

**Audit Report on Selected Groundwater Conservation Districts
State Auditor’s Office (SAO) Report No. 22-008, November 2021**

**Lost Pines Groundwater Conservation District
Summary of Actions in Response to SAO Report No. 22-008¹**

Item No.		Summary of SAO Recommendation	Action Plan	Completion or Actual Completion Date, Status & Notes
	Professional Services Policy	Create LPGCD Professional Services Policy in accordance with Chapter 36 of the Texas Water Code.	Create and adopt a Professional Services Policy by resolution	COMPLETED
	Use of Management Information Policy	Create LPGCD Use of Management Information Policy in accordance with Chapter 36 of the Texas Water Code.		COMPLETED
	Investment Policy	Create LPGCD Investment Policy in accordance with Chapter 36 of the Texas Water Code.		COMPLETED
	Bond Coverage			COMPLETED 6/15/2022 ²
5	Professional Services Contract Review ³	Review and evaluation of professional services. Ensure all Professional Services follow applicable laws.	Compliance with applicable law. Board create and adopt a procurement policy. Issue an RFQ for hydrogeologist and selected highest qualified bidder. Board approve purchase of groundwater monitoring database. Award contract to new hydrogeologist.	COMPLETED 10/19/22 ⁴

¹ The State Auditors Office recommended four actions to address areas of “partial compliance.” See SAO Report 22-008 at p. 11, available here: <https://sao.texas.gov/reports/main/22-008.pdf> (last visited Nov. 16, 2022).

² Actions were: surety bonds approved on 1/20/21, new insurance company approved and bond surety obtained for the GM and staff on 2/16/22. Directors signed bonds on 6/15/22.

³ After adoption of the Professional Services Policy the District conducted an evaluation of all professional services contracts. This was not recommended by SAO but the results of the review and steps taken under the new policy are included here.

⁴ Actions were: Board create and adopt a procurement policy on 6/15/22, Board issued an RFQ for Hydrogeology services on 6/15/22, and Board approved the purchase of a groundwater monitoring database on the basis of sharing data with the other GMA 12 GCDs on 6/15/22. Contract awarded to new hydrogeologist on 10/19/22.

6	Revisions to Management Plan. Achieve Management Plan Goals	Ensure that the District performs all actions for its management plan goals, specifically for the most efficient use of groundwater, preventing waste of groundwater, addressing drought conditions, addressing natural resources issues, addressing conservation.	Review and update the Management Plan. Develop an action plan to achieve all goals. Action plan includes getting new MAGs from TWDB, evaluating options for production caps through rulemaking, establish curtailment through rulemaking.	<p>PARTIALLY COMPLETE; IN PROGRESS</p> <p>Updated Management Plan with new goals, performance standards and guiding principles adopted on October 19, 2022</p> <p>Need the following to complete: New MAGs approved by TWDB to include in Management Plan; new rules on production caps to ensure compliance with management plan goals.</p>
7	Staff Developing a Compliance Calendar	To address recommendations in the state audit, the GM and staff are developing a compliance calendar that includes management plan goals and other state reporting requirements to ensure that all necessary actions are taken to maintain compliance with District rules, management plan, and current state law.	Formalized annual report to be included as part of the Compliance Calendar. As Per State Audit	<p>COMPLETED</p> <p>6/1/22</p>