City of Austin
Austin City Auditor's Office

Investigative Report

Former Austin Water Program Manager Violated Multiple Sections of City Code

October 2025

Nico Hauwert, a former Austin Water Program Manager, violated multiple sections of City Code. He misused his City purchasing card to pay contractors for work done on private property. Hauwert wasted City resources by paying for services that Austin Water and other City departments could have managed themselves. He also used his City purchasing card to bypass the normal review process for financially sponsoring a nonprofit organization. Additionally, Hauwert committed fraud as defined in City Code when he intentionally ignored financial procurement rules and split purchases.

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Cover: Balcones Canyonlands National Wildlife Refuge, January 2021, Photo by Matthew High

Allegation

The City Auditor's Office received concerns from Austin Water's Internal Audit division that a now-former Austin Water employee, Nico Hauwert, made irregular purchases with his purchasing card and other suspicious purchasing decisions. The concerns included payments for work on property that did not belong to Austin Water and paying for work that could have been completed by City staff.

Background

The Austin Water Wildland Conservation Division "protects land for the benefit of water, wildlife, and people." The division is divided into two areas: the Balcones Canyonland Preserve (BCP) and the Water Quality Protection Lands (WQPL). The BCP program "conserve[s] habitat for seven endangered species and 28 species of concern."

Nico Hauwert was the program manager of the BCP program. He was responsible for managing the BCP staff and the division's budget. Hauwert also worked on scientific studies and reports. Nico Hauwert had a City purchasing card that he used for various items and services needed by his division. As part of our investigation, we looked at all of his purchases from 2019 through 2023.

Hauwert was placed on administrative leave pending a separate internal human resources investigation. He was later released from his employment on July 8, 2024.

Investigation Results

Summary

Nico Hauwert, a former Austin Water Program Manager, violated multiple sections of City Code. He misused his City purchasing card to pay contractors for work on private property. These improper contractor payments totaled about $73,000. Hauwert wasted City resources by paying for services that Austin Water and other City departments could have managed themselves, resulting in a waste of about $9,000. He also used his City purchasing card to bypass the normal review process for financially sponsoring a nonprofit organization, spending an unauthorized amount of $2,900. Finally, Hauwert committed fraud as defined in City Code when he intentionally ignored financial procurement rules and split purchases.

Finding 1

Misuse of City Resources

Nico Hauwert Used The City's Purchasing Card to Pay For Services on Private Properties

Nico Hauwert spent about $73,000 on contractor work for properties that were not owned or protected by Austin Water. Records show that Hauwert paid contractors to complete work at Roy Creek and Little Bee Creek. He admitted that these locations were not under the control of the City of Austin. Of the total amount spent, roughly $67,000 went to contractor services. Additionally, Hauwert used Austin Water's lab testing contract to test water samples from private properties that were not part of the BCP. Hauwert spent roughly $5,700 on water testing.

We also found that Hauwert misused City-owned equipment and City staff to collect water samples at Roy Creek and Little Bee Creek. One of Hauwert's direct reports traveled to both locations, which were on private property, to collect water samples. The employee noted that they went to one of these locations three times to check on the City equipment there . They also collected water samples and dropped them off at the lab for testing.

By using City funds, equipment, and personnel to conduct various tasks on private properties, Hauwert appears to have violated the following criteria:

- City Code §2-7-62(J): Misuse of City Resources

Finding 2

Waste of City Resources

Nico Hauwert's Use of The City's Purchasing Card Was Grossly Inefficient

Nico Hauwert spent over $9,000 on various services from contractors, including a real estate appraisal for private land and cave tours. According to Austin Water's management and staff, there were resources within the department and the City of Austin that could have been used instead.

Hauwert paid a third-party to conduct a real estate appraisal of private land on Westlake Drive. When we asked Hauwert about this purchase, he told us that he was considering the property for future inclusion into the BCP area and felt that the Office of Real Estate Services (ORES) would take too long. When we spoke to the management at Austin Water, they were unaware of this purchase. They pointed out that Austin Water has a team for appraisals, as does ORES, which could have performed the appraisal instead. Austin Water's management also stated that spending money on appraisals was a waste of resources because the division does not have the funds for new BCP land acquisitions.

Hauwert used funds for educational services related to the BCP program, specifically cave tours, even though these could have been handled by Austin Water's in-house outreach and education team. He also spent money unnecessarily on historical and cultural research that was not part of his job duties as a preservation manager.

Finally, we found some transactions that he was not authorized to make. Hauwert used City funds to pay the registration and submission fees for a small film festival, for a film he had commissioned. In Hauwert's 2023 mid-year SSPRs, his manager noted that he had produced several videos "with very little input from the Wildland staff...or AW PIO." Hauwert admitted that he did not get approval from management or consult with the law department before using City funds for this purpose.

By using City funds for services that could be provided by City staff and expenses that were not in line with City policy, Hauwert appears to have violated the following criteria:

- City Code §2-3-5(A)(3)(a): Waste of City Resources

Finding 3

Fraud: intentional improper handling of or reporting of money or a financial transaction

Nico Hauwert Intentionally Violated City Financial Policy and State Law by Splitting Purchasing Card Transactions and Misreporting them in City Records.

The City of Austin's FSD Central Procurement Manual (CPM) states that employees cannot break up payments over $3,000 into smaller amounts or spread them over different days or vendors. Breaking up payments like this is called "splitting payments" or "splitting transactions." From 2019 and 2023, we found that Nico Hauwert made split payments to at least 21 different contractors. Most of these payments would have been over the $3,000 limit, with some of them being over $5,000, which would have triggered different procurement rules. According to the City's CPM rules, Hauwert should have obtained at least three quotes from different contractors as defined in the manual.

In 2020, one vendor was paid over $32,000, which was split into 11 separate payments. On average, the vendor was paid once a month. In July 2020, there were two payments to this vendor for excavation work, with each payment being under the $3,000 limit. In an email, Hauwert mentioned that he planned to assign the vendor new work to ensure that they would not exceed the $3,000 credit card limit. Hauwert also encouraged contractors to submit invoices either monthly or based on the location of the work, even though the services provided were quite similar. Additionally, Hauwert told some contractors that they could only be paid up to $3,000 per month, appearing to coach them on how to bill the City in a way to avoid needing additional approvals.

When we spoke to staff in the City's Procurement Office, they explained that these actions would violate purchasing rules and the Texas Local Government Code. They added that if an employee knows that they will need a vendor's services for multiple locations and the total cost might exceed the purchasing card limit, they must get three bids and follow the proper procedures. In a 2019 email to his manager and team, Hauwert mentioned that the division had received almost $400,000 in funding from the state of Texas (in 2018) to carry out various tasks, including cave restoration. The email listed several locations where the work was to take place. It also noted that as of fiscal year 2019 they had spent just over $46,000, far exceeding the purchasing card limit. Therefore, Hauwert should have obtained multiple bids or quotes for the project. However, his expense records and an email to his team show that Hauwert spent the state funding by making individual payments to chosen contractors, with each payment staying under the credit card limit.

The procurement staff we spoke to pointed out that there was no legitimate reason for Hauwert to use the card the way he did because only Austin Water management could start a written contract with a vendor for up to $50,000 without involving the purchasing department. When we talked to Hauwert, he claimed he used the purchasing card because it was quicker than going through the contracting process. Hauwert did not think that the rules against split purchases applied to contractors working in different locations, while essentially doing the same type of work.

Finding 3

Fraud

In Hauwert's FY2021 SSPRs, his supervisor at the time noted that the division had just completed "a large cave restoration contract" and that "cave restoration work should now shift to this contract rather than paying individuals with a ProCard." Despite this expectation, Hauwert continued to pay individuals through his ProCard.

In another example, Hauwert purposely divided the invoice for a construction project at a local cave in 2022 and 2023. In the email exchanges with the vendor, Hauwert asked the contractor to "reduce the invoice amount to $2,950." The contractor agreed to send him the final invoice the following month. The total cost of the project was over $3,000, meaning Hauwert should have obtained three informal quotes from different vendors. Hauwert said he could not remember why he split this payment. He suggested that he may have taken this approach because master contracts take three years to set up.

Another instance occurred in 2020, when Hauwert asked a contractor for a refund on an expense related to a service they provided. Hauwert requested that the contractor have their subcontractor charge him separately for the work. Hauwert explained in the email that he could only pay up to $2,999 per contractor per project transaction. This appears to not be an accurate interpretation of the policy, according to the purchasing officer.

By splitting payments for vendors and not following the City's procurement process, Hauwert appears to have violated the following criteria:

- City Code §2-3-5(C): Fraud; intentional improper handling of or reporting of money or a financial transaction
- Purchasing Office ProCard Policy 6.2.11: Serial Transactions
- City of Austin FSD Central Procurement Manual (2024): 4.6.1 Purchases $5,000.01 to $50,000
- Local Government Code Title 8, Subtitle A, Chapter 252

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Response to City of Austin Office of City Auditors Draft Investigative Report

Former Austin Water Manager Violated Multiple Sections of City Code

Nico M. Hauwert, Ph.D. September 19, 2025

It is interesting and consistent that the City managers use the City of Austin Human Resources and Auditors Office to promote retaliation and facilitate management desires that aren't in the public's best interest. Most people know of my concerted effort at scientific study on water sources, caves, and land management impacts, since the 1990's, in the publics best interest. I have been frequently subjected to numerous City investigations of me for revealing upper management fraud and providing scientific honesty. The City Auditors Office and Human Resources Department consistently back City management despite being aware of conflict of interest and fraud by upper management, and are not the best to actually investigate City management. Their investigation appear to be punitive retribution to back management rather than actually serving the public's best interest. Based on the allegations by the Auditor's Office, they have determined that spending authorized city funds and staff time for required protection of areas committed by the City in federal wildlife permits or protection of recharge to Barton Springs is not in the City's best interest and is a fraudulent activity. The Auditor's Office role is more justification of management fraud and harassing employees that don't lie for management. So, as usual, I will attempt to fulfill their assignment through the investigation provided here. It seems fairly easy for management to limit resources in a retaliatory way, then blame the staff for doing their best to work around it. As I saw in 24 years working for the City, most positions, including "outreach", rangers, facilities, and manager staff do not work efficiently to conduct needed work, so long as they satisfy managers personal interests and constitute a gross waste of public funds. For the first 20 years of the federally mandated Balcones Canyonlands Preserve Program, no cave restoration, very little cave preserve acquisition, and cave hydrogeological studies were conducted, except by folks outside the program, particularly me, who took initiative to do so. However, once I become program manager in November 2016 and make many improvements to make up for 20 years of neglect, I am the subject of investigation-not the staff who didn't accomplish anything or managers who attempted to stop federally mandated actions and public benefits because of allowed personal conflict of interest. In no case presented did I use city purchases for personal gain or conduct actual "fraud". Quite the opposite, I invested my own money, undocumented overtime, and contacts to benefit the City of Austin. My efforts have helped the city catch up with decades of environmental neglect, I brought over a million in grants/mitigation payments to the City to further protection efforts, and negotiated millions of dollars worth in preserve land donations to the City of Austin. I am also conducting this investigation into actual City fraud for the City Auditors office. I have always been obligated both by personal morals as well as legal requirements as a state licensed geoscientist that requires me to report fraud conducted by upper City management, generally to City Council and mayor, knowing that I would be subsequently subjected to retaliation. I do agree that we should make *very public* the City's federal regulation and safety disregard, as well as fraud, mismanagement and conflict of interest by upper City management.

My life's mission has been to help people, wildlife and forests. I have been involved with setting up the Balcones Canyonlands Conservation Plan preserves (and Water Quality Protection Lands) back since the 1990's before I even worked for the City of Austin starting in 2000. Even though both Balcones Canyonlands Preserve (BCP) and Water Quality Protection Lands (WQPL) programs should have had a large focus on cave preservation (most permit listed species and enhancing recharge to Barton Springs) as Dr William Elliott noted there was a bias against caves and the WQPL program never had cave expertise in its staff. Consequently, the City commonly filled in caves (even federal permit caves with endangered species) that remain filled today, few cave preserves were reluctantly established before I became AW BCP program manager in November 2016. The City's priority for cave protection was reflected in that out of 10 biologist staff, the AW BCP program had only 1 staff with specific cave experience from 2002 to 2017 and he also was required to help with prescribed burns on WQPL and bird surveys. I tried to help outside Austin Water by managing 2 federal BCCP permit specified cave preserves (Whirlpool and Lost Oasis Cave Preserves as a volunteer from 1993-2000), negotiating the free donation of William Russell Cave Preserve from 1997 to 2000 after the City refused to buy it, establishing Goat Cave Karst Preserve, and helping design and donation of Village of Western Oaks Karst Preserve despite the City's initial refusal to accept the BCCP permit cave (from 2000 to 2016). While working with Watershed

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Protection Dept, I supported the Balcones Canyonlands Preserve program by serving on its Scientific Advisory Committee and conducting federal permit-required hydrogeological source water studies for federal BCCP permit caves including McNeil Bat Cave, No Rent, Weldon, Hole in the Road, Fossil Garden, Spanish Wells, Blowing Sink, Goat Cave, Maple Run, Starks Mine, District Park, Flint Ridge, and others. The cave management and land acquisition I initiated and successfully accomplished also preserves future spring and water supplies for the City of Austin.

Lack of Support Staff

The draft Auditor's report alleges:

"*Hauwert wasted City resources by paying for services that Austin Water and other City departments could have managed themselves, resulting in the waste of about $9,000."*

"Hauwert used funds for educational services related to the BCP program, specifically cave tours, even though these could have been handled by Austin Water's in-house outreach and education team. He also spent money unnecessarily on historical and cultural research that was not part of his job duties as a preserve manager."

The assertion that I as program manager could have utilized other City support staff or other departments to a greater extent was also erroneous. Twenty years into the federal permit, the City of Austin was far behind its promised federal compliance on required cave protection. It is true that when I worked in Watershed Protection Department, I was able to support the Austin Water Wildlands Conservation Dept (Balcones Canyonlands Preserve and Water Quality Protection Land) programs considerably, particularly on cave issues, land acquisition and recharge research. Although caves are most critical resource for WQPL (which never had cave experienced staff), having 1 cave biologist for the AW Balcones Canyonlands Preserve program clearly was not enough to catch up on 20 years of permit negligence, and management allowed my to hire a 2nd permanent biologist and an additional temporarily biologist after I started in 2017. I made it clear that 3 biologists were insufficient for the permit requirements and also for safety since the 3 were spread thin. It was necessary to contract services with credit cards within authorized limits to move forward with permit requirements that hadn't been done over the first 20 years and for safety of both staff and the public. Regarding the Auditor's office allegation that: "In 2020, one vendor was paid $32,000, which was split into 11 separate payments" while the specific purchases details referenced in the City Auditor's Office were not provided to determine if there were 11 different projects/transactions. The actual waste of City Resources and fraud is that the 12 support staff (4 outreach, 4 facility, 4 rangers) essentially did not support the BCP program, but for the whims of the Division manager for unknown, if any work. I did know the rangers were tasked by the Division Manager to walk all the preserve and water quality land boundary with occasional brief email of highlights, which I informed was not efficient. It also seemed to burn rangers out, particularly on extremely hots and cold days. If City Management had chosen (as I've recommended over many years) to have (the large number of) support staff support the BCP program with permit-required education, but instead upper management:

1) chose to hire "outreach" staff without educational, scientific, or cave experience, that were incapable of leading cave and other tours or educating the public on the roles of caves and forests. Outreach staff that had experience leading cave tours through the Austin Nature Center typically weren't available, didn't have familiarity with most tour caves, or skills required in some caves. The Austin Nature Center came up with their own safety rules without collaborating with trained cavers, and I encountered a Nature Center tour lost in Whirlpool Cave in June 1999 that had given up trying to find the entrance. Outreach staff were also lacking in scientific information on forests, water cycles, caves, cave life, ecological history, and frequently dispersed misinformation. For safety we typically had more than 1 guide with cave tours. Consequently, I had to conduct most education myself or in some cases cave or bat specialists within the authorized credit card limit of $3,000 per transaction.
2) allowed facilities staff to not support BCP biologists with site security, emergency winter storm vegetation clearing, excavate promised sinkholes with backhoe, consequently BCP staff and program manager had to setup game cameras, catch trespassers, hand-dig sinkholes, and performed the large bulk of winter storm clearing.

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3) I as program manager conducted patrols, had to conduct patrols and write reports on them, investigated and identified trespassers which the Travis County attorney's office made pay roughly $4,000 in damages to the AW BCP program.
4) Despite my request to be involved in the selection of support staff to insure they had the right skills and experience, I was not invited to participate in the hiring and selection process as would be most efficient for the division.
5) The denial of support for the AW BCP program I managed was clearly both severe management inefficiency and also intended as retaliation, which I found common in City management, regardless of the department. This wasted funding for over 12 "support" staff that did not actually support the Austin Water Balcones Canyonland program was a waste of public funds far greater than the $9,000 I spent with a City credit card to get the support we needed. My program was still highly successful over the 7 years of my management, including essentially no staff turnover, bringing in over a million in grant/interdepartmental funding and many millions worth in preserve land donations during my term, and for the first time reaching out to hundreds of preserve neighbors and citizens wanting to learn more about the preserves, groundwater, caves, wildlife, plants, water supply and quality, wildfire risk, carbon sequestration, land management effects on local climate and rainfall. I established federal permit required karst preserves including Village at Western Oaks Karst Preserve, enlarged and incorporated Whirlpool Cave Preserve as a joint Texas Cave Management Association/Austin Water preserve, and coordinated the reopening of dozens of filled caves, which became populated with endangered species/species of concern, on existing City preserve land.

Over my seven year term as program manager, I repeatedly requested support that was denied. Also, I was denied despite my request, to be involved in hiring of support staff, to insure they had skills and experience that could help the BCP program. After 2 years of unsuccessful quiet attempts to make progress, I informed to the AW assistant director and director through the annual review process. However, I was disappointed in 2019 and again with new director in 2023, that they played a role in the corruption, fraud, and waste of public funds that kept actual progress for public good from occurring. I tried the best I could to serve the public good with the resources that were available.

The lack of cave-trained staff at Austin Water Wildlands Conservation, where the management focus has always been on tree clearing and prescribed burning, made it necessary to hire outside cave expertise for the safety of my staff in caves and also to insure safe cave tours. I tried other options including involving trained cave volunteers, requesting contracts, and writing up a master cave contract (that did not include cave tours or helping my staff safely conduct their regular cave work). One of my (example FY2019 October 2018-September 2019) annual assessment (SSPR) directives was:

Safety

Tasks: Workplace Safety
6.1 Employee Safety & Health

Safety is a core value of Austin Water. All employees are responsible to ensure a safe and healthful workplace for themselves and others around them.

Nico Hauwert's FY2019 annual review SSPR Comment: "*Although I and my senior cave staff have been performing cave restoration effectively and safely since 1994 the additional requirements that a city staff be present for our weekly volunteer events was beyond our other volunteer activity requirements and was simply unsustainable on a weekly basis with the limited staff our program has. I was concerned that having Outreach staff oversee the activity, with no experience in cave restoration was a large safety risk and they were not available to help fulfill the new City staff present on site at all times requirement. We have been able to accomplish some cave restoration to a limited extent by contracting some of the same cave-experienced volunteers. My program has 1 FTE and 2 temp cave staff to accomplish our cave management for the whole BCP program (and help on WQPL program) and they are very busy. I was disappointed that an effective activity that took considerable investment to establish was dismantled. As a result of this directive, the cave volunteer*

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activity has been lost; and reduced cave-trained staff have definitely limited what I could have accomplished for BCCP permit completion. As directed, I can work with Outreach staff to re-establish a few volunteer events a year understanding it may redirect my staff from other efforts for permit completion with limited expected accomplishment."

Note that for most volunteer activities, such as bird resighting, having a staff member present was not a requirement, nor was this a written requirement, but Division Manager Sherri Kuhl required it for cave restoration near Mopac South where her husband was environmental consultant, making our restoration of caves a few hundred feet away (and trending toward Mopac South) difficult with volunteer and staff resources we had. Later Mrs. Kuhl stopped the cave volunteer effort that likely would have allowed us to evaluate and better protect BCP caves close to Mopac South, but she did not prevent volunteers working alone on preserves to conduct bird surveys. Part of the strategy which the director and assistant director supported was limiting resources to AW BCP. Because of her conflict of interest, Mrs. Kuhl should have have been allowed to obstruct our efforts to protect federal BCP caves.

Nico Hauwert's May 20, 2019 Mid year SSPR Appeal:
"*Sherri has plans to greatly expand Wildlands staff in FY2020 including 2 temporary outreach staff, 2 permanent facilities staff and 1 permanent wildfire technician to help conduct prescribed burns. However, it wasn't clear to me that any of these would support the core BCP program needs, and I could not write justifications or budget amounts for them. The level of discussion in managers meetings is certainly not enough for me to derive labor costs or write justifications required.*
Given the core of BCP is the preservation of endangered songbird and cave species, and we have only 1 FTE and 2 temporary staff sufficiently trained and dedicated to work on caves. I believe the jobs I can justify are to make the 2 temporary cave positions full time before other peripheral FTE's are considered. The Water Quality Protection Land program also has significant need for cave specialists to increase recharge to the Barton Springs Segment."

In June 2019 I made the comment to Assistant Director Daryl Slusher and director Greg Meszaros through the SSPR appeals process (since I was forbidden to contact them for other purposes) and provided information on the waste and misuse of citizen's preserve assets by PARD mismanagement and lack of cooperation, including Nico's statement:
"*Is the only remaining solution really just Sherri's directives that we should just suppress any discussion of the problem because it makes the City look bad? Hope that no one really cares about caves? Just because a city staff member does not want to do something for the public good, does this mean it should never be brought up, is not longer a requirement on our SSPR, and is no longer a requirement of our federal permit? All for the sake of customer service, conflict resolution, and collaboration? If so please clarify this in writing. As I have been involved with the BCP since the 1990's I wondered how it was possible that federal permit and other caves were filled by, in some cases by the City, and nothing is ever done about it and it is never discussed. The historical approach has been simply to give up on BCP commitments, which may be why many city-owned BCP permit and other caves are neglected so late in the permit term. Now I have a better understanding of the management structure that allows protecting the fiefdoms of our coworkers such that no one actually has to accomplish anything so long as no one rocks the boat. Is the solution offered is to just hope no one cares about the BCP permit issues and they'll just go away for another 20 years? What about our PRIDE value commitment to integrity and consideration of the public good? Is this how the City of Austin choses to solve problems and uphold its permit commitments?.... While anyone in the public and great majority of City staff who is familiar with my work can attest that I am dependable, reliable, and trustworthy, the fact that my whole rating is based on supposed opinion of a few Wildlands Conservation staff suggest the rating is based on my tendency to rock the boat and speak out when I see staff actions not consistent with our directives, values, and consideration of the public, whom I consider our primary clients*."

Out of necessity to conduct our federal permit required education, I had to conduct the majority of cave tours during my program tenure from 2017 to 2023:

2018 467 attendants (192 talks and 275 in cave tours)

2022: 753 attendants

2023 mid year: 329 attendants

2023 SSPR: "*Nico personally participated in field trips and cave tours for about 329 participants so far this year*."

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As I was extremely busy with managing 12 staff, emergencies like trespassing with campfires, fireworks, shooting, poaching, obtaining new preserves, extreme freezes, hydrogeological/wildfire risk studies, and catching up with prior 20 years of federal permit neglect, I wouldn't be doing public education if we had support staff that could perform these. Nearly all of the caves we used for education, including Wildflower (1993-1995), LaCrosse (2012-2015), Grassy Cove (2014-2015), Whirlpool (1990's), I had participating in excavating or supervised City staff excavating, since the 1990's, which tells you I don't just sit around waiting for someone to do.

Part of our federal requirement is cave monitoring and cave hydrogeological studies, which requires a field laptop. Before 2017, Austin Water never did cave monitoring despite federal mandate and instead relied on me in Watershed Protection to do some. Procard policy (October 1, 2017) requires "***6.2.4 Purchases of IT equipment*** *(including desktop computers, laptops, tablets, and network printers). Purchase of this equipment must be processed through the CTM purchase requisition process to ensure IT equipment supply contracts are properly administered."*

On May 7, 2017, I requested several laptops for my staff to conduct required field monitoring, only a portion of which were received before 2021 (4 years later). This was to monitor cave drips and measure surface temperature changes with landscape types. Finally on May 26, 2021, I paid $306 of my personal funds to order a laptop from Discount Electronics so that my staff could finally conduct the field work that was required by federal permit compliance. This example is typical of the level of support my program received from "support staff" and purchasing showing the level of City management efficiency in serving the public good.

Since 2018, the AW BCP Program could not rely on Facilities program or rangers to secure our preserve sites. As documented in this 2018 Game Camera Memo, myself and our preserve staff had to respond to each incident of trespassing at Midnight and Flint Ridge BCP caves in 2017 (Jan. 17, 2017, April 16, 2017, Nov. 25, 2017) and had to maintain game cameras from then on.

In May 2023 mid year SSPR, I noted "*One would think that serving the dual duties of Division Manager and Program Manager for 2 months, the fact I accomplish more outreach than any Outreach staff, and accomplish more success securing our preserves than the ranger program, and my team accomplished far more emergency vegetation clearing response to the February freeze than any another program would be cause for celebration, rather than criticism."*

Response to City Auditor's Office Finding Misuse of City Resources

City of Austin Auditor's Office Comment: "*Nico Hauwert spent over $9,000 on various services from contractors, including a real estate appraisal for private land and cave tours. According to Austin Water's management and staff, there were resources within the department and the City of Austin that could have been used instead.*

Nico Hauwert Response: I requested many contracts through Purchasing, some which took years for approval. I have been assigned a City credit card since 2010. The Procard policy that I have understood since 2010, is that as a card holder we are authorized to make purchases for less that $3,000 per project per cycle. These purchases were approved monthly by my supervisor. I discussed the interpretation of "transaction" is not always clear, and I had discussed this with auditors that questioned two payments to a cave contractor at different locations (interpreted as different projects) in late 2018 and the auditor didn't inform me I had made any error in the purchases, which was consistent with how I did purchases previously for 10 years at Watershed Protection Dept.

According to the City of Austin 2020 Procard policy:

"*"For an individual ProCard, the limit for a single transaction is usually set at $3,000, which matches the single bid limit set by Purchasing Policy."*

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"*The City's procurement card (ProCard) program was established to streamline the purchasing and payment process. ProCards offer a cost- effective alternative to the use of petty cash, paper checks and departmental purchase orders, resulting in substantial savings in staff time and paperwork."*

According to City of Austin policy 4.8.3 (March 1 2020) the Purchasing Office Financial Manager "*Promotes the ProCard program to expand its use as a preferred payment method throughout the City, while maintaining adequate internal control and adhering to ProCard and Purchasing policy."*

The Purchasing Office Program Administrator (4.9.11) "*Conducts departmental program audits and generates compliance reports. Notifies Liaisons in the event of policy non-compliance and works with Liaisons to resolve any issues*."

Also **3.12** *Non-Compliance: A failure to comply with program requirements, which can result in an oral or written warning or reprimand, the suspension or cancellation of the ProCard and Works user account, and termination of employment* (Purchasing Office ProCard Policy March 1, 2020 P. 5).

To be most efficient with public funds, if a project was scoped to be over $3,000, we completed the request, memo explanations for the director and waited the months required for approval before commencing. One limitation is that we had to define specifications months or years before the contract is approved, and many conditions are time or site specific. I generally applied for several contracts each year. I was aware of emergency situations, such as the flood filling of the deepest BCP cave in Oct 2013, while we were waiting 6 months after City Council approval for cave contractors to address an emergency situation which I got the director to declare July 2013. After the cave was plugged, it remained plugged for the next decade due to other City inefficiencies and self interests, including Watershed Protection suddenly determining that restoring caves was a construction activity requiring a full development permit and Austin Parks & Recreation Dept. to this date refusing to sign an interdepartmental agreement defining federal permit required preserves and allowing AW BCP to conduct permit-required work on the parkland without retaliation (see https://drive.google.com/file/d/1nCemCkRrv0w4nGo0pKFk6YIF__eHjSAl/view?usp=sharing). Plus Austin Water manager Sherri Kuhl refuses to let us talk publicly about the problem, assuring its no problem, and for 6 years (after I wrote a draft interlocal with legal) claiming she is working hard on getting it approved.

If a transaction was expected to be less than $3,000, I typically used the City credit card, and I made it clear to contractors what the limit was. Generally, we had an agreement on a billing rate and how many hours were expected to finish the work. One problem was cases where unexpected circumstances caused the effort to be greater, and conferring with the purchasing office they were clear once the work started, we could no longer go through the contract route.

Part of the efficiency of the City credit card purchase is that within the $3,000 spending limit, pre-approval by my supervisor (and certainly the Law Dept) is not mentioned as any requirement, and as program manager I had the best sense of what was necessary and could justify these. Obviously, it would be prohibited and immoral to spend City funds for personal gain, and I never have done or been accused of that.

If use of the issued credit card for purchases up to $3,000 was not allowed, such as for public education, cave excavation, or scientific studies that I could not get from "support" staff, I have never been informed of this. Note I was questioned by an auditor in late 2018 where two separate purchases (transactions) was paid to a single contractor, probably for cave excavation. I pointed out to the auditor that the two Procard purchases involved different cave projects (separate transactions) that were miles apart, and the purchasing auditor did not inform me this was a misuse of Procard or "serial transaction". In my 24 years of City service, I have never been informed of Procard misuse and each purchase was approved by my supervisor. It seems purely punitive that I would now be accused over a year after retiring that I had "fraudulently" abused Procards. Although no specific purchases were mentioned, all of my purchases were in the public's best interest and all helped promote my program committed to preserving Balcones Canyonlands Preserve resources.

Hiring Cave Specialists

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Although the auditor's report claims I committed fraud by splitting purchases, in no case did they show the cave contractors were paid over $3,000 City credit card limit per project/transaction. I did let the few cave contractors available that I had a limit of $3,000, which was not prohibited. For each project that I knew would exceed the $3,000 scope, I went through the contract procurement process several times each year. I did initiate a master cave contract in 2018, that was limited to federal-permit required cave excavation, never before done by Austin Water before I became program manager in Nov 2016. The master cave contract required 3 years, or roughly half my term as program manager, for the Purchasing Office to finalize in July 2021. The contract allowing selected contractors to excavate $100,000/year, which with the overhead associated, meant about 3 cave excavations and 8 weeks of work each year. Because the specifications had to be pre-defined in the master contract, we did not include cave work like hydrogeological studies that had to be designed specific to the site. Also the master cave agreement included a few cave contractors and a limited amount per year. Because we are the only ones doing cave restoration work, and had very irregular work, many of our contractors went to regular jobs and were not available when we needed them. In 2021, I negotiated a grant from Texas Department of Transportation for the amount of roughly $400,000 primarily for cave excavation on AW BCP preserves along FM2222 and FM620 area, with the understanding we would complete the work in about 2 years. Using Procard we accomplished significantly more excavation per year with no instances of liability issues to the City was efficient use of citizen funding. If I made a mistake or misinterpreted the purchasing process, I wasn't notified of this, but am aware that would be considered "non-compliance" such that I could have my credit card privileges revoked or potentially have my employment terminated but is not "fraud". Each purchase was clearly for the public good and not for personal gain. But I've never experienced the City of Austin being too concerned about efficient use of citizen funds in the extravagant hiring of staff that seemed to do no work or concerned about complying with federal regulations, unless forced to.

Previously at Watershed Protection Dept., I had experience watching the cave preserve with the deepest Balcones Canyonlands Conservation Plan federal permit (also containing endangered Barton Springs salamanders), that I worked to get donated to the City of Austin for free in 2000, after the City would not buy the land. In 2010, I saw that from poor land management that the City conducted, that the many caves were filling up with sediment and collapsing. I applied for a Capital Improvement grant for site restoration and in June 2013 City Council approved a contract for restoration. However, by the time the contract was finally approved in November 2013, a flood in October 2013 bypassed the filled caves and pummeled Blowing Sink Cave, which remained filled during my entire term as preserve manager. Although I followed the required purchasing process, this slow process did not serve the citizens interests.

In June 15-21, 2023, the AW manager signed off on purchases for hiring cave specialists to help with cave tours and biological surveys and we discussed the safety risk involved of making staff work alone in caves because management chose not to have needed cave trained staff and that Outreach staff were incapable or unwilling to conduct cave tours for education (https://drive.google.com/file/d/1eJ9FuJEXYpEo3olD0W-6NotepRZPDWKs/view?usp=sharing).

For example, on Dec 2, 2022 Outreach program manager Cait McCann requested that my cave biologists and I conduct a cave tour for Camacho Recreation Center on March 7, 2023, as was normal for our Division since 2017. Each year, as program manager, I personally had more cave tours and education talk attendants than the 4 Outreach staff combined. The problem of not having support staff that could conduct cave tours was not resolved as we would continue to discuss solutions that never occurred. Less than 3 months later I was placed on paid leave and solutions to the lack of support was never provided.

My Annual SSPR includes directives to insure my staff are kept safe (regardless of whether or not I am allocated resources that I required to insure it):

> "*Work safely and comply with safety policies and work safe practices.*
> *Address safety concerns proactively by planning all tasks and eliminating or reducing risks and hazards."*

City of Austin Auditor's Office Finding 1

Appendix A - Subject Response

Nico Hauwert Used The City's Purchasing Card to Pay For Services on Private Properties

"*He misused his City purchasing card to pay contractors for work on private property. These improper contractor contractor payments totaled about $73,000."*

"*Nico Hauwert spent about $73,000 on contractor work for properties that were not owned or protected by Austin Water. Records show that Hauwert paid contractors to complete work at Roy Creek and Little Bee Creek. He admitted that these locations were not under the control of the City of Austin. Of the total amount spent, roughly $67,000 went to contractor services. Additionally, Hauwert used Austin Water's lab testing contract to test water samples from private properties that were not part of the BCP. Hauwert spent roughly $5,700 on water testing.*

We also found that Hauwert misused City-owned equipment and City staff to collect water samples at Roy Creek and Little Bee Creek. One of Hauwert's direct reports traveled to both locations, which were on private property, to collect water samples. The employee noted that they went to one of these locations three times to check on the City equipment there. They also collected water samples and dropped them off at the lab for testing.

By using City funds, equipment, and personnel to conduct various tasks on private properties, Hauwert appears to have violated the following criteria:

City Code §2-7-62(J): Misuse of City Resources"

Finding 2 Waste of City Resources ***Nico Hauwert's Use of The City's Purchasing Card Was Grossly Inefficient***

"*Nico Hauwert spent over $9,000 on various services from contractors, including a real estate appraisal for private land and cave tours. According to Austin Water's management and staff, there were resources within the department and the City of Austin that could have been used instead.*

Hauwert paid a third-party to conduct a real estate appraisal of private land on Westlake Drive. When we asked Hauwert about this purchase, he told us that he was considering the property for future inclusion into the BCP area and felt that the Office of Real Estate Services (ORES) would take too long. When we spoke to the management at Austin Water, they were unaware of this purchase. They pointed out that Austin Water has a team for appraisals, as does ORES, which could have performed the appraisal instead. Austin Water's management also stated that spending money on appraisals was a waste of resources because the division does not have the funds for new BCP land acquisitions.

By using City funds for services that could be provided by City staff and expenses that were not in line with City policy, Hauwert appears to have violated the following criteria:

City Code §2-3-5(A)(3)(a): Waste of City Resources"

General Response on Use of City Resources on Private Property

This accusation is fairly incredible, as I initially reported to the City Auditor's Office on May 14, 2024 over a year ago (https://drive.google.com/file/d/1kHfIgrTVIqBG1QoE-W9U3-9XZW8kVNGp/view?usp=sharing), my direction from Austin Water, as reported on annual performance, and my effectiveness in serving the public in obtaining preserves, which are both federal permit required, and are necessary to protect spring flows and the City of Austin water supply sources, require me to access potential acquisitions (ie private property) in advance of City acquisition, to evaluate them for value as preserve land. I served the City of Austin even before I joined the City in 2000, to set up cave preserves such as William Russell Karst Preserve and Village at Western Oaks Karst Preserve. I evaluated most of the Austin Water - Water Quality Protection Lands, prior to acquisition, to evaluate their recharge potential and springs. Over the last 30 years, I accessed public and private property to serve the public in making the most detailed surface geology map of the Barton Springs Edwards Aquifer, to conduct over 70 dye traces across the Austin area, to measure creek and spring flows, to measure water quality, and to assess recharge features/caves across sites that often become City property or easements.

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During my 7-year term as AW BCP program manager, I was able to obtain for the City of Austin land donations each year worth many millions of dollars. Each acquisition required access, and some tracts that I got committed to the City are still in the works. On October 26, 2018, I visited the 8600 Whitecliffe Rd site for possible acquisition with my supervisor Sherri Kuhl, and the issue of our use of City resources on private property never arose. Below is a partial list of City Acquisitions and Potential Acquisitions I worked on. Obviously before they became City acquisition they were private property. The Office of Real Estate also requires environmental assessments to insure the acquisition doesn't have landfills the City might be liable for. It is an expenditure of public funds on private property that is commonly done and necessary. If I never got access to evaluate the Hudson tract where Jeremiah Ventures development (see below) was proposed, the City would never know its value for recharge to Barton Springs and would not have otherwise acquired it.

However, on March 9, 2019, when our cave staff appeared likely to extend federal BCP permit Pipeline Cave under Mopac South, where her husband contract as private environmental consultant. Sherri Kuhl directed we stop work under the "use of City resources on public property" line that is repeated by the City Office of Auditors for sites like Roy Creek along the Pedernales River and coincidentally adjacent to the proposed Mirasol development where John Kuhl is also environmental consultant:

"*We need to have written agreements in place for any work being done by City staff on caves that are not on city or BCP managing partners' property… the concern is that it could be perceived as the use of City resources for a non-City purpose if we are not able to come to an agreement to protect the cave. I am also concerned about liability for City staff working on private property*."

I approached City of Austin Legal attorneys on an opinion (which Mrs. Kuhl could have done prior to stopping our efforts), since the owners derived no benefit from our work and the City clearly had a federal permit commitment to improve and evaluate the extent of the permit cave, prior to proposed highway construction. On June 18, 2019 City Attorney Andy Perny agreed "*I don't see an ethics issue – as you note, we clearly have a public purpose in maintaining our permit and therefore are not improperly conveying a benefit to a private entity*."
However, in March and April 2019, TxDOT was encountering 72 features on Mopac South a few hundred feet east of BCP permit caves, which I wasn't invited to as Sherri Kuhl was representing AW in meetings with TxDOT and Watershed Protection. By the time City legal authorized us to continue excavating on private property with other restrictions by Parks and AW on other adjacent permit caves, and contracting delays, the highway was essentially built before we could continue, which means the best we could hope for is to encounter a wall of concrete in our cave extension. Also without the use of volunteers, which Sherri prohibited, our budget was limited.

And no, I don't seek an attorney's opinion each time I access private property to evaluate a potential preserve acquisition. But it sounds like a great excuse for someone who doesn't like to work and no doubt has a spotless Procard record. No acquisitions occurred the decade before I served as AW BCP program manager. To me personally, this points to a common waste of public resources that appears to be acceptable by the City of Austin.

Below is a partial list of sites where I have conducted assessments and advised the City of Austin on their value for acquisition. Most were free donations of land worth millions of dollars. Some are expected to be acquired in the future.

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Years Accessed	Year Acquired	Acreage	Tract	Description	Current Owner	CoA benefits
1994-2023	2000, 2014	190	William Russell Karst Preserve	mitigation for Forum PUD/Arbor Trails, Deepest permit cave later found with endangered Barton Springs salamanders	City of Austin since 2000	Federal permit required cave preserve with deepest cave. Major recharge source to Barton Springs. Floodwater reduction.
1995-2000	2001?		Spillar Ranch	conducted assessments, geological mapping, dye tracing, water quality sampling, and creek flow measurements.	City of Austin	Helped establish importance to Barton Springs. Acquired by City with Prop 2 bonds
2010	2016	5.82	Deerfield Lot 4 Block D	200 ft wide strip added to Goat Cave Karst Preserve with 2 permit caves and cave education resources	City of Austin since 2016	improve BCCP federal permit cave preserve, flood improvements, recharge to Barton Springs, public access park
2009, 2013	2014	607	Hudson	Hudson WQPL. Dr. Hauwert conducted Phase 1 and Phase II geologic assessments that caused city council direction for its acquisition rather than development with wastewater irrigation.	City of Austin since 2014	Recharge to Barton Springs, cave/wildlife habitatm potential flood reduction carbon sequestration
2007-2009	2010?	384	Dahlstrom	Dr. Hauwert conducted geologic assessment to evaluate environmental value. City of Austin contributed $1 million to easement	Gay Dahlstrom with cons eas. by Hays Co, Hill Country Conservancy, City of Austin	Recharge to Barton Springs, cave/wildlife habitat potential flood reduction carbon sequestration
1994-2016	2016	12.7	Village at Western Oaks Karst Preserve and Watershed Management Area	Lot 1 Sec 22 (Tract 37), Lot 8 Blk B (Tract 42), Lot 24 Block B. Interdepartmental agreement AW/Watershed Protection 2018	City of Austin	Contains Get Down Cave committed for BCP federal permit acquisistion.
2010	2012	roughly 200	McNeil (Austin White Lime/McNeil HS)	Accessed property mapped 4 caves, measured drip rates, mapped geology for required hydrogeological report (https://services.austintexas.gov/edims/document.cfm?id=196440)	Travis County BCP	Weldon, No Rent, Fossil Garden, and Hole in the Road listed for acquisition on 1996 BCCP permit. Travis County acquired Weldon and No Rent Caves in preserve
2017	2018	5	Massey	Barton Creek. $35k urban forestry grant	City of Austin	Permanent addition to Barton Creek Preserves
1993-2019	2020	9.1	Whirlpool Cave Preserve	Nico served as preserve mgr 1993-2000. Purchased lot with most of cave and created TCMA agreement 5/4/2021 including Lost Oasis permit cave.	Texas Cave Management Assoc/City of Austin	Acquisition of most of 3rd largest BCCP permit cave and management agreement for Lost Oasis permit cave
2018	2020 failed to acquire	0.67	Good Thunder Cave Preserve	Potential substitution for nearby Lost Gold Cave. Owner refused appraised $36k offer.		Owner declined offer but future acquisition possible
2018-2019	2020	34	Carol Lee Preserve	Donation	City of Austin	added Golden cheked warbler habitat and springs
1982-2020	2021	214	Bright Leaf Preserve	Donation	City of Austin	added Golden cheked warbler habitat and springs
1979-2021	2023		Airmens Cave	Easement Donation	Brodie Oaks Mall	legal access to large potion of longest permit cave. Required mapping of cave.
2012	exp. 2026	160	Four Points Preserve	4 BCCP caves. Met w/owners Nov 2018. Committed donation to AW BCP 2019.	Brandywine	4/62 federal permit caves expected in near futures
2020	exp. 2026	11.5	Milky Way	Expected donation to AW after road for access easement		adjacent to AW BCP Park West preserve with springs and possible caves
2020-2023	failed to acquire by 2024	~40	Little Bee Creek expanded preserve	Assessed caves/wildlife on proposed acquisitions/easements	Private	Potential filled caves with likely Bee Creek harvestman, observed Golden cheeked Warbler, bracted twistflower, water source area for Ullrich WTP intake and Barton Springs salamander spring

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The 1996 federal permit (PRT-78841) require that the BCCP partners "*acquire and manage, or implement formal management agreements…adequate to preserve the environmental integrity of…"* the 62 federal permit caves.

The permit also directs "*The funds collected under this Permit will be expended for land or easement acquisition and other preserve system needs in accordance with the following criteria:*

1. tracts considered for acquisition will be within or contiguous to the boundaries of the preserve units identified in the issued Permit;

2. expenditure priority should be in the following decreasing order: Bull Creek, Cypress Creek, South Lake Austin, and North Lake Austin; and

3. Dispensing of funds from the BCCP Fund Account should be accomplished ***as soon as there are adequate funds to complete a transaction*** *or implement a strategy for acquisition, taking into account* ***opportunity, preserve priority and development threat****."*

The BCCP Habitat Conservation Plan/Environmental Impact Statement 2-27: *"The proposed karst preserves encompass important caves and cave clusters distributed over the extent of potential karst habitat, based on a strategy to protect the federally-listed cave invertebrates as well as a longer list of rare and local species that may be listed in the future. Karst preserves will be appropriate in size and configuration in order for the species in the preserve to be covered by the permit. To be considered "protected," a karst fauna area must contain a large enough expanse of continuous karst and surface area to maintain the integrity of the karst ecosystem on which each species depends. The size and configuration of each karst fauna area must be adequate to maintain moist, humid conditions, air flow, and stable temperatures in the air-filled voids; maintain an adequate nutrient supply; prevent contamination of surface and groundwater entering the ecosystem; prevent or control the invasion of exotic species, such as fire ants; and allow for movement of the karst fauna and nutrients through the interstitium between karst features. In most instances, this will entail protecting the entire surface and sub-surface drainage area of each cave and enough of the surface vegetation community to support small animals and buffer against red imported fire ant infestations that can eliminate native ant populations."*

Little Bee Creek

First, although the specifics on the allegation of sampling Little Bee Creek weren't provided, I am pretty sure I didn't submit samples of Little Bee Creek for analysis, as the creek is typically dry except for the downstream portion near the mouth that is in City of Austin property.

I produced an April 5, 2021 assessment of the sensitivity of Little Bee Creek, with thoughts to coordinate expanding the existing 18-acre Little Bee Creek Preserve into a larger preserve. Not only is Little Bee Creek Cave the only actual formal preserve site protecting the endangered Bee Creek harvestman (*Texella reddelli*), Little Bee Creek is just upstream of one of three water intakes for Austin Water /Ullrich Water Treatment Plant, and its springs were later (January 2022) verified through our contracted assessments to contain the endangered Barton Springs salamander. The City of Austin and Travis County committed to protecting 5 caves with Bee Creek harvestman, and there were no shortage of opportunity if the City had honestly tried and invested in some land acquisition. Also, through my personal outreach efforts, I acquired great support from West Lake Hills neighbors to support an expanded preserve.

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Annual evaluation reports (SSPR) include directives for assessment and acquisition along Little Bee Creek:

4. Sustainability and Resilience

In Fiscal year 2021 (September 2020-October 2021) annual report one of my directives was: "*Coordinate search for new caves for possible replacement of permit caves including along FM 2222/RM620 area, and Rollingwood karst faunal region*", which is primarily focused in the Little Bee Creek area.

For my Sept 2021 annual review, I reported: "*Opened discussion with adjacent residents, Nature Conservancy, USFW, Ullrich WTP for expansion of 18 acre Little Bee Creek Preserve to include more area and caves with endangered Bee Creek Harvestman. Contacted owner of Bee Creek Cave who is currently not interested in selling lot with cave."* We held a meeting Oct 21 2021 with my Division manager Matt Hollon, our cave biologists and members of Nature Conservancy and other preserve acquisition folks to discuss possible grant funding https://drive.google.com/file/d/1Uzh4cW5Am4I78zKPcRmj8DuloBOJQ7Yd/view?usp=sharing.

U.S. Fish and Wildlife Staff encouraged me to apply for a land acquisition grant through them, to acquire land in Little Bee Creek. In order to set funding for acquiring new sites, we had to conduct assessments of their value for wildlife and plants. In the meeting notes linked above, I wrote:

"*Over the next few months, AW BCP hopes to conduct a better evaluation of the ecosystems in the potentially acquisition area, which can potentially increase the marketability as preservation lands.*

- Our strategy is to seek multiple grants and other funding to acquire several key largely undeveloped tracts, and if successful in sufficient acquisition, seek future conservation easements or other partially developed tracts to increase viability/connectivity of a larger preserve."

In 2022 year end annual evaluation report (SSPR) I reported:

"*Continue working toward acquisitions to Little Bee Creek Preserve*"

I reported in 2023 mid year SSPR: "*Little Bee Creek Preserve Worked to expand existing 18 acre preserve with only protected Bee Creek harvestman cave to 60 acre preserve by seeking acquisition 8-acre Moore tract and alignment of private 35-acre 1501 Westlake tract. Coordinated wildlife study of Little Bee Creek with St Edwards Univ using game cameras and acoustical monitoring…Little Bee Creek-on private tract across from existing preserve, owner showed filled cave for future excavation and Nico discovered open cave across creek from Bee Creek Cave with endangered harvestman*."

My in mid year FY2023, manager Sherri Kuhl's comment regarding this was: "*Nico and his team have a high standard of excellence for their work and are very focused on sustainability and resilience."*

I assigned the AW BCP biologist and assigned manager of the existing Bee Creek Preserve, Johnny Scalise, to apply for the USFW grant. For the application, an appraisal of proposed acquisition was required. We targeted two properties for acquisition, the Moore tract on Westlake Drive and Okayli tract that had a large filled cave. The owner of the Okayli tract was not interested in selling if we did not have funding in hand but would consider in the future if we had actual funding. One of our West Lake Hills contacts had communicated with the Moores regarding access for an appraisal and although they had been trying to sell the property in the past and would consider selling it, they had a bad experience on land they

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previously owned in New Mexico land where a property appraiser found archeological remains that complicated to sale of the property. Consequently, the Moores did not want to grant access for an appraisal. I contacted the Office of Real Estate (Marsha Shultz) regarding an appraisal of the Moore Tract, as I had for numerous prior land acquisitions. Because access would not be permitted, Marsha reported that an appraisal without access was not standard and would take some time and be complicated for undisclosed reasons. Even when we work through the Real Estate Office, we typically have to fund an appraiser (it is not free), but the Real Estate Office has specific needs such as environmental assessment to insure there were no contamination sites the City would be liable for, and in this case we could work to address those needs once we had funding in hand to negotiate an offer. We have a line item in the annual budget for appraisals. In order to make the grant deadline, an independent appraiser offered to prepare an appraisal without property access within 30 days at cost that was less than my authorized credit card limit of $3,000, and paid that appraisal as a requirement for grant application. However, that year the USFW grant was not acquired as we had to apply first for approval at Texas Parks & Wildlife and were not able to make that deadline that year.

As I mentioned in my May 7, 2024 interview with the City Auditors office, although my program generally did not generally have funding for land acquisition (beside mitigation funding that is generally about $300,00/year and as specified in permit above, must be used for acquisition if opportunities arise), through actually trying, I was successful in bringing new preserves to the City essential each year, some require years of work to accomplish, and the challenges associated with attempting potential preserve acquisitions along Little Bee Creek weren't too unusual. In the decade before my appointment as preserve manager in 2016, no City BCP preserve had been acquired. There were other possible funding sources including Travis County who obtained land acquisition bonds, Hill Country Conservancy, Nature Conservancy, even Austin Water discussed setting aside $10 million/year for land acquisition to preserve Austin's water supply (but ultimately decided not to), and even in the future preserve acquisition is in the best interests of City of Austin taxpayers and is not out of the question if initiative is taken. If we were successful in acquiring the two targeted lots, neighbors in between would support us in obtaining conservation easements for large private greenspaces that were buffers already.

Roy Creek

I visited Roy Creek (private) and West Cave Preserve (LCRA BCP Preserve) on November 25, 2019 to measure spring flow and collect water quality samples. The owner of Roy Creek wanted his property to become part of the Balcones Canyonlands Preserves. The springs along the Colorado River, with Roy Creek being the largest, helped sustain the City of Austin water supply. I or my staff visited Roy Creek roughly annually to measure flow and collect water quality samples. Roy Creek was adjacent to other Balcones Canyonlands Preserves which had endangered or petitioned endangered species and were designated in the 1996 BCCP Habitat Conservation Plan. In 2022, Austin Water Environmental Resource Manager Sherri Kuhl's husband John Kuhl was contracted to conduct endangered songbird assessment on the adjacent proposed Mirasol development. Subsequently, although assessments on private property have been standard prior to possible acquisition, in this case as well as Mopac South and Little Bee Creek, it was deemed

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Bat Education

One complaint by the auditors office regards a Violet Crown Trail/Whirlpool Cave Preserve public education event, attended by City councilwoman Paige Ellis, where I contracted bat specialists who to bring live bats and table educate about the lives and importance of bats, well within the required credit card limit. My manager Sherri Kuhl noted in my 2023 SSPR: "*Nico helped lead or organized a number of outreach events including a ribbon cutting at the opening of the new Whirlpool Cave educational exhibit*." I paid $519 to have bat specialists from Merlin Tuttle Bat Conservation give factual information on bats and their benefits and additional funds to have Austin Bat Refuge bring live bats.

The argument made by the City Auditors office is that I could have AW Wildlands Conservation education support staff conduct the education for free is invalid, as the 4 education staff had no experience with bats and very little on caves and cave life. I observed and my biologist staff frequently complained that the education staff gave false information about forests and caves.

From Mid year 2023 SSPR (this was the last personnel review Nico Hauwert had)

Sherri Kuhl mid year 2023 comments: "*Nico needs to improve in the areas of communication and planning priorities. We have had several issues during this time period where he has not communicated in a way that supports Austin Water's policies and procedures. Nico should be first and foremost a member of Austin Water and represent Austin Water in a positive light. The first example of communication issues was when he was requested to testify at the legislature and did not clearly communicate this to me. It led to an unhappy constituent who emailed to tell me that Nico had communicated to her during the hearing that AW told him he could not testify. This should have been communicated sooner and in a more tactful way to explain the AW policy and process."*

Nico Hauwert May 2023 Response: "*We discussed this issue together with Assistant Director Kevin Critendon on April 10 where your complaint against me was made. The situation is as follows. On Sunday March 19 I was verbally requested to testify regarding a tree bill removing protections for ashe juniper. I informed Sherri verbally on Monday March 20 but didn't have specific information about the request until I got a later email which I forwarded to Sherri. On Tuesday March 21 in an internal meeting with Sherri, Heather Cooke, Alan Leonard and Anna Bryan-Borja about the bill, I discussed the request but was informed our strategy was to keep a low profile that that I shouldn't testify, even as a private citizen. The hearing was Wed March 22 and I informed Elizabeth McGreevy that I was directed not to testify and that our strategy was to keep a low profile. First, I promptly communicated the request to Sherri. I was told that I could have told Elizabeth "more politically" why I couldn't testify. I asked how I could have explained it differently and Sherri explained I could have told her that getting permission to speak for the City is a long process. However, I was told on March 21 that I couldn't speak, regardless of process. I mentioned that part of our effectiveness with the public is when we are open and honest, but I may be mistaken in believing that integrity is part of Austin Water's policies and procedures*."

Sherri Kuhl SSPR May 2023 comments: "*In another example, Nico communicated to a member of the Animal Advisory Commission that AW Wildlands would be a good place for a bat biologist even though the duties of this person were to monitor the Congress Avenue bridge bat population, monitor the downtown Austin bat population for rabies, pick up rabid bats, review COA road and bridge projects for bat impacts, provide education for visitors to downtown Austin on the bat population, etc. All of these*

duties are outside of the scope of AW and the Wildland Conservation Division. This led to a need for management to get involved with communications with a Council member and her staff."

Nico Hauwert May 2023 SSPR Response: "*We might disagree on the applicability of this position to our program, where they just need someone representing the city in charge that can work out solutions. I was consulted with on this problem back to 2015 by TxDOT biologists and nothing has been done yet. Our cave biologists already do bat work in their natural habitats and we can even contract help if we had authority to talk to other departments and make necessary improvements. I know Sherri has tried to suppress public knowledge of problems related to lack of City cave specialists, but its not my fault that these problems don't go away on their own. This issue is cave-related in that bats lost their natural habitat, which we alone are working in small steps to restore. Bats are important part of cave ecosystems. Our cave biologists are the only City staff working with bats through acoustical monitoring, faunal surveys and habitat restoration. They also work with cave-related public health concerns like soft ticks with relapsing fever, carbon dioxide gas, raccoon roundworms, etc..In summary, I feel the SSPR process was used in a retaliatory way. I am not provided the resources I request, yet am criticized nearly daily that I don't accomplish assignments. I am given additional tasks beyond my SSPR planning and am criticized that I haven't accomplished them fast enough. I am criticized that I don't delegate yet you and former Division Manager tell staff they don't have to do the work I request of them, that is on their SSPR. I was also criticized with inaccurate data or in general with no supporting information. I feel my mid year accomplishments warrant an Outstanding rating, yet I am given a "Successful" rating with some Competencies are rated as 'Needing Improvement". I request that the rating be reconsidered and major improvements made or be re-evaluated by more objective reviewer. I also request that the non-factual criticisms be retracted. For the future, I would request your support of my program rather than undermining it, if that is possible."*

In my final June 29, 2023 mid-year SSPR appeal to AW Director Shay Roalson, I wrote:

"In general, I would characterize that most issues arise from AW management approach of putting a positive message and awarding loyalty to those who can deliver this message (regardless of veracity), with considerable less effort on efficiently resolving core issues, resulting in issues being unsolved over decades, public distrust and employee dissatisfaction. I would propose direct conversation and management support to resolve these problems AW is committed to addressing and taking a hard look at our value for integrity and concern for our staff."

BCP Video

Regarding the complaint:" *Finally, we found some transactions that he was not authorized to make. Hauwert used City funds to pay the registration and submission fees for a small film festival, for a film he had commissioned. In Hauwert's 2023 mid-year SSPRs, his manager noted that he had produced several videos 'with very little input from the Wildland staff...or AW PIO.' Hauwert admitted that he did not get approval from management or consult with the law department before using City funds for this purpose."*

The allegation that we didn't get input on the videos is false. Feedback on the scripts from our outreach staff took 6 months, because they are so busy attending conferences and networking. So, the videos were released in early 2023. Here are some emails and timeline regarding the videos. During the onset of

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COVID outbreak, I emailed Public Information Office Geneva Guerrero on July 21, 2020 to look into replacing our public talks with videos:

"*I am looking to make 30 min video talks on geology, caves and aquifers, cave biology, and cave safety to replace the talks I usually give. My first is Oct 1 for master naturalist. What permission is needed for this?"*

Ms Guerrero responded: "*We actually just worked with Kevin Anderson to record his lecture series using Microsoft Teams. Here's a link so you can see what that looks like: https://www.youtube.com/watch?v=NlLssgI8M0& list=PLnWYtHokLwGxnkwQNmxjcDGzy0Rk4EFS-&index=3*

If this is what you have in mind, I'll have Mary Zambrano and Randall Mena reach out to help you get started (they worked with Kevin on his recordings). We can also add your lecture series to the web site and promote them using social media to reach a broader audience."

I never stated I did not have management approval for making and releasing the videos. Since May 2021 Lisa O'Donnell and I had conversations with Wildlands Outreach staff about the proposed videos copied to Sherri Kuhl. On November 17, 2022, Sherri Kuhl emailed: "*I am ok with moving forward with the videos with the suggestions we talked about and the ones Cait made for Nico's video*" prior to their agreed release in early 2023. AW Division manager Matt Hollon approved the purchase (eprf) for making the videos using grant funding and I kept AW outreach and Sherri Kuhl updated over a year and a half of planning, producing and releasing the videos. On December 7, 2022, AW Wildlands Division Manager Matt Hollon approved the release of the videos that were publicly released in January and February 2023.

Regarding releasing the videos for the film festival, on March 1, 2022 Outreach manager Cait McCann emailed that once the videos are released they can be openly shared:
"*I know that you, Jeff and Nico know this already (but just for the sake of over-communication), all original content should be posted through City channels first and shared by anyone (and everyone!) else from there. This means that Jeff would share with us, we'd post to YouTube, storymaps, and social media and he and others can share from there to help spread the word."*

While Cait McCann was officially coordinator with the Public Information Office, and would sometimes take offense when I contacted them directly, I did contact the PIO office directly at times to make sure our bases were covered and hear directions directly from them. On April 19, 2023, I updated Public Information officer Amy Petri about the public release of the videos with their links and the entry into the film festival. She responded "*This all sounds good and I'm fine with it – just wanted to have the particulars in case anyone asks. Thanks for looping me in."*
So we were approved for releasing the videos at a film festival. Regarding the video, Sherri Kuhl and I had discussions in my mid year 2023 SSPR referenced in the Auditor's office complaint:

In May 2023 on mid year SSPR AW Environmental Resource Manager Sherri Kuhl complained:
"*Nico and Lisa produced several Ashe Juniper videos with very little input from Wildlands staff and no input from our BCP partners or AW PIO. My expectation in the future is that all written documents beyond the level of email, presentations, videos and other communication pieces will be reviewed by our community engagement staff, the Division Manager and AW PIO staff. I believe this will lead to an improvement in all of these education and outreach materials."*

I (Nico Hauwert) addressed this misinformation in my SSPR response:

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"*I found this accusation very much in error. On July 21, 2020 I contacted AW Public Information Officer Ginny Guerrero for about upcoming videos and Amy Petri responded, offering to help film and distribute, but did not mentioning the need to preview the script or video, prior to release. For years before 2019 Lisa O'Donnell laid the groundwork for researching misconceptions of ashe juniper prevalence in Central Texas by producing her historical ecology paper, that got feedback from WQPL and your sign off in Jan 2019 for inclusion in the BCP annual report. In October 2021, Lisa was awarded $35,000 from Urban Forestry Fund to produce videos on misconceptions of ashe juniper and Dec 12, 2021 Division Manager Matt Hollon approved the purchase request for video production. In Feb 2022, I notified Outreach manager and other managers at our managers meeting that we would start working on these videos prior to any work on them. During this time the Division Manager told me that Outreach Manger Cait McCann was our primary PIO contact, so I assumed she would communicate with PIO if necessary beyond my 2020 notification. On April 18, 2022, Lisa provided the first video script (featuring Liam Shepard of Austin Energy) to Cait and received comments back on June 23, 2022. Liam had AE PIO review the script. On July 7, 2022, Lisa provides the script of second video (featuring Racheal Lindsey of Hill Country Conservancy) to Cait and receives comments back from Cait and BCP biologist Bill Reiner on July 13. On Sept 29, 2022 Lisa emails the draft video links to Cait, who responds on Oct 21 that the previous comments had been addressed. On Dec 7, 2022, Cait reported that she shared the video links with Kevin Thuesen WQPL manager and Wildlands Division Manager Matt Hollon approved the video releases. I thought the videos came out great. Was there any problem with them that I should know about*?"

Why would we "*consult with the law department before using City funds for this purpose?"* Having to consult a City attorney when not required is a typical management tactic to delay or stop something management doesn't want, but can't say why outright. The only time discussion of consulting an attorney came up, when I suggested it at Outreach manager Cait McCann's insistence that the video producers not be credited for their work, and I suggested *"I am concerned that using someone's work without crediting them is considered plagiarism, which has potential moral and legal implications. If you haven't had a city attorney weigh in yet, we can seek this advice."* If the film festival entry amount was within the $3,000 credit card limit, why would pre-approval be necessary. If it was done with a credit card, wasn't the purchase signed off by the supervisor?

Why is Austin Water so fired up about videos on juniper (cedar)? The videos counter 2 decades of the City of Austin's war on juniper and massive investment on clearing forests/prescribed burns. The City of Austin has the factual information but intentionally is making fraudulent claims in consistent pattern of retaliation. We should definitely make this public if we ever hope to start addressing City corruption.

The City of Austin Auditor's Office Oct 19, 2019 Wildfire Preparedness report concluded "*prescribed burning is a method to proactively address wildfire risk. This method is noted as cost-effective in reducing brush*" while not acknowledging it is cleared WQPL and parks where fires occur not forested Balcones Canyonlands Preserve. I can see that my September 2023 message to the Mayor and January 25, 2025 City Council comments with actual scientific data on fire history and worldwide studies regarding the 2023 Parks Land Management Plan causes concern for the Auditors Office.

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Historical and Cultural Resources

Regarding the erroneous complaint "*He also spent money unnecessarily on historical and cultural research that was not part of his job duties as a preserve manager",* my annual 2023 performance review (SSPR) directs:

"*Equity*

Seek to learn and understand the history of Austin and the role that historical relationship continues to play in Austin"

In my year end 2020 performance review (October 2020), I commented: "*The BCP program makes special effort to empower low-income children for future roles associated with the BCP by leading Explore Austin cave tours and featuring diverse scientific speakers in education videos we are preparing*."

In order to fulfill this directive, my mid year 2023 SSPR I reported:

"*Attended San Marcos Native American POWWOW Nov 2, 2022, to learn about Native American culture and history/language and meet people involved with Native American culture*

· Took 39 low-income boys and girls into Goat Cave for Explore Austin

· Worked with archeologist Ron Ralph to research/archive ancient Native American sites on Stovepipe and Sam Hamilton"

My manager Sherri Kuhl's May 2023 SSPR comment regarding my performance regarding Equity was: "*Nico is conscientious about diversity and equity and works with historically marginalized people in our community."*

I recognized that our West Austin Preserve system didn't adequately serve our East Austin and other underserved. So, I made special efforts to conduct free cave tours for Title 1 school kids through Explore Austin, facilitate Comacho Recreation Center cave tours, and paid a UT history graduate student to research Afro American and Native American connections to some of our preserves. Also for site management, we periodically encountered historic cultural sites and reported these to the Texas Historical Commission as required by state law and worked with them and contracted archeologist to quickly address/research historic sites on preserves, particularly artifacts uncovered during cave excavation.

The Auditors report erroneously reported "*He was later released from his employment on July 8, 2024."* Per agreement with Austin Water, I resigned my City employment. You can inquire with Lliana Venegas of Human Resources (Iliana.Venegas@austintexas.gov).

It was extremely challenging to accomplish the needs of staff program management, preserve acquisition, preserve management, federal compliance, safety, public education within the set management restrictions, retaliations, and City policies and I tried the best I could under the circumstances. Is it so that the City Auditors view that a former City staff member who accomplished a lot, did not abuse City credit card for personal gain but to advance the public good is "fraudulent" while other staff who might not accomplish anything, have conflicts of interest, but stay within the lines of interpreted purchase policy are fine. While the allegations made against me in this "investigation" are fairly absurd, it is not uncommon

for Human Resources and Auditors Office to overlook actual fraud and conflict of interest to show loyalty to City management, which is not in the public's best interest and appears to be part of massive taxpayer fraud that has been occurring at the City of Austin.

In addition to serving federal required wildlife habitat (which the City of Austin has never initiated on its own), the lands I've worked over 3 decades to protect and in some cases manage, provide water supply, help clean water quality and air quality, help sustain spring flows, reduce wildfire risk, reduce extreme temperatures, promote local rainfall, and sequester carbon to reduce contributing to climate change. As indicated on my annual performance evaluations (SSPRs) in some years I've conducted education for 1,000 attendants a year. My scientific studies on groundwater and caves in the Austin area are premiere sources, some never repeated in Austin. Protecting the City of Austin water supply should be a core function of the City of Austin

In my nearly 24 years of service to the City of Austin (plus 6 years prior supporting the City through Barton Springs/Edwards Aquifer Conservation District and Texas Cave Management Association volunteer cave manager), I frequently saw upper management retaliate when City staff when staff were truthful and didn't fraudulently give the desired "message". Management were also obviously motivated in cases, including those specified by the Auditors Office, by conflicts of interest, but somehow I am the one accused of misdoing, which is typical. But despite retaliation, I have spent many personal hours assisting the City in investigating actual conflict of interest and fraud and providing the public and City Council factual information.

Other Cases of City of Austin Fraud

Bluebonnet Hills-in 2013, while reviewing a proposed development in Zilker area east and uphill of Barton Springs. The city environmental officer, who had approved variances from same developer of adjacent development, where no water quality pond was required. The neighbors reported obvious erosion as a result of previous variance, reported a spring in the tributary that I verified. It also seemed likely to me, but unproven, that the spring flow contributed to Barton Springs since the springflow went underground in areas I mapped as Georgetown Limestone, part of the Edwards Aquifer recharge zone. The Environmental Officer believed the site was not in the Barton Springs Zone, gave a variance for the development not to require a water quality pond and asked me to reduce the spring setback to 50 ft. My interpretation of City code, that I copied to city legal, was that I could not legally reduce the setback from 150ft minimum. I asked City attorney Mitzi Cotton to write an interpretation of the City code, and she refused, citing that she had discussed it with the City Environmental Officer and we should do what we were told. My other hydrogeology team members stated they often reduced setbacks less than 50 feet (up to zero) if directed. I had seem that in regards to caves and springs, staff most commonly allowed them to be built over since they either didn't have expertise to recognize them and/or didn't make the effort to investigate them. I was not comfortable ignoring science, City code, and public's best interest because managers had an unexplained interest to cause obvious environmental damage to save developers dollars. Previous papers I had co authored with Dr Mustafa Saribudak and geological mapping I did since 1994, suggested a flow path to Barton Springs under the portion of the Little Zilker tributary where spring flow goes underground was presented by Don Blankenship of Univ of Texas to the March 26 2013 Planning Commission meeting. On March 8, 2013, I offered to conduct a brief dye trace, incorporating my 9 temporary staff who were conducting monitoring at Barton Springs already for the longer traces (Davis

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Lane). My supervisor David Johns directed we didn't have resources for this trace. UT Professor Dr Jack Sharp offered to have a student conduct the trace as a class project and UT would pay for the analysis. Though I had tried unsuccessfully since 2007 to have my temporary staff, Justin Camp, whose primary duty was to measure Barton Springs flow, added to the federal permit so he could legally access the springs for his work, but saw that management did not want to see the likely connection to Barton Springs proven. Suddenly, in the context of a dye trace, David determined that despite years of access, Justin and my other staff could not access the springs without me or other staff listed on the permit, and directed that I would be too busy to escort UT students to the springs for dye monitoring. Even with those limitations, UT successfully conducted the trace Feb 14, 2014 and initial results were transmitted March 18, 2014, indeed showed the Little Zilker Spring water flowed to Barton Springs, and was the last report (https://services.austintexas.gov/edims/document.cfm?id=266620) I prepared for Watershed Protection before transferring to Austin Water as Balcones Canyonlands Preserve Program Manager. City Council ultimately determined that the City Environmental Office's practices of arbitrarily allowing variances was not allowed (Austin Chronicle Jan 17, 2014; and Austin Chronicle March 14, 2024. However, despite scientific proof to back the likely connection of Little Zilker creek to Barton Springs, I was written up in my annual review a year and a half later (Dec 2015) "*Continuation of your involvement in the Little Zilker tracing after being explicitly instructed that this effort was not a priority for the department*" and subjected to a Human Resources investigation, and had a private and union attorney represent me in management steps to have me dismissed. I also faced retaliation in being overloaded with assignments and the director calling a fire marshal as my desk was overloaded with paperwork. In this case it was upper Watershed Protection Management and City Environmental Officer who committed fraud by lying to City Council that the proposed Zilker (Bluebonnet) development was not in the Barton Springs Zone, such that staff could provide a variance not requiring water quality ponds and allowing reduced (50 feet) setback for a spring. Former councilwoman Jackie Goodman emailed me Dec 16, 2015 regarding the issue:

" *There are a lot of things at CoA that are outrageous & flagrant, often overt. Re-subdividing Bluebonnet was one of the most in-your-face corruptions of bureaucratic authority, although there have certainly been others & in more than WPD… Bluebonnet was your over the top transgression, & they got caught ? (meaning people knew & it was about to get really public)... But more to the point, it was corrupt. Those were a number of flat out lies to the public, in public, & to the City Council behind closed doors. The only way even a corrupt bureaucracy can get away from being found out is to close government - the bureaucracy & the decisions it makes - off from the public & sole arbiter of any information available. I've always been curious about exactly who the 'administrative authority' was who exempted those other two properties from SOS/BCZ regulations… The only other logical explanation would be that Upper management itself is the stuff of corrupted government ethic, &/or is simply beyond incompetent."*

Jeremiah Ventures- From 2009 to 2013, as Watershed Protection hydrogeologist, I was assigned to review a proposed 1,000 acre development, bring back" treated" wastewater irrigation of the 1980's to a ranch on the Barton Springs recharge zone adjacent to Austin Water Water Quality Protection Land where my previous traces showed as little as 2 day travel time to Barton Springs. While the developer submitted an assessment showing no caves on the site (which was impossible), in my 2009 assessment (on private property) the teams I directed found caves, including within the proposed effluent irrigation fields (2009 Hauwert Assessment) While the court allowed 2 week return assessment in 2013, to continue evaluating

and excavating filled caves, the owner selected a period where I was scheduled to explore caves in Mexico with family for the first week. During my absence, David Johns and my team superficially examined most features I had directed to excavate and reported to management they weren't real karst features, and I had to follow up on the second week to show through excavation that they were actually filled caves, some filled with trash. The hydrogeological staff member received an award for overseeing a week where little was found, but apparently found what management wanted. Unknown to me, our watershed director and upper management had been meeting and negotiating with the developer, without including me, who was most familiar with the site and groundwater connection to Barton Springs. That Thursday while I was assessing the site and completing a 2013 Phase II Assessment report, City council had an agreement not to oppose the development recommended for approval by Watershed Protection. During the meeting, City Council directed that I come immediately talk to them about the site, since Watershed management recommendations were surprising (https://www.austinchronicle.com/news/2013-09-13/then-theres-this-waste-over-the-aquifer/). The Watershed director and upper management intercepted me in City Hall and told me they supported this model development which was engineered so as not to cause harm to the aquifer. They weren't aware of cases of pathogenic outbreaks in the 1980s and 1990s from similar wastewater irrigation, the caves our teams had found even in proposed irrigation fields, or the dye tracing I had done in the area to show the close connection to Barton Springs. After hearing from me, Councilwoman Kathy Tovo told the Austin Chronicle: "I'm very sorry the public wasn't able to hear Dr. Hauwert in closed session. Our expert has done some very compelling work in terms of this land and the recharge features on it." City Council directed City staff to purchase the site with bond money and it became city conservation Land in March 2014. Watershed decided to lay off the cave specialists between September 2015 and January 2016, or reassigned a couple to non-cave discovery work, apparently as retaliation, but also suggesting that Watershed Protection management believe the discovery of caves on proposed development sites, City conservation preserve sites is no longer necessary, despite the vast majority of caves remain filled. While in the 1996 federal permit, USFW assumed the City would set aside caves discovered on development sites to substitute for some of the 62 listed caves for protection that were not adequately preserves, this buffering of caves required by city code and environmental criteria manual has never adequately occurred sufficiently to offer it as a substitute federal permit cave. At a May 16, 2018 Environmental Board presentation I did on caves 2018 Austin Monitor article "*Chuck Lesniak, the city's environmental officer, noted that the city now requires developers to be more vigilant when constructing around caves than in the past*." This strategy appears to be if you don't have cave specialists to verify environmental assessments, large areas of development sites won't have known caves and fewer caves will need protection. This type of fraud is apparently freely accepted by the City.

Mopac South/SH45SW.

There was a large conflict of interest (2025 report) where Austin Water Wildlands Conservation Division manager Sherri Kuhl's husband was primary environmental consultant for TxDOT on the Mopac South project and she took direct steps to prevent restoration of filled federal permit caves that were adjacent and likely to underlay Mopac South, as well as downstream cave Blowing Sink, that was shown by my tracing and water quality sampling following a wastewater spill on Mopac South to receive groundwater from Mopac South. This obvious conflict of interest was known to Austin Water assistant directors, AW directors, Human Resources and City Auditors Office (April-May 2024).

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On March 8, 2019 in requested meeting with Councilwoman Leslie Pool and Bobby Levinski regarding Mopac South proposed construction by Texas Dept of Transportation, I reported that we had owners (Whitestone-Reit) permission to begin excavating Pipeline Cave, one of 62 federal permit BCCP caves that the City committed to protecting. Following directed procedure that communication with City Council, directors and assistant directors required notification and Sherri Kuhl attended the meeting. When development of the shopping mall adjacent to Pipeline Cave was approved with review from another hydrogeologist from Watershed Protection reviewed, the cave and another (Confusion Cave) was left as green space, but no special provisions required by the 1996 Habitat Conservation plan or permit were included. The mall was allowed to irrigate their stormwater over the cave, with Watershed Protection assumed citizen petition required SOS ordinance criteria that soil filters the contamination to nondegradation. This assumption that soil completely absorbs contaminates was proven false by other tracing I did nearby using chemical tracers like iron, ammonium carbonate, and potassium chloride poured above caves during rain events and detected in cave drips thereafter. The lack of attenuation was also measured comparing surface runoff from rain events with cave drip quality. City management would never require a nondegradation ordinance on its own initiative as it would require less development intensity and more land set aside to protect water quality over sensitive aquifers like the Edwards Aquifer. Prior to the meeting my staff my staff had excavated trash fill from the entrance area, as a start toward restoring it to actual cave habitat after 23 years of the City's commitment to do so. However, after the meeting with CW Pool, Wildlands Div manager Sherri Kuhl directed in an email: "do we have a written agreement with the landowner for the work being done on Pipeline cave? We need to have written agreements in place for any work being done by City staff on caves that are not on city or BCP managing partners' property. " This shift contradicts what I told CW Pool but because of chain of command I could not tell her that I unintentionally mis-informed her.

In 2017 and 2018, we had a limited time to conduct water quality and karst assessments in USFW designated preserve areas (cave cricket and subsurface cave drip catchment areas) of BCCP caves adjacent to and underneath Mopac South and SH45SW, before the roadways were constructed/completed and damage was done. Also, in Goat Cave Karst Preserve, a BCP preserve managed by Parks & Recreation, Wade Cave had been a 15-feet deep open pit that was a public safety concern, which we addressed in 2018. Blowing Sink Cave was the deepest federal permit cave, and only aquifer monitoring site near Mopac South, but was blocked by Oct 2013 plug, so I contracted excavation of a hand dug shaft to reach the plugged area in 2017. In 2017 I also was approved a contract for air quality monitoring of caves, to better understand causes for poor air quality in caves for staff biologists and also public cave tours. By 2019, I had negotiated a $390,000 mitigation fund from Tx Dept of Transportation for North Austin around FM2222 and FM620 which also had a limited timeline. I used purchasing tools to the extent I could to accomplish these, and during my employment was never notified I had misused contracting or credit card purchasing.

Conclusion

I have been the local scientific expert on caves, aquifers, preserves, local climate effects of deforestation, and water supply, which was why it was so important to keep me from seeing City Council, Boards and Commissions. My efforts to collect actual scientific data has been very threatening to City management who have predetermined "messages" and outreach in place of education. I felt I had done my best to accomplish my work in the public's interest and discuss the problems honestly with upper management

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and City Council, amidst retaliation, constant restriction of support, and having to make up for lack of diligence by City staff and management. I'm sure it would have been much easier to just claim you couldn't do anything for years until contracting was approved or some procedure was put into place, as is typically at the City of Austin, but not in the public's best interest. Despite the important role forests and caves play in sustaining public water supply, air/water quality, carbon sequestration, wildlife habitat, wildfire risk reduction, and spring sustenance, as my supervisor said "no one cares about caves" and the City of Austin management might consider doing nothing but clearing burning land and filling caves is in the public's best interest and pathway to personal advancement. Management supported the restricted support my program received, commonly gave fraudulent information to boards/commissions/City Council and allowed management conflict of interest for personal gain.

It seems fairly standard City management technique to withhold resources to staff, then blame them for not accomplishing work. Also management commonly provide fraudulent information to boards commissions City council and regulatory agencies with no repercussions.

Appendix B - Austin City Auditor's Office Response to Subject Response

We reviewed the response provided by Nico Hauwert and believe our findings stand.

Nico Hauwert repeatedly stated that all his decisions were in the public interest. The Austin City Auditor's Office's findings focused on whether Hauwert followed the proper City procedures and policies when using City funds. Consequently, the manner in which he failed to follow those rules violated City Code. We did not make any conclusions about Hauwert's views on public interest.

Some documents and excerpts provided in Hauwert's response support one of our main findings that he used City resources on property he knew was privately owned and where there was no reasonable expectation of acquisition based on Austin Water's limited resources.

His response also pointed out various situations where he disagreed with operational decisions made by Austin Water management. In these cases, Hauwert took actions that did not follow those decisions, resulting in a violation of City Code and City policy.

Appendix C - Management Response

MEMORANDUM

To: Brian Molloy, Chief of Investigations
Office of the City Auditor

From: Shay Ralls Roalson, Director SMR
Austin Water

Date: October 28, 2025

Subject: **Management Response – Former Austin Water Program Manager Violated Multiple Sections of City Code**

Austin Water has reviewed the draft investigation report prepared by the City Auditor's Integrity Unit regarding allegations against Nico Hauwert, former Austin Water Program Manager. Austin Water takes these matters seriously and we accept the report's findings. Mr. Hauwert resigned from City employment effective July 8, 2024.

Adhering to the City's standards for financial management is foundational to maintaining the trust and confidence of the public and the organization. Austin Water staff who are issued City purchasing cards or who approve purchasing card transactions are required to attend training provided by the Financial Services Department, as well as Austin Water specific training. Austin Water procurement staff routinely provide training opportunities as well as guidance and support to staff as needed.

In addition, for FY 2026, Austin Water is rolling out mandatory purchasing card refresher training for all purchasing card holders and approvers, with an emphasis on reinforcing cardholders' and approvers' responsibilities as it relates to split purchase transactions. The Austin Water Financial Services team is also implementing periodic purchasing card transaction reviews for compliance with City Purchasing Policies and to identify opportunities to implement vendor contracts to reduce spot purchases.

If you have any questions or need additional information, please contact Austin Water Assistant Director of Employee and Leadership Development, Israel Custodio, at 210-269-1514 or Israel.Custodio@austintexas.gov.

Investigation Criteria

Finding 1

City Code §2-7-62(J) - Standards of Conduct

No City official or employee shall use City facilities, personnel, equipment or supplies for private purposes, except to the extent such are lawfully available to the public, or to the extent that facilities, equipment or supplies are allowed to be used in a limited or de minimis manner in accordance with City policy.

Finding 2

City Code §2-3-5 (A)(3) WASTE means:.

(a) the grossly inefficient or uneconomical use of a City asset or resource;

Finding 3

City Code §2-3-5 (A)(2) FRAUD includes, but is not limited to:

(c) the intentional improper handling of or reporting of money or a financial transaction.

ProCard Policy Manual (2024) 6.2.10: Serial Transactions

6.2.10 Serial transactions totaling more than the $3,000 single transaction limit. Circumventing the solicitation requirement for purchases over $3,000 by splitting purchases across multiple vendors, breaking the item into component parts, or making purchases of smaller quantities over several days is prohibited under the Purchasing Office Policies and Procedures Manual.

City of Austin FSD Central Procurement Manual (2024) 4.6.1. Purchases $5,000.01 to $50,000

4.6.1.1 Purchases that are $5,000.01 to $50,000 and not on an existing master agreement are procured by FSD Central Procurement. A minimum of three informal quotes are required. Note: Local Government Code (LGC) Chapter 252 specifies that if the total or aggregate amount of a contract exceeds $50,000 the solicitation must be issued as a formal solicitation.

4.6.1.2 As per the City Charter, Article VII, Section 15, “All contracts or purchases involving more than five thousand dollars ($5,000.00 shall be let to the bid deemed most advantageous to the city after there has been an opportunity for competitive bidding...”).

4.6.1.4 If a minimum number of bid responses cannot be obtained, a written justification must be included in the bid file. A single purchase may not be purposely divided, split or separated into smaller components to stay within this dollar amount. This includes using more than one of the methods listed below, i.e., do not combine purchase order and the procurement card to process a single acquisition.

Local Government Code Title 8, Subtitle A, Chapter 252: Purchasing and Contracting Authority of Municipalities.

Sec. 252.0215. Competitive Bidding In Relation To Historically Underutilized Business. A municipality, in making an expenditure of more than $3,000 but less than $50,000, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.

Methodology

We took the following steps to accomplish our investigation objectives:

Interviewed Austin Water staff and the Purchasing Department officer

Analyzed purchasing card records

Reviewed computer forensics

Evaluated City policies on use of purchasing cards and contracts

Interviewed subject

CAIU Investigative Standards

Investigations by the Austin City Auditor's Office are considered non-audit projects under Government Auditing Standards and are conducted in accordance with the general and ethics standards, procedures recommended by the Association of Certified Fraud Examiners (ACFE), and the ACFE Fraud Examiner's Manual. Investigations also adhere to quality standards for investigations established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and City Code.

The Austin City Auditor's Office, per City Code, may conduct investigations into fraud, abuse, or illegality that may be occurring. If the City Auditor, through the Integrity Unit, finds that there is sufficient evidence to indicate that a material violation of a matter within the office's jurisdiction may have occurred, the City Auditor will issue an investigative report and provide a copy to the appropriate authority.

In order to ensure our report is fair, complete, and objective, we requested responses from both the subject and the Department Director on the results of this investigation. Please find attached these responses in Appendix A and C.

The Austin City Auditor's Office was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve city services. We conduct investigations of allegations of fraud, waste, or abuse by City employees or contractors.

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Jason Hadavi

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Brian Molloy

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Copies of our investigative reports are available at
http://www.austintexas.gov/page/investigative-reports

Alternate formats available upon request