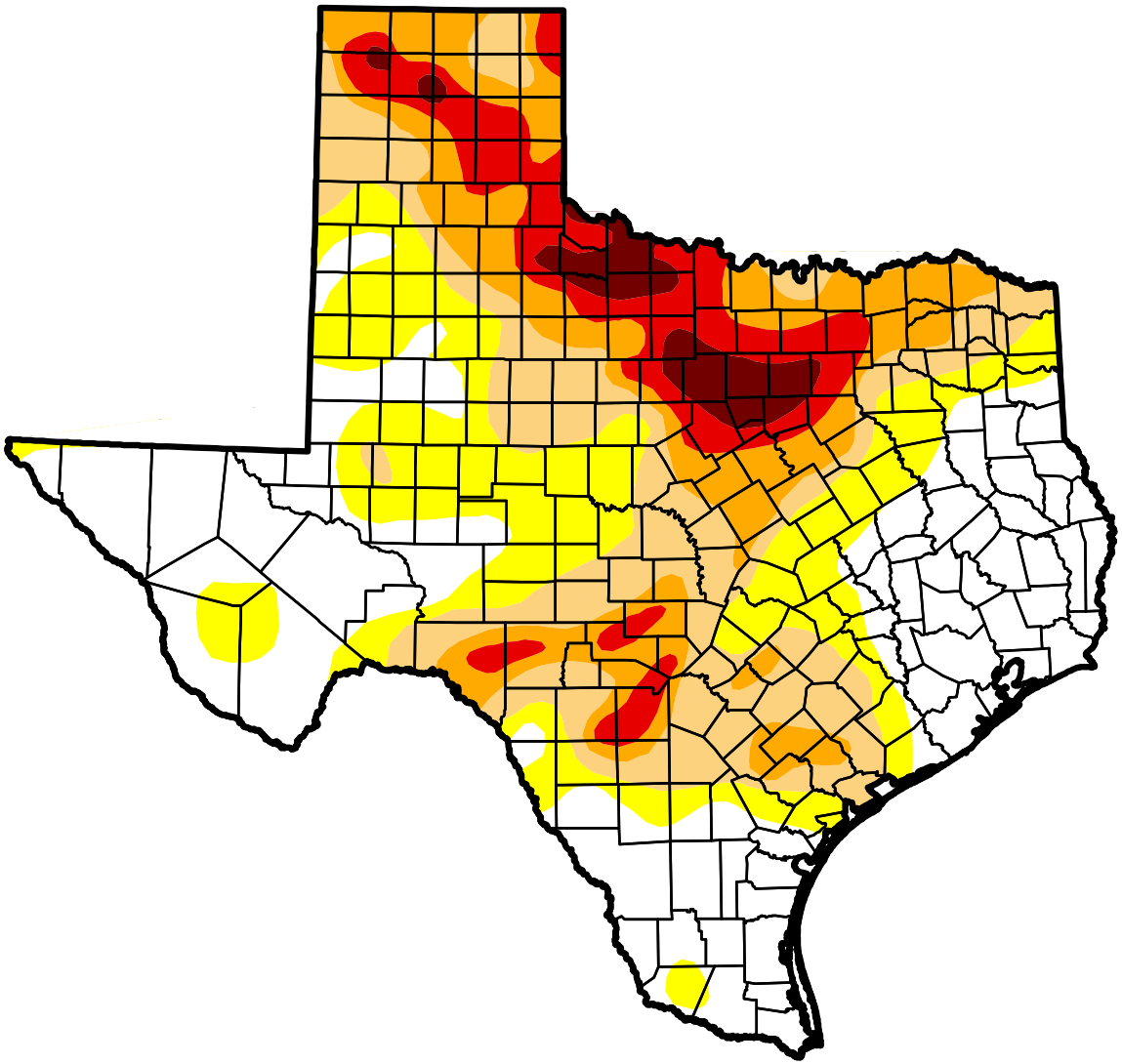
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Anthony Artusa
NOAA/NWS/NCEP/CPC

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



December 30, 2014

(Released Wednesday, Dec. 31, 2014)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	34.37	65.63	44.68	25.73	11.70	3.17
Last Week *12/23/2014*	34.32	65.68	43.42	23.35	10.36	2.97
3 Months Ago *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
Start of Calendar Year *12/31/2013*	28.48	71.52	43.84	21.15	5.82	0.79
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *12/31/2013*	28.48	71.52	43.84	21.15	5.82	0.79

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

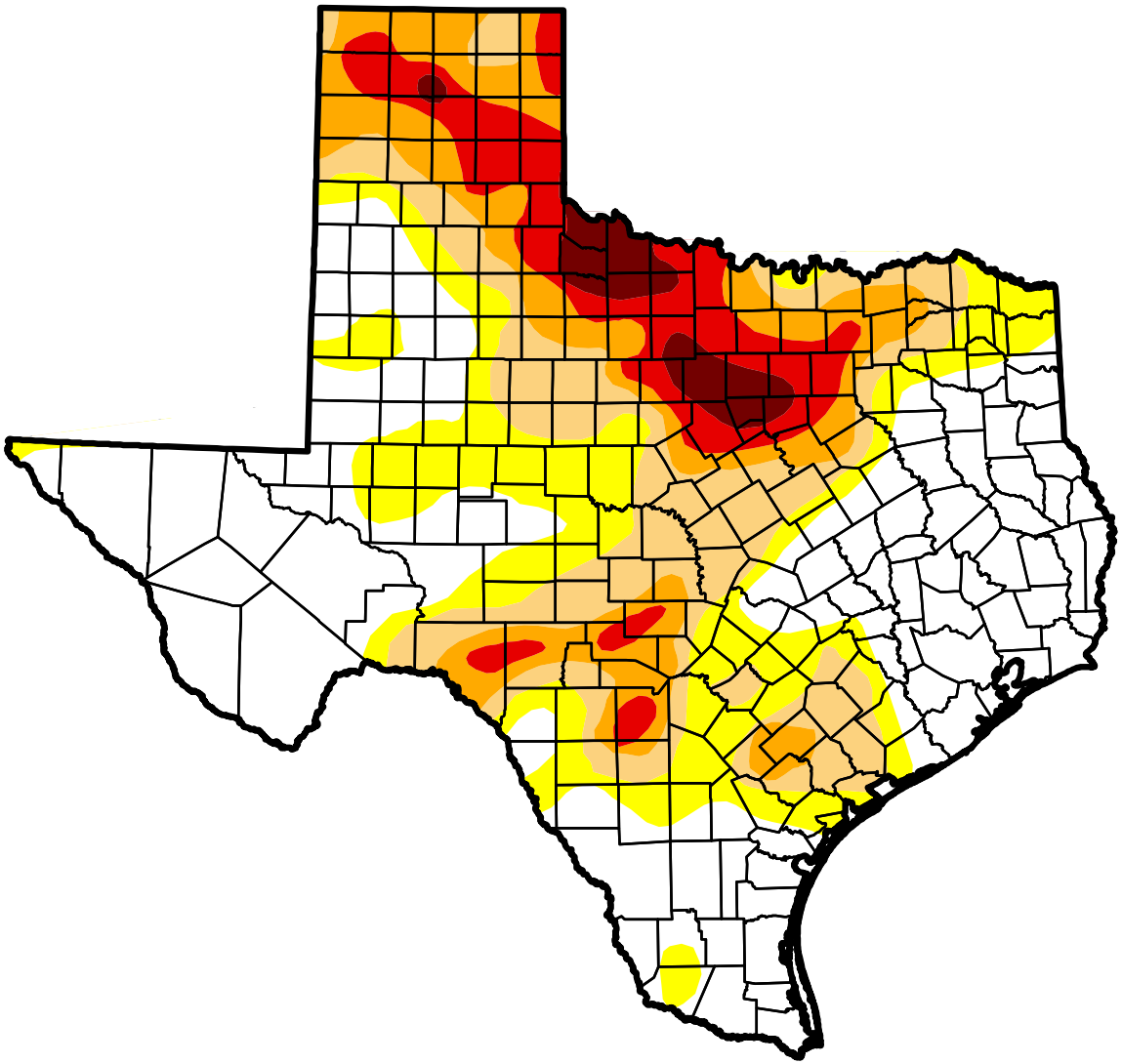
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brad Rippey
U.S. Department of Agriculture

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



February 3, 2015

(Released Thursday, Feb. 5, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	43.52	56.48	38.57	22.76	11.24	2.82
Last Week *1/27/2015*	41.42	58.58	39.22	23.93	11.24	3.05
3 Months Ago *11/4/2014*	26.33	73.67	48.48	28.39	10.81	3.62
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *2/4/2014*	14.95	85.05	51.68	22.34	7.95	0.71

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

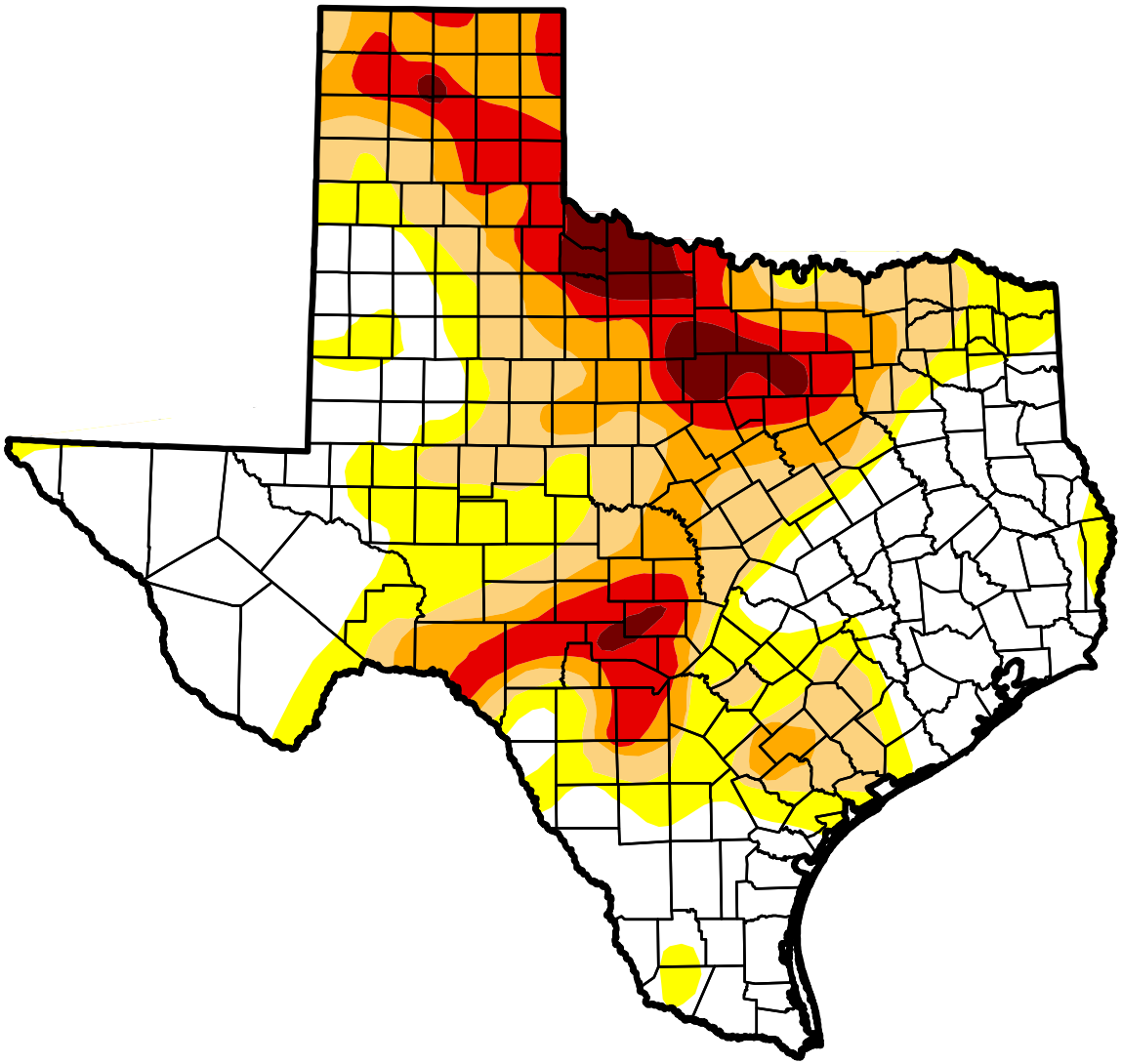
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



March 3, 2015

(Released Thursday, Mar. 5, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	38.78	61.22	43.02	26.89	13.29	3.37
Last Week *2/24/2015*	38.35	61.65	43.39	27.86	14.34	4.46
3 Months Ago *12/2/2014*	34.05	65.95	43.29	22.05	9.50	2.57
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *3/4/2014*	8.95	91.05	67.15	31.38	8.52	1.07

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
David Simeral
Western Regional Climate Center

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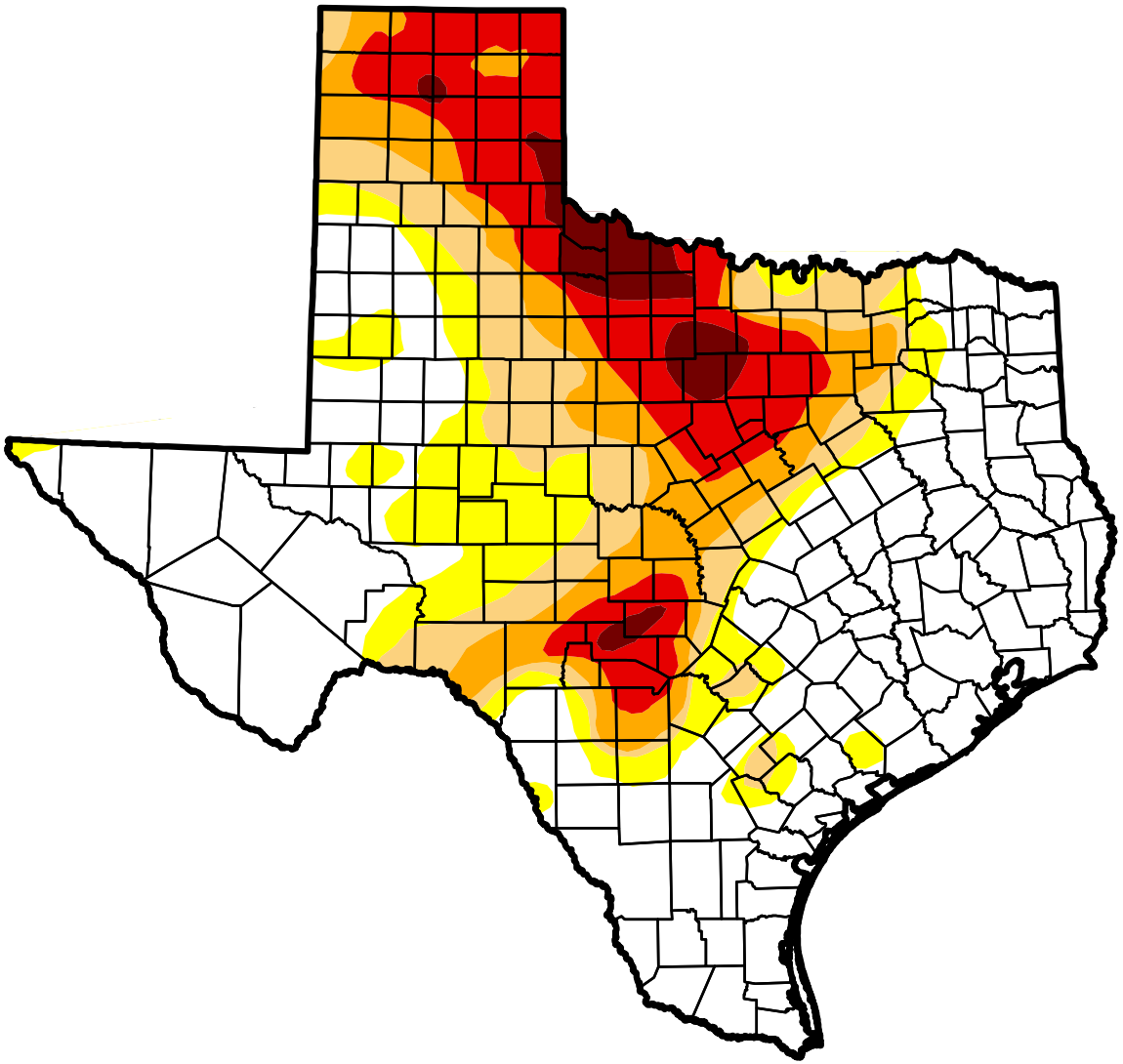
U.S. Drought Monitor

Texas



March 31, 2015

(Released Thursday, Apr. 2, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	50.74	49.26	36.62	25.44	15.10	3.31
Last Week *3/24/2015*	49.50	50.50	36.35	24.92	13.67	3.31
3 Months Ago *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *4/1/2014*	15.40	84.60	66.80	42.06	27.36	4.42

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
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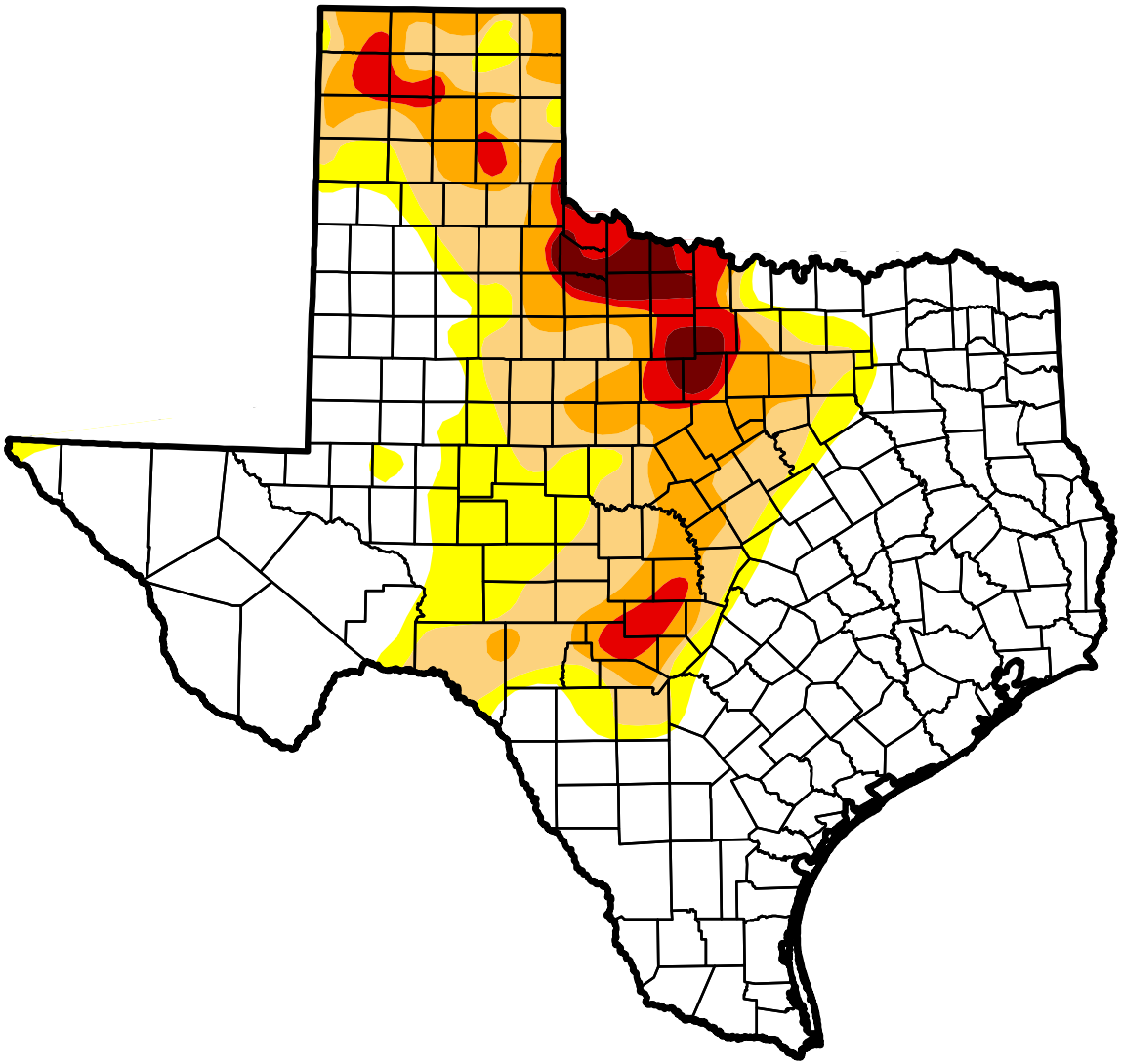
U.S. Department of Agriculture

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



May 5, 2015

(Released Thursday, May. 7, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	59.68	40.32	29.55	15.50	5.48	1.86
Last Week *4/28/2015*	58.89	41.11	30.71	15.83	5.57	2.02
3 Months Ago *2/3/2015*	43.52	56.48	38.57	22.76	11.24	2.82
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *5/6/2014*	5.11	94.89	83.35	65.13	46.17	21.28

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

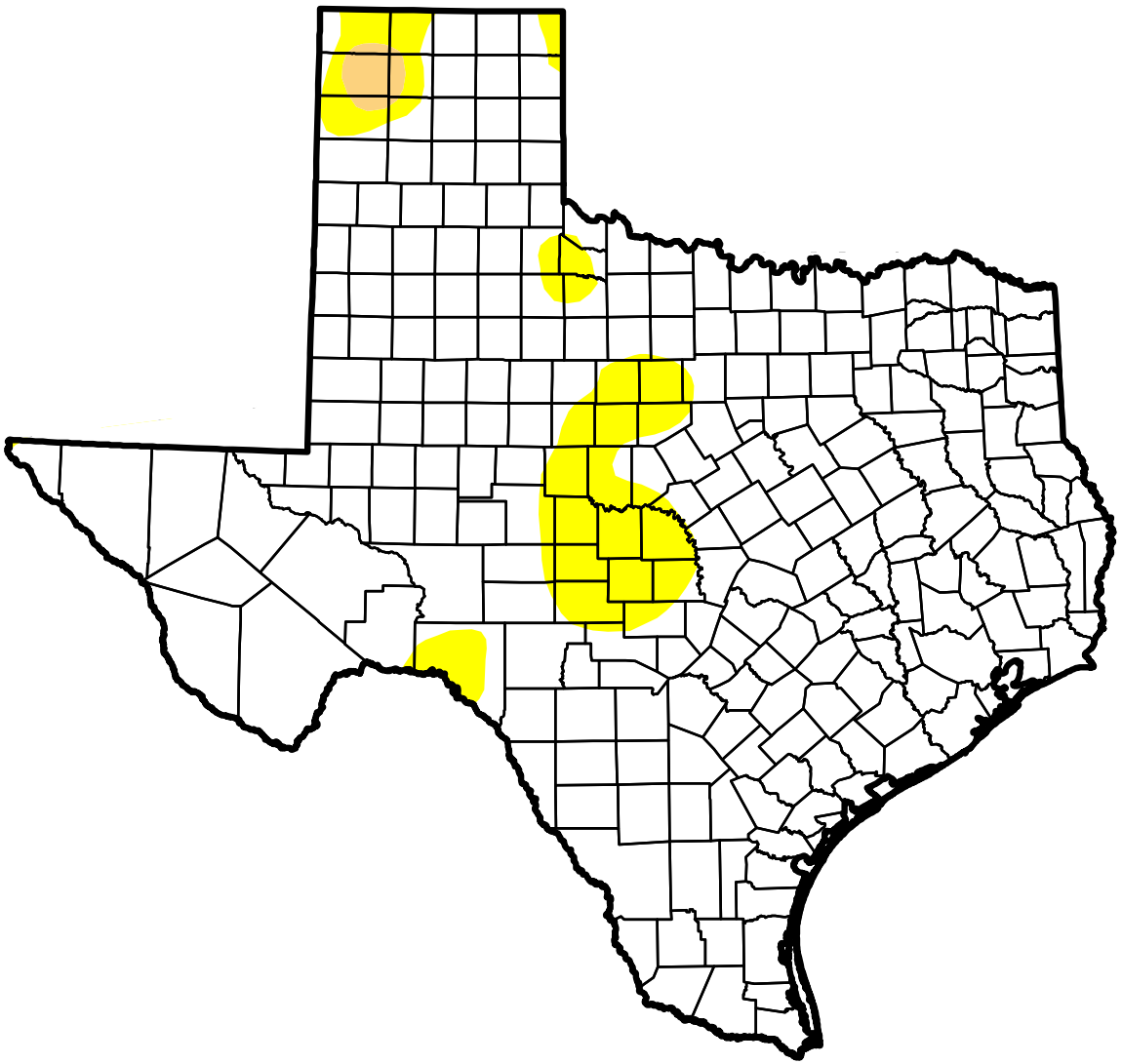
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Mark Svoboda
National Drought Mitigation Center

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



June 2, 2015

(Released Thursday, Jun. 4, 2015)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	90.82	9.18	0.64	0.00	0.00	0.00
Last Week *5/26/2015*	82.11	17.89	5.40	0.00	0.00	0.00
3 Months Ago *3/3/2015*	38.78	61.22	43.02	26.89	13.29	3.37
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *6/3/2014*	8.65	91.35	68.20	46.31	27.01	8.66

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
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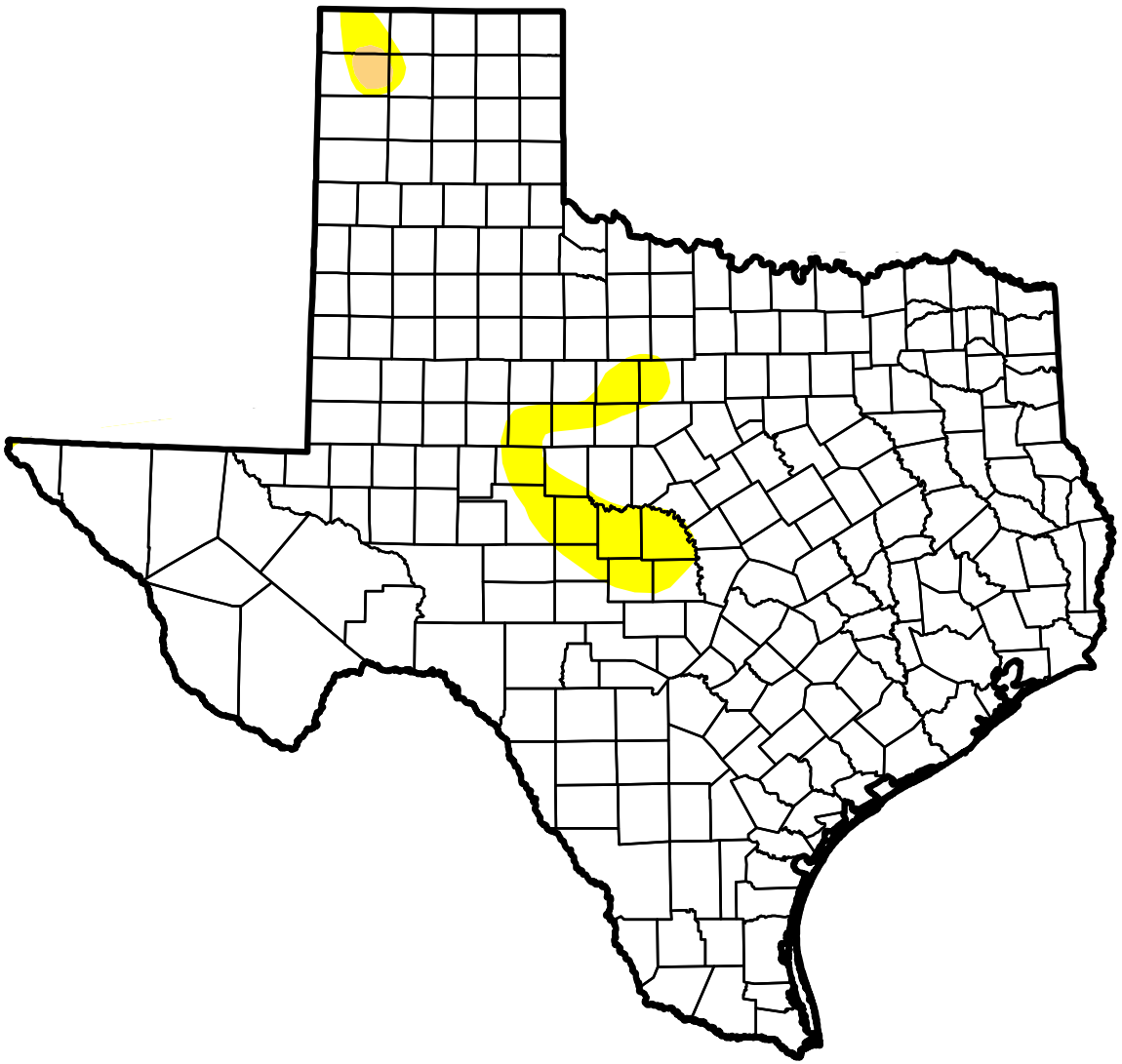
NOAA/NWS/NCEP/CPC

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



June 30, 2015

(Released Thursday, Jul. 2, 2015)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	95.37	4.63	0.25	0.00	0.00	0.00
Last Week *6/23/2015*	95.37	4.63	0.25	0.00	0.00	0.00
3 Months Ago *3/31/2015*	50.74	49.26	36.62	25.44	15.10	3.31
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *7/1/2014*	12.86	87.14	60.44	36.99	18.51	4.76

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

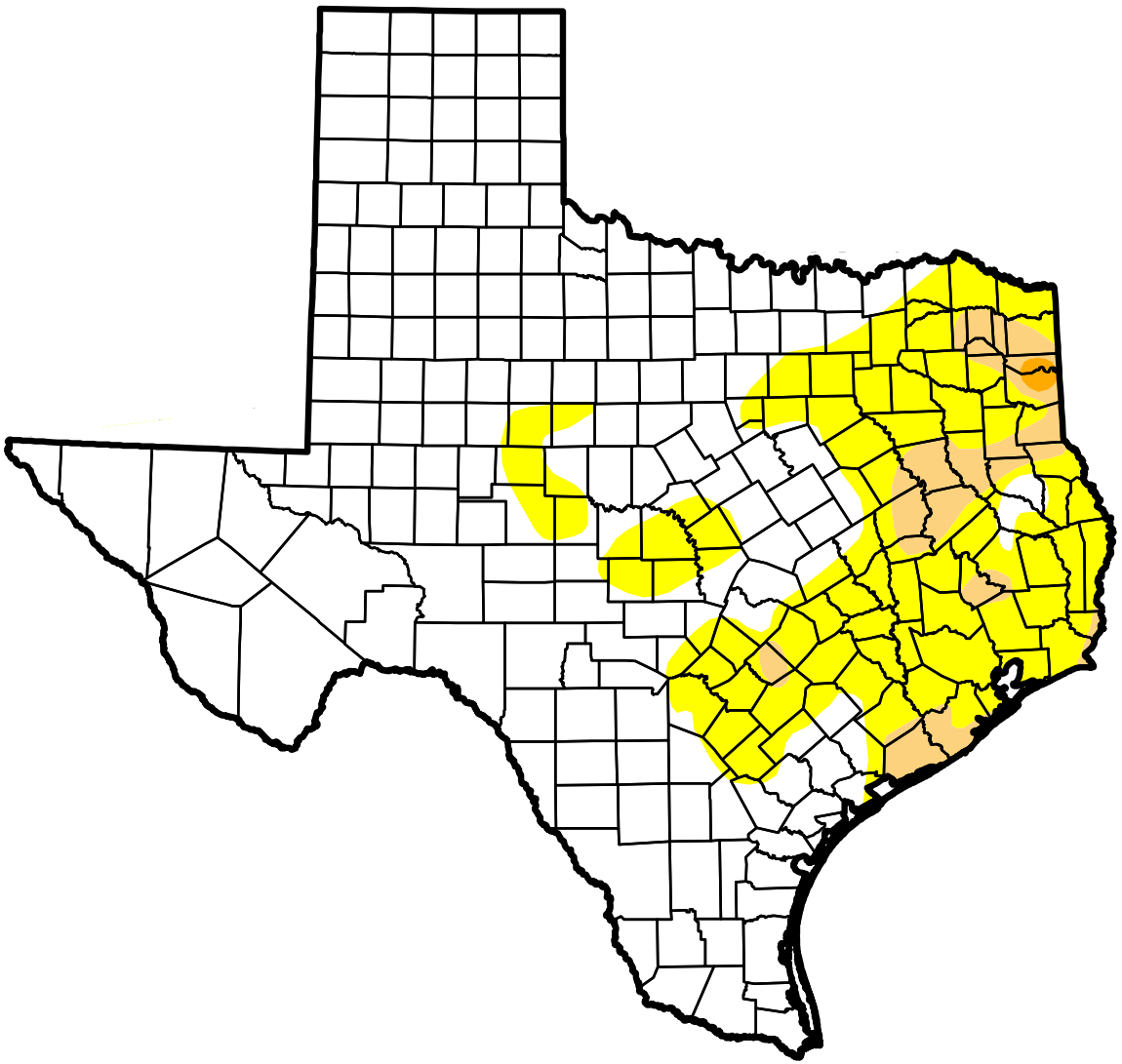
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



August 4, 2015

(Released Thursday, Aug. 6, 2015)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	72.33	27.67	4.61	0.18	0.00	0.00
Last Week *7/28/2015*	86.45	13.55	0.65	0.00	0.00	0.00
3 Months Ago *5/5/2015*	59.68	40.32	29.55	15.50	5.48	1.86
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *8/5/2014*	17.20	82.80	56.88	35.52	13.67	2.85

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

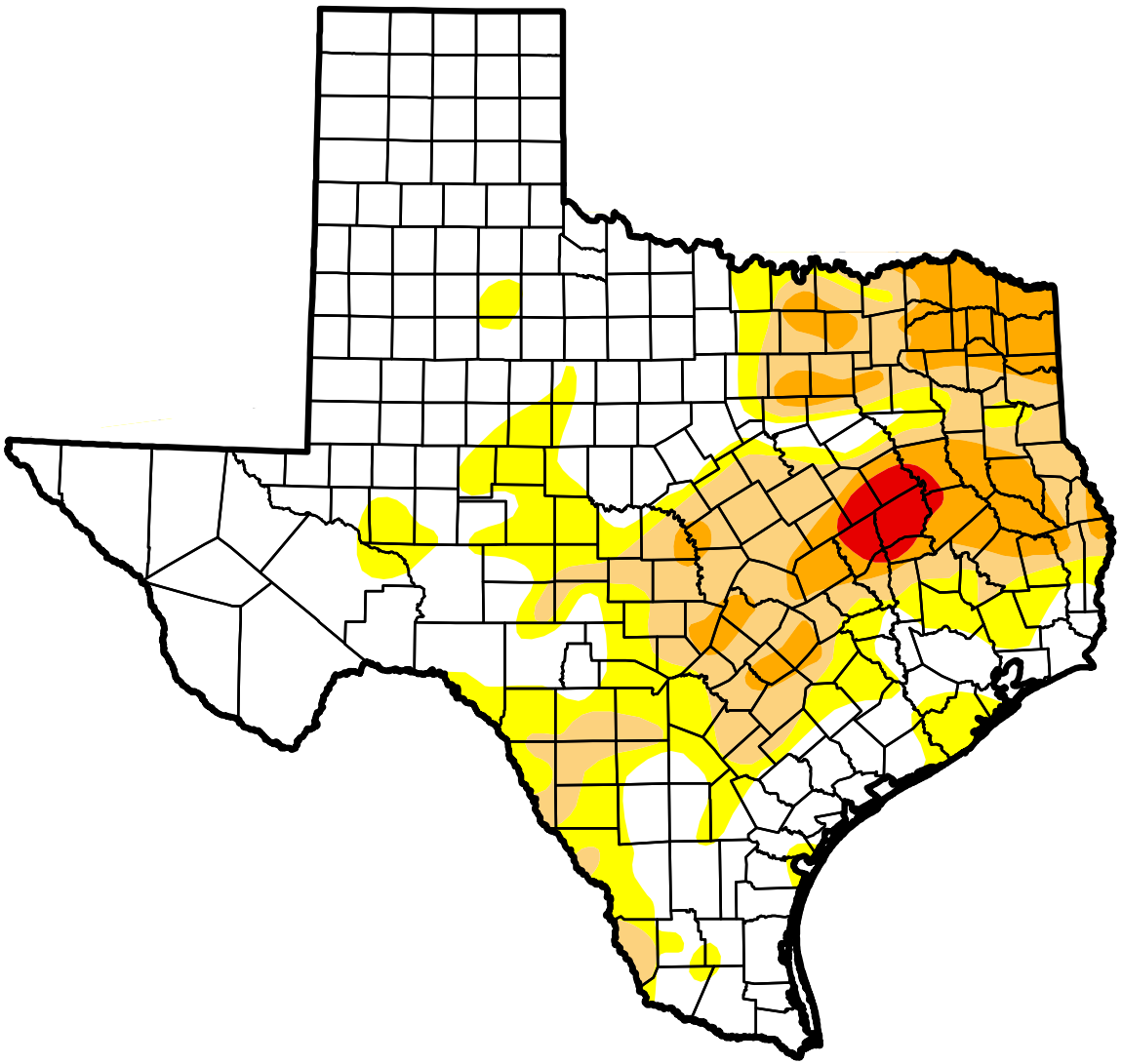
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Mark Svoboda
National Drought Mitigation Center

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

Texas



September 1, 2015

(Released Thursday, Sep. 3, 2015)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	58.06	41.94	24.76	9.99	1.32	0.00
Last Week *8/25/2015*	59.34	40.66	23.52	6.37	0.00	0.00
3 Months Ago *6/2/2015*	90.82	9.18	0.64	0.00	0.00	0.00
Start of Calendar Year *12/30/2014*	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year *9/30/2014*	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago *9/2/2014*	13.26	86.74	61.39	37.92	16.18	2.76

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Anthony Artusa
NOAA/NWS/NCEP/CPC

http://droughtmonitor.unl.edu/

Appendix D
Public Information Provided by the District Regarding Rainwater Harvesting

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Rainwater Harvesting in Texas

Dr. Hari J. Krishna
Senior Engineer, TWDB

Rainwater Harvesting (RWH) is the practice of collecting rainfall for a beneficial purpose. It usually refers to the collection of rainfall runoff from roof surfaces in cisterns for domestic use; however, it may also include surface water collection in small tanks or impoundments for livestock watering and landscape irrigation. In the early part of the 20th century, RWH was practiced in Texas, but with the development of municipal water systems, the practice became obsolete. Now, with limited water resources on the one hand and increasing demands for water on the other, there is a growing awareness to collect rainfall and make more efficient use of the water.

Rainwater Harvesting is most applicable where other sources of water are either not available or are too expensive. Hays county in Central Texas is an excellent example for the growth of RWH. There are inadequate surface water resources in the area, the tap fees for homeowners to connect to water supply pipelines can be very high, and the groundwater quality is poor. Rainwater Harvesting is therefore becoming the obvious choice for homeowners in rural Hays county. Rainwater collected from roof surfaces is stored in cisterns and either pumped back into the house for indoor use, or can be used for landscape irrigation. Generally, in rural areas the stored water is filtered, treated and used for all indoor purposes. In towns where municipal water systems are available, harvested rainwater is used primarily for landscape irrigation, thus reducing the overall demand for municipal water. Either way, RWH provides conservation of water supplies.

Austin and San Antonio are providing rebates of up to $450 to homeowners who install RWH. Hays county provides a rebate in the application fee for homes with RWH systems, and the RWH system itself is exempt from property taxes. Rainwater is free of any chemicals and/or dissolved salts. Unlike well water, rainwater is naturally soft, and can be used for household purposes without the need for a water softener. Rainwater is also ideal for those on low-sodium diets, since it contains no salt. Plants respond to rainwater much better than they do to municipal water (which has several chemicals added to it during the treatment and purification process).

For every inch of rain, about 600 gallons of water can be collected from 1,000 sq.ft. of roof area. A typical home with 2000 sq.ft. of roof area in Central Texas can yield up to 40,000 gallons a year, water that would otherwise run off and contribute to erosion. If properly managed, the RWH system can provide up to 100 gallons of water per day for a typical home. The cost of a RWH system depends on the size of the cistern used for storage. A RWH system for a home can cost anywhere from $5,000-$8,000, which includes the guttering for leading the water to the cistern, costs for the cistern, pump and treatment system. Senate Bill 2 has recently provided sales tax exemption for rainwater harvesting equipment and supplies, which will benefit those who propose to build RWH systems in the future.

RWH is a growing trend not only in Texas but in other parts of the U.S. and overseas as well. Germany is a leading example of RWH in Europe. Many countries in Asia and the Caribbean practice RWH as well. RWH is particularly suitable to Texas because of our bimodal rainfall pattern. Our peak rainfall occurs in April/May followed by a dry period from late June through August. The rainfall collected in May can be very useful during the summer months either for landscape irrigation or for indoor use. We usually receive some rainfall again in September/October which can be collected and used during the rest of the year.

The Texas Water Development Board has produced the "Texas Guide to Rainwater Harvesting", a publication that is in great demand not only within Texas, but nationally and internationally. The publication can be downloaded free of cost from either the TWDB website www.twdb.state.tx.us , or from the the American Rainwater Catchment Systems Association (ARCSA) website www.arcsa-usa.org

Appendix E
Permitted Injection Wells
Texas Railroad Commission

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Brazoria County Injection Wells

Railroad Commission of Texas Data

API Number[1]	Well Type	Reliability of Position[2]	Longitude (DD)[3]	Latitude (DD)[3]
42039	Injection/Disposal Well	RRC Hardcopy Map	-95.2631826	29.5288984
4203900257	Injection/Disposal Well	RRC Hardcopy Map	-95.2652243	29.5264600
4203933194D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2592613***	***29.5248092***
4203933093D1	Injection/Disposal Well	Operator Reported Location	-95.2592006	29.5229662
4203933091D1	Injection/Disposal Well	Coordinates from Operator	-95.2550298	29.5215759
4203933086D1	Injection/Disposal Well	Coordinates from Operator	-95.2703710	29.5208664
42039	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3403104	29.5231763
4203900321	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2557587	29.5191332
4203933095D1	Injection/Disposal Well	Operator Reported Location	-95.2544358	29.5189055
4203933079D1	Injection/Disposal Well	Coordinates from Operator	-95.2635540	29.5190630
4203981801	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3403022	29.5217710
4203933144D1	Injection/Disposal Well	Coordinates from Operator	-95.2582301	29.5176474
4203900534	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2393681	29.5168873
4203900323	Injection/Disposal From Oil	Coordinates from Operator	-95.2523014	29.5172691
4203930614	Injection/Disposal From Oil	WELLBORE Distances	-95.2597494	29.5175046
4203900319D1	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2523387	29.5168315
4203900513	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2347894	29.5156931
4203900273	Injection/Disposal From Oil	Operator Reported Location	-95.2672169	29.5166253
4203933081D1	Injection/Disposal From Oil	Coordinates from Operator	-95.2656100	29.5156590
4203900328	Injection/Disposal From Oil	Operator Reported Location	-95.2567315	29.5153258
4203933192D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2769903***	***29.5149254***
4203900342	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2545352	29.5137000
4203931307	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2537691	29.5136334
4203900340	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2528307	29.5133950
4203900343	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2589358	29.5134183
4203933059D1	Injection/Disposal Well	Operator Reported Location	-95.2529113	29.5127094
4203933087D1	Injection/Disposal Well	Operator Reported Location	-95.2719607	29.5132537
4203930721DW	Injection/Disposal Well	Operator Reported Location	-95.2625732	29.5127728
4203900623	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.2286647	29.5107890
4203900348	Injection/Disposal From Oil	Operator Reported Location	-95.2605779	29.5114107
4203900426	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2668770	29.5115636
42039	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.2356036	29.5101042
4203933195H1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2508632***	***29.5106486***
4203900435	Injection/Disposal From Oil	Operator Reported Location	-95.2688945	29.5111919
4203933024	Injection/Disposal Well	Coordinates from Operator	-95.2584806	29.5104108
4203900364	Injection/Disposal From Oil	Operator Reported Location	-95.2545500	29.5099838
4203900624	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2263692	29.5085583
4203900427	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2669022	29.5098848
4203930078	Injection/Disposal From Oil	Operator Reported Location	-95.2559036	29.5094098
4203933197D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2564789***	***29.5088462***
4203900423	Injection/Disposal From Oil	Operator Reported Location	-95.2648580	29.5089205
4203900387	Injection/Disposal From Oil	Operator Reported Location	-95.2525022	29.5082023
4203900385	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2544998	29.5081796
4203933112D1	Injection/Disposal Well	Operator Reported Location	-95.2521198	29.5074734
4203900376	Injection/Disposal From Oil	Coordinates from Operator	-95.2629500	29.5078300
4203900162	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.3359294	29.5104809
4203933040D1	Injection/Disposal Well	Operator Reported Location	-95.2531625	29.5073593
4203933114D1	Injection/Disposal From Oil	Operator Reported Location	-95.2507400	29.5067431
4203932364	Injection/Disposal From Oil	WELLBORE Distances	-95.3175844	29.5091923
4203900631	Injection/Disposal From Oil	Operator Reported Location	-95.2303603	29.5058045
4203900392	Injection/Disposal From Oil	Operator Reported Location	-95.2505629	29.5063829
4203900369	Injection/Disposal From Oil	Operator Reported Location	-95.2544522	29.5063095
4203900432	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2688323	29.5066814
4203933084D1	Injection/Disposal Well	Operator Reported Location	-95.2715557	29.5065777
4203931319D1	Injection/Disposal Well	Operator Reported Location	-95.2553544	29.5056552
4203931319DW	Injection/Disposal From Oil	Operator Reported Location	-95.2554393	29.5056491
4203900374	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2628005	29.5058812
4203933128D1	Injection/Disposal Well	Operator Reported Location	-95.2766575	29.5062993
4203900439	Injection/Disposal From Oil	Operator Reported Location	-95.2709467	29.5055034
4203900421	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2648533	29.5051310
4203933060	Injection/Disposal Well	Operator Reported Location	-95.2602903	29.5046350
4203900430	Injection/Disposal From Oil	USGS 7.5 Minute Quadrangle or Aerial Photograph	-95.2667461	29.5046944
4203900594	Injection/Disposal From Oil	USGS 7.5 Minute Quadrangle or Aerial Photograph	-95.2470798	29.5032508
4203900556	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2485910	29.5026598
4203933066	Injection/Disposal Well	Operator Reported Location	-95.2663549	29.5032668

Brazoria County Injection Wells

Railroad Commission of Texas Data

API Number[1]	Well Type	Reliability of Position [2]	Longitude (DD) [3]	Latitude (DD) [3]
4203900448	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2686333	29.5032902
4203900140	Injection/Disposal From Oil	Coordinates from Operator	-95.3286036	29.5054061
4203933067	Injection/Disposal Well	Operator Reported Location	-95.2649887	29.5028227
4203930539	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3303559	29.5045748
4203920364	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2676753	29.5021762
4203931366	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2498312	29.5014106
4203930695D1	Injection/Disposal From Oil	Operator Reported Location	-95.2624768	29.5015096
4203931261	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2297224	29.5002519
4203933129D1	Injection/Disposal Well	Operator Reported Location	-95.2761806	29.5019212
4203930448D1	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2282395	29.4998366
4203900461	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2541948	29.5007578
4203900450	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2667498	29.5010886
4203933097D1	Injection/Disposal Well	Operator Reported Location	-95.2704122	29.5006044
4203931602	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2521526	29.4994725
4203931857	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.3340872	29.5022141
4203901058	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2515501	29.4986615
4203900216	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3268580	29.5012348
4203933170D1	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.2597397***	***29.4986461***
4203901133	Injection/Disposal From Oil	Operator Reported Location	-95.2709680	29.4990548
4203933168D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2641641***	***29.4985942***
4203933099D1	Injection/Disposal Well	Operator Reported Location	-95.2712293	29.4977117
4203933117D1	Injection/Disposal Well	Operator Reported Location	-95.2763374	29.4978560
4203900654	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2496215	29.4967708
4203901071	Injection/Disposal From Oil	Coordinates from Operator	-95.2580400	29.4968600
4203930511	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2588143	29.4953749
4203933169D1	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.2677220***	***29.4952990***
4203931570	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3398698	29.4978223
4203932474D1	Injection/Disposal From Oil	Operator Reported Location	-95.2419194	29.4938377
4203901084	***Injection/Disposal From Oil***	***RRC Hardcopy Map***	***-95.2533188***	***29.4931098***
4203931428	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2551603	29.4927705
4203933167D1	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.2632220***	***29.4930490***
4203933115D1	Injection/Disposal Well	Operator Reported Location	-95.2765209	29.4930706
4203901085	***Injection/Disposal From Oil***	***RRC Hardcopy Map***	***-95.2516375***	***29.4914175***
4203931215	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3387151	29.4945219
4203901092D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2597496***	***29.4913851***
4203931535	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2548750	29.4910619
4203931441	***Injection/Disposal From Oil***	***RRC Hardcopy Map***	***-95.2484609***	***29.4905890***
4203900672	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2494933	29.4897732
4203933156D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2681142***	***29.4902839***
4203901106	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2536626	29.4878807
4203901107	Injection/Disposal From Oil	Operator Reported Location	-95.2577955	29.4877902
4203900717	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2432002	29.4871736
4203931433	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2444796	29.4864685
4203933190D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2630448***	***29.4867228***
4203901115	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.2528314	29.4861855
4203901236	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3294703	29.4887765
4203900789	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2494198	29.4852410
4203931440D1	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2342504	29.4824472
4203981496	Injection/Disposal Well	RRC Hardcopy Map	-95.3349127	29.4861255
4203933154D1	***Injection/Disposal Well***	***Operator Reported Location***	***-95.2676861***	***29.4823553***
4203930331	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2393328	29.4798681
4203932244D1	Injection/Disposal From Oil	RRC Hardcopy Map	-95.2380997	29.4786538
4203933045	Injection/Disposal Well	Operator Reported Location	-95.4389206	29.4760937
4203932552	Injection/Disposal From Oil	Operator Reported Location	-95.2922458	29.4516416
4203930652	Injection/Disposal From Gas	RRC Hardcopy Map	-95.2893356	29.4484659
4203932533	Injection/Disposal From Oil	Operator Reported Location	-95.2902913	29.4462311
4203932869	Injection/Disposal Well	Operator Reported Location	-95.2190553	29.3859538
4203930173	Injection/Disposal Well	RRC Hardcopy Map	-95.2263555	29.3842676
4203932335	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.2874385	29.3852062
42039	Injection/Disposal Well	RRC Hardcopy Map	-95.2890065	29.3708507
4203932180	Injection/Disposal Well	RRC Hardcopy Map	-95.2804982	29.3703687
4203932237	Injection/Disposal Well	RRC Hardcopy Map	-95.3034467	29.3685319
4203930082	Injection/Disposal Well	RRC Hardcopy Map	-95.2852445	29.3668803
4203931552	Injection/Disposal From Oil/Gas	Operator Reported Distances	-95.3038566	29.3623352
4203931646	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.2079679	29.3444178

Brazoria County Injection Wells

Railroad Commission of Texas Data

API Number[1]	Well Type	Reliability of Position[2]	Longitude (DD)[3]	Latitude (DD)[3]
4203900886	Injection/Disposal From Oil/Gas	USGS 7.5 Minute Quadrangle or Aerial Photograph	-95.2489892	29.3442312
4203981908	Injection/Disposal Well	RRC Hardcopy Map	-95.2876108	29.3454603
4203900898	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.2301182	29.3381639
4203900892	Injection/Disposal From Oil	USGS 7.5 Minute Quadrangle or Aerial Photograph	-95.2446247	29.3358937
4203932517	Injection/Disposal From Gas	Operator Reported Location	-95.2061795	29.3298453
4203900929	Injection/Disposal From Oil	RRC Hardcopy Map	-95.1884126	29.3279110
4203932424	Injection/Disposal From Gas	Operator Reported Location	-95.2388435	29.3293109
4203900933	***Injection/Disposal From Oil/Gas***	***Operator Reported Location***	***-95.1880637***	***29.3267760***
4203901006	Injection/Disposal From Oil	RRC Hardcopy Map	-95.1845434	29.3252738
4203901002	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.1850972	29.3229321
4203901849	Injection/Disposal From Oil	RRC Hardcopy Map	-95.5758511	29.3270467
4203901871	Injection/Disposal From Oil	RRC Hardcopy Map	-95.5757092	29.3250076
4203932654	Injection/Disposal Well	Operator Reported Location	-95.5553287	29.3236218
4203932903	Injection/Disposal From Oil	Operator Reported Location	-95.5654949	29.3227351
4203932727	Injection/Disposal Well	Operator Reported Location	-95.5682228	29.3213000
4203901874	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.5752520	29.3203897
4203900976	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.1930623	29.3060458
4203901879	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.5705903	29.3187518
4203901878	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.5732504	29.3186545
4203901450	Injection/Disposal From Oil	Operator Reported Location	-95.4479160	29.3105302
4203901887	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.5754701	29.3120282
4203932478D1	Injection/Disposal Well	Coordinates from Operator	-95.1951547	29.2863615
4203902248	Injection/Disposal From Oil	RRC Hardcopy Map	-95.7418426	29.3049181
4203902195	Injection/Disposal Well	RRC Hardcopy Map	-95.7313505	29.2967353
4203902194	Injection/Disposal From Oil	RRC Hardcopy Map	-95.7307582	29.2962626
4203932662D1	Injection/Disposal From Oil	Coordinates from Operator	-95.3196328	29.2816298
4203901955	Injection/Disposal Well	RRC Hardcopy Map	-95.6600207	29.2902642
4203930035	Injection/Disposal Well	RRC Hardcopy Map	-95.6592338	29.2897567
4203901981	Injection/Disposal Well	RRC Hardcopy Map	-95.6538680	29.2870571
4203932127	Injection/Disposal From Oil	Operator Reported Distances	-95.7644804	29.2796172
4203931967	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3452583	29.2634119
4203902686	Injection/Disposal From Oil	RRC Hardcopy Map	-95.7577432	29.2761029
4203901734	Injection/Disposal From Oil	Operator Reported Location	-95.3464299	29.2611093
4203932834	Injection/Disposal From Oil	Operator Reported Location	-95.3262736	29.2601304
4203901656	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3440649	29.2601551
4203980571	Injection/Disposal From Oil	RRC Hardcopy Map	-95.3475570	29.2574813
4203932330	Injection/Disposal From Oil	Operator Reported Location	-95.3504144	29.2567212
4203932130	Injection/Disposal From Gas	Operator Reported Location	-95.4328403	29.2554095
4203932984	Injection/Disposal Well	Operator Reported Location	-95.1690085	29.2289895
4203932406D1	Injection/Disposal Well	Operator Reported Location	-95.4671875	29.2331361
4203904150	Injection/Disposal From Oil	RRC Hardcopy Map	-95.4806161	29.2180976
4203930575	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.5048724	29.2150897
4203930592	Injection/Disposal From Gas	RRC Hardcopy Map	-95.5294069	29.1973634
4203902948	Injection/Disposal From Oil	RRC Hardcopy Map	-95.6693242	29.1754201
4203930439	Injection/Disposal From Oil	RRC Hardcopy Map	-95.6672614	29.1735909
4203930490	Injection/Disposal From Oil	RRC Hardcopy Map	-95.6613196	29.1726877
4203930377	Injection/Disposal From Oil	RRC Hardcopy Map	-95.6585755	29.1723789
4203905126	***Injection/Disposal Well***	***RRC Hardcopy Map***	***-95.6674091***	***29.1705105***
4203932507	Injection/Disposal From Oil	Operator Reported Location	-95.6597412	29.1672022
4203930781	Injection/Disposal From Gas	RRC Hardcopy Map	-95.8076892	29.1704891
4203932775	Injection/Disposal Well	Coordinates from Operator	-95.2338218	29.1357639
4203930807	Injection/Disposal From Oil/Gas	Operator Reported Location	-95.7889638	29.1553091
4203932944D1	Injection/Disposal From Gas	Operator Reported Location	-95.4835464	29.1157119
4203932731	Injection/Disposal Well	Coordinates from Operator	-95.5170639	29.1139944
4203932854D1	Injection/Disposal From Gas	Operator Reported Location	-95.5789335	29.1126914
4203981589	Injection/Disposal Well	RRC Hardcopy Map	-95.5374028	29.1084590
4203930414	Injection/Disposal Well	Operator Reported Distances	-95.3367336	29.0762196
4203930667	Injection/Disposal Well	RRC Hardcopy Map	-95.3370993	29.0742426
4203903949	Injection/Disposal From Oil/Gas	RRC Hardcopy Map	-95.7000177	29.0618120
4203932993	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.3664059***	***29.0472400***
4203980070	Injection/Disposal From Gas	USGS 7.5 Minute Quadrangle or Aerial Photograph	-95.6660385	29.0513574
4203980805	Injection/Disposal Well	RRC Hardcopy Map	-95.7526813	29.0464384
4203931250	Injection/Disposal Well	RRC Hardcopy Map	-95.7530916	29.0460438
4203933233	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.5965229***	***29.0221549***
4203933247	***Injection/Disposal Well***	***Operator Reported Location***	***-95.5949924***	***29.0205648***

Brazoria County Injection Wells

Railroad Commission of Texas Data

API Number[1]	Well Type	Reliability of Position [2]	Longitude (DD) [3]	Latitude (DD) [3]
4203933232	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.5999093***	***29.0188850***
4203932529	Injection/Disposal Well	Operator Reported Location	-95.2710548	29.0067932
4203933230	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.5978167***	***29.0173236***
4203933231	***Injection/Disposal Well***	***Coordinates from Operator***	***-95.6017011***	***29.0172329***
4203931166	Injection/Disposal From Gas	Operator Reported Location	-95.6957743	28.9898268

[1]New wells shown in ***bold italics*** .

[2] Position given for bottom well location.

[3]Horizontal datum: North American Datum of 1927.

Appendix F
District Financials
FY 2014 Audit

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Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS
Limited Liability Company

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El Campo, Texas 77437
979-543-6836

Houston Office:
10850 Richmond Ave., Suite 135
Houston, Texas 77042
281-974-3416

March 10, 2015

The Board of Directors
Brazoria County Groundwater Conservation District
Angleton, TX 77515

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Brazoria County Groundwater Conservation District (the "District") for the year ended September 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 18, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 10, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of District and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Rumford, LLC

Kennemer, Masters & Lunsford

CERTIFIED PUBLIC ACCOUNTANTS
Limited Liability Company

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281-974-3416

To the Board of Directors
Brazoria County Groundwater Conservation District
Angleton, TX 77515

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brazoria County Groundwater Conservation District as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

1. Inadequate design of internal control over preparation of financial statements. The District has engaged a licensed certified public accounting firm to both prepare, including the conversion from the cash basis to the modified accrual basis of accounting, and audit the District's annual financial report. The District ensures the quality of its annual financial report by engaging a qualified audit firm with particular expertise in governmental audits and reading a preliminary draft of the report. The District does not have specific controls in place to separately review the selection and application of accounting principles and resulting disclosures and presentations within the financial statements. Although it is common within the local government industry, an audit firm cannot be considered part of its client's internal control by professional standards currently in affect.

2. Inadequate segregation of duties within a significant account or process. No employee should be in a position to commit an irregularity or fraud and then conceal it. In other words, no individual is able to authorize a transaction, record the transaction in the accounts, and have custody of the asset. Due to your current staffing levels, segregation of duties are not possible and not economically feasible, as such, compensating controls should be put in place.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Kennemer, Masters & Rumford, LLC

Lake Jackson, Texas
March 10, 2015

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2014

KENNEMER, MASTERS & LUNSFORD, LLC
CERTIFIED PUBLIC ACCOUNTANTS
8 WEST WAY COURT
LAKE JACKSON, TEXAS 77566

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BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

Annual Financial Report
For the Year Ended September 30, 2014

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FINANCIAL SECTION

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Kennemer, Masters & Lunsford

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Independent Auditor's Report

To the Board of Directors
Brazoria County Groundwater Conservation District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brazoria County Groundwater Conservation District (the "District") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Brazoria County Groundwater Conservation District, as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 9 through 13 and 37 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Kennemer, Masters & Rumford, LLC

Lake Jackson, Texas
March 10, 2015

As directors of Brazoria County Groundwater Conservation District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $ 994,720 (net position). This is an increase in net position of $ 64,949 from the prior year net position balance of $ 929,771.

- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of $ 933,734. The fund balance represents 243.39% of current year expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by fees. The *governmental activities* of the District include general government and administration, and groundwater conservation.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one major fund, which is the general fund, and is reported as a governmental fund.

- **Governmental Funds**. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The fund financial statements can be found on pages 20 through 23 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 34 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information. The required supplemental information can be found on pages 37 through 38 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $ 994,720 as of September 30, 2014. Net position of the District's governmental activities increased by $ 64,949, from net position of $ 929,771.

Brazoria County Groundwater Conservation District's Net Position

	Governmental Activities			
	September 30, 2014	2013	Increase (Decrease)	Percent Change
Current and other assets	$ 946,952	$ 931,469	$ 15,483	2%
Capital assets	60,986		60,986	0%
Total assets	1,007,938	931,469	76,469	2%
Deferred outflows of resources			-0-	-0-
Total deferred outflows of resources	-0-	-0-	-0-	0%
Current and other liabilities	13,218	1,698	11,520	678%
Long-term liabilities			-0-	0%
Total liabilities	13,218	1,698	11,520	678%
Deferred Inflows of Resources			-0-	0%
Total deferred inflows of resources	-0-	-0-	-0-	0%
Net Position:				
Net investment in capital assets	60,986		60,986	
Unrestricted	933,734	929,771	3,963	0%
Total net position	$ 994,720	$ 929,771	$ 64,949	0%

Governmental Activities: Governmental activities increased the District's net position by $ 64,949. The following table provides a summary of the District's operations for the years ended September 30, 2014 and 2013, respectively.

Brazoria County Groundwater Conservation District's Change in Net Position

	Governmental Activities			
	Years Ended September 30, 2014	2013	Increase (Decrease)	Percent Change
Revenues:				
Program Revenues:				
Charges for services	$ 366,688	$ 401,039	$(34,351)	(9%)
General Revenues:				
Investment income	3,304	5,657	(2,353)	(42%)
Miscellaneous	17,614	49,410	(31,796)	(64%)
Total revenues	387,606	456,106	(68,500)	(15%
Expenses:				
General government and administration	284,126	206,657	77,469	37%
Groundwater conservation	38,531	73,191	(34,660)	100%
Total expenses	322,657	279,848	42,809	15%
Increase (decrease) in net position	64,949	176,258	(111,309)	(63%)
Net position - October 1,	929,771	753,513	176,258	23%
Net position - September 30,	$ 994,720	$ 929,771	$ 64,949	7%

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental fund reported a fund balance of $ 933,734.

General Fund Budgetary Highlights. The District enacted a formal budget for the year ended September 30, 2014. Budget exceeded actual expenditures by $ 37,311 and revenues exceeded budget by $ 22,109.

Economic Factors and Next Year's Budgets and Rates

The annual budget is the means by which District Director's set the direction of the District, and allocate its resources.

In considering the budget for fiscal year 2015, District Director's considered the following factors:

- Estimated fee revenues of $ 356,300.
- Employee costs of $ 201,548.
- Consultant costs of $ 157,000.

Request for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Directors, 111 E. Locust Street, Building A-29, Suite 140, Angleton, Texas, 77515.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
September 30, 2014

EXHIBIT A-1
Page 1 of 1

	Total Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Current:	
Cash	$ 908,630
Accounts receivable - other	38,322
Capital assets (Net of Accumulated Depreciation):	
Software	60,986
Total assets	1,007,938
Deferred Outflows of Resources:	
Deferred outflows of resources	
Total deferred outflows of resources	-0-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Liabilities:	
Current:	
Accounts payable	10,421
Accrued wages and related liabilities	2,797
Total liabilities	13,218
Deferred Inflows of Resources:	
Deferred inflows of resources	
Total deferred inflows of resources	-0-
Net Position:	
Net investment in capital assets	60,986
Unrestricted	933,734
Total net position	$ 994,720

The notes to the financial statements are an integral part of this statement.

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Primary Government Total Governmental Activities
GOVERNMENTAL ACTIVITIES:			
General government and administration	$ 284,126	$ 366,688	$ 82,562
Groundwater conservation	38,531		(38,531)
Total governmental activities	$ 322,657	$ 366,688	44,031
GENERAL REVENUES			
Interest income			3,304
Miscellaneous			17,614
Total general revenues			20,918
Change in net position			64,949
Net position - beginning			929,771
Net position - ending			$ 994,720

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
BALANCE SHEET – GENERAL FUND
September 30, 2014

	General Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Assets:	
Cash	$ 908,630
Accounts receivable	38,322
Total assets	946,952
Deferred Outflows of Resources:	
Deferred outflows of resources	
Total deferred outflows of resources	-0-
Total assets and deferred outflows of resources	$ 946,952
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 10,421
Accrued wages and related liabilities	2,797
Total liabilities	13,218
Deferred Inflows of Resources:	
Deferred inflows of resources	
Total deferred inflows of resources	-0-
Fund Balance:	
Unassigned	933,734
Total fund balance	933,734
Total liabilities, deferred inflows of resources and fund balance	$ 946,952

The notes to the financial statements are an integral part of this statement.

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION
September 30, 2014

Total fund balances – governmental funds balance sheet	$	933,734
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Capital assets include $ 78,410 in assets less $ 17,424 in accumulated depreciation.		60,986
Net position of governmental activities – statement of net position	$	994,720

The notes to the financial statements are an integral part of this statement.

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (GENERAL FUND)
Year Ended September 30, 2014

EXHIBIT C-2
Page 1 of 1

	General Fund
REVENUES	
Licenses and permits	$ 366,688
Interest income	3,304
Miscellaneous	17,614
Total revenues	387,606
EXPENDITURES	
Current:	
General Government and Administration:	
Advertisement (Legal Notices)	1,318
Communications	15,384
Computer software/equipment	241
Dues and licenses	524
Employee benefits	20,693
Equipment rental	2,015
Insurance - bonds	251
Legal	15,373
Office supplies	1,856
Postage/Freight	532
Professional Services	153,927
Repairs and maintenance	993
Salaries	52,539
Subscriptions	153
Travel	903
Capital outlay	78,410
Groundwater Conservation:	
Architecture/Engineering	38,531
Total expenditures	383,643
Excess of revenues over expenditures	3,963
Net change in fund balance	3,963
Fund balance - beginning	929,771
Fund balance - ending	$ 933,734

The notes to the financial statements are an integral part of this statement.

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF ACTIVITIES
Year Ended September 30, 2014

Net change in fund balances – total governmental funds	$	3,963
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlay of $ 78,410 is more than depreciation of $ 17,424 in the current year.		60,986
	$	64,949

The notes to the financial statements are an integral part of this statement.

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BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2014

INDEX

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District was formed on September 1, 2003 by the 78th Legislature of the State of Texas in House Bill No. 3602 (the "Act"). Pursuant to the Act, the Board of Directors of the District has the permitting and general management powers granted under Chapter 36 of the Texas Water Code. Section 36.101 of the Texas Water Code authorizes a groundwater conservation district to make and enforce rules to provide for conserving, preserving, protecting, and recharging of the groundwater or of a groundwater reservoir or its subdivisions in order to control subsidence or prevent waste of groundwater and to carry out the powers and duties provided by Chapter 36 of the Texas Water Code. The District board, a five-member elected group, is the level of government that serves to provide groundwater conservation within Brazoria County, Texas.

Reporting Entity

The elected Board of Directors has the authority to make decisions, appoint administrators and managers; significantly influence operations; and has the primary accountability for fiscal matters. Therefore, the District is not included in any other governmental "reporting entity" as defined by GASB in its Statement No. 61, *"The Reporting Entity: Omnibus".* There are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report financial information on all of the activities of the primary government. The District maintains one fund (General Fund); therefore, there are no interfund activities. The *governmental activities* are supported by fees and loans. The District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. The General Fund is currently the only fund maintained by the District.

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fees are recognized as revenues in the year for which they are charged. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis Of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of fees. Fee revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Revenue from investments is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and the unrestricted resources as needed.

The District reports the following major governmental fund:

> The *general fund* is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. The major revenue source is fees (application, production, export and other administrative). Expenditures include all costs associated with the daily operations of the District. The District has only one fund, the general fund.

Budgetary Data

The budget law of the State of Texas provides that amounts budgeted for current expenditures from the various funds of the District shall not exceed the balances in the funds, plus the anticipated revenues for the current year. The legal level of budgetary control is at the functional level (Current Expenditures: General Government and Administration and Groundwater Conservation, Capital Outlay, and Debt Service) of each fund. Any expenditures, which alter the total budgeted amounts of a fund, must be approved by the Board of Directors, and the budget amended. Budgets are adopted on a basis consistent with generally accepted accounting principles.

During the year ended September 30, 2014, the District Board of Directors enacted a formal budget.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The District considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Current investments have an original maturity greater than three months but less than one year at the time of purchase. Non-current investments have an original maturity of greater than one year at the time of purchase.

Fees

Section 3.31 of the District's Rules authorizes the Board of Directors of the District to establish application fees, production fees, export fees and other administrative fees. Beginning October 1, 2006, each well permit holder shall be responsible for reading the meter which measures the amount of water produced by each permitted well at the end of each month. Each well permit holder shall also be responsible for measuring the amount of water exported outside the District's boundaries during the course of each month. Each well permit holder shall accurately report such production and export measurements to the District on reporting forms provided by the District. Failure to make such production and export measures and report the same to the District shall be a violation of the District's rules. The District shall have the right to audit the production and export measurements submitted by the well permit holder by reading the meter at each permitted well. Failure to maintain meters for accurate reporting shall be a violation of the District's rules. All fees must be paid by check or money order. No cash is accepted. Production fees and export fees shall be calculated on the form provided by the District and shall be delivered by the well permit holder to the District with the monthly production and/ or export fees. Application fees shall be submitted with the permit application. This process is referred to as self-reporting. The validity of any permit is contingent upon payment of any applicable application, export or production fee. Failure to make complete and timely payments of a fee will automatically result in a one-time late payment penalty of ten (10) percent of the amount not paid. Failure to make complete and timely payment may also result in the Board declaring the respective well permit void.

The District adopted the following fee schedule effective October 1, 2006:

Permit Application Fees. The District charges well permit application fees of $ 100 for one-year permits.

Production Fees. A production fee of $ 0.03 per 1,000 gallons of groundwater produced. Such production fee shall be assessed against all groundwater produced by permitted wells located in the District for all uses other than personal or agricultural uses or to otherwise benefit the land on which the well is located. The production fee is due by the last day of the month following the month for which production fee was calculated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Export Fees. An export fee of $ 0.015 per 1,000 gallons of water exported outside of the District boundaries. Such export fee shall be assessed in addition to the District's production fee. The export fee is due by the last day of the month following the month for which export fee was calculated.

Long-Term Debt

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt payable is reported net of the applicable debt premium or discount. The District had no outstanding debt balance at September 30, 2014.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of the debt is reported as other financing resources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Capital Assets

Capital assets are reported in the governmental activities columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $ 5,000 or more and three or more years of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Software	3 Years

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity

Fund Balance

The Board of Directors meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The District's unassigned General Fund Balance is maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the Board of Directors. Fund Balance of the District may be committed for a specific source by formal action of the Board of Directors. Amendments or modifications of the committed fund balance must also be approved by formal action by the Board of Directors.

The District has implemented GASB 54, "Fund Balance, Reporting and Governmental Fund Type Definitions", for its governmental funds. Under this standard, fund balances are required to be reported according to the following classifications:

Non-spendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions enabling legislation).

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned Fund Balance - Amounts that are constrained by the District's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all government funds with positive balances.

Unassigned Fund Balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Net Position

Net position represents the differences between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciations, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Restricted net position, as presented in the government-wide Statement of Net Position, are reported when constraints placed on the use of net position are either 1) externally imposed by creditors (such as through debt covenants, grantors, contributors, or laws or regulations of other governments), or 2) imposed by law through constitutional provisions or enabling legislation.

NOTE 2. NEW PRONOUNCEMENTS

GASB issues statements on a routine basis with the intent to provide authoritative guidance on the preparation of financial statements and to improve governmental accounting and financial reporting of governmental entities. Management reviews these statements to ensure that preparation of its financial statements are in conformity with generally accepted accounting principles and to anticipate changes in those requirements. The following recent GASB Statements reflect the action and consideration of management regarding these requirements:

GASB No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", was issued November 2010. The implementation of this statement did not have a material effect on the financial statements of the District. This statement was effective for periods beginning after December 15, 2011.

GASB No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34", was issued November 2010. The implementation of this statement did not have a material effect on the financial statements of the District. This statement was effective for periods beginning after June 15, 2012.

GASB No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", was issued December 2010. The implementation of this statement did not have a material effect on the financial statements of the District. This statement was effective for periods beginning after December 15, 2011.

GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", was issued June 2011. The implementation of this statement did not have a material effect on the financial statements of the District. This statement was effective for periods beginning after December 15, 2011.

GASB No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions-and amendment of GASB Statements No. 53", was issued June 2011. This statement was implemented and did not have an impact on the District's financial statements. This statement was effective for periods beginning after June 15, 2011.

GASB No. 65, "Items Previously Reported as Assets and Liabilities", was issued March 2012. The implementation of this statement did not have a material effect on the financial statements of the District, This statement was effective for periods beginning after December 15, 2012.

GASB No. 66, "Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62", was issued March 2012. This statement was implemented and did not have a material effect on the District's financial statements. This statement was effective for periods beginning after December 15, 2012.

GASB Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25", was issued June 2012. This statement was implemented and did not have a material effect on the District's financial statements. This statement was effective for periods beginning after June 15, 2013.

NOTE 2. NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", was issued June 2012. The management of the District does not believe that the implementation of this statement will have a material effect on its financial statements. This statement was effective for periods beginning after June 15, 2014.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", was issued January 2013. The management of the District does not believe that the implementation of this statement will have a material effect on its financial statements. This statement was effective for periods beginning after December 15, 2013.

GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", was issued April 2013. This statement was implemented and did not have a material effect on the District's financial statements. This statement was effective for periods beginning after June 15, 2013.

NOTE 3. DEPOSITS AND INVESTMENTS

The District contracts with Brazoria County to provide accounting services. As part of this agreement, Brazoria County maintains accounting records for the District as well as a shared cash account as an agency fund for the District. This agency fund cash account is covered by the same depository agreement and pledged securities maintained by Brazoria County.

The District classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose an investment is considered a cash equivalent if when purchased it has maturity of three months or less. Investments are classified as either current investments or non-current investments. Current investments have maturity of one year or less and non-current investments are those that have a maturity of one year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. The District requires that all deposits with financial institutions be collateralized in an amount equal to 100 percent of uninsured balances.

Under Texas state law, a bank serving as the District's depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third party agent, an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest its funds in areas that primarily emphasizes the safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel.

The District held no investments at or for the year ended September 30, 2014. Further, as of September 30, 2014, the District has adopted Brazoria County's investment policy, as the County has custody of all cash and investments, when applicable. On December 9, 2008, Brazoria County adopted its current investment policy. According to the policy, District funds will be invested in compliance with the Public Funds Investment Act and the County's Investment Policy, except when a resolution is issued by the District. The County will invest according to investment strategies for each fund as they are adopted by the Commissioners' Court resolution.

NOTE 4. CAPITAL ASSETS

	Balance 10/01/13	Additions	Retirements	Balance 9/30/14
Governmental Activities:				
Capital Assets, Being Depreciated:				
Software	$ -0-	$ 78,410	$ -0-	$ 78,410
Total capital assets, being depreciated	-0-	78,410	-0-	78,410
Less Accumulated Depreciation For:				
Software	-0-	17,424	-0-	17,424
Total accumulated depreciation	-0-	17,424	-0-	17,424
Total capital assets, being depreciated, net	$ -0-	$ 60,986	$ -0-	$ 60,986

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government and administration	$ 17,424
Total depreciation expense-governmental activities	$ 17,424

NOTE 5. CONTINGENCIES

The District is contingently liable in respect to lawsuits and other claims in the ordinary course of its operations. The potential settlement (if any) of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and in the opinion of the District management would not materially affect the financial position of the District at September 30, 2014.

NOTE 6. EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 10, 2015, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2014

EXHIBIT D-1

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Licenses and permits	$ 345,127	$ 345,127	$ 366,688	$ 21,561
Interest income	5,370	5,370	3,304	(2,066)
Miscellaneous	15,000	15,000	17,614	2,614
Total revenues	365,497	365,497	387,606	22,109
EXPENDITURES				
Current:				
General Government and Administration:				
Accounting/Auditing	16,125			
Advertisement (Legal Notices)	1,500	1,500	1,318	182
Books and supplements	100	100		100
Building rental	1	1		1
Communications		3,988	15,384	(11,396)
Computer software/equipment			241	(241)
Conferences and training	800	800		800
Contract services	157,000			-0-
Copier rental	2,000			-0-
Data base access	1,850			-0-
Dues and licenses	500	500	524	(24)
Employee benefits	22,146	22,146	20,693	1,453
Equipment rental		2,000	2,015	(15)
Insurance - bonds	400	400	251	149
Legal	15,000	15,000	15,373	(373)
Lodging	1,000			-0-
Meals	100			-0-
Mileage	1,500			-0-
Non-routine office expenditures	32,693			-0-
Office supplies	1,300	1,400	1,856	(456)
Postage/Freight	750	750	532	218
Printing	100			-0-
Professional Services		172,125	153,927	18,198
Public Transportation	100			-0-
Repairs and maintenance	100	100	993	(893)
Salaries	71,732	71,732	52,539	19,193
Subscriptions	350	350	153	197
Telephone	350			
Travel		2,700	903	1,797
Capital outlay		87,362	78,410	8,952
Groundwater Conservation:				
Architecture/Engineering	38,000	38,000	38,531	(531)
Total expenditures	365,497	420,954	383,643	37,311

(continued)

BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - Continued

Year Ended September 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Excess (deficiency) of revenues over expenditures	$ -0-	$(55,457)	$ 3,963	$ 59,420
Net changes in fund balances	-0-	(55,457)	3,963	59,420
Fund balances – beginning	929,771	929,771	929,771	-0-
Fund balances – ending	$ 929,771	$ 874,314	$ 933,734	$ 59,420

The notes to the financial statements are an integral part of this statement.