

Strategic Plan

Fiscal Years 2007 - 2011



Texas Water Development Board

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Fiscal Years 2007-2011

Texas Water Development Board

<u>Board Member</u>	<u>Term</u>	<u>Hometown</u>
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June 30, 2006



J. Kevin Ward, Executive Administrator



E.G. Rod Pitman, Chairman

Texas Water Development Board

Strategic Plan

Fiscal Years 2007-2011

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Executive Summary

As the Texas Water Development Board (TWDB) commemorates its 50th anniversary in 2007, the agency, through the development of its 2007-2011 Strategic Plan will continue focusing on its core values of innovation, excellence and communication. The TWDB is positioned to take advantage of its talent, experience and expertise to administer programs efficiently; adjust to the needs of its stakeholders; initiate programmatic and policy revisions to reflect changes in federal and state law; and cope with financial and managerial challenges.

The 2007-2011 Strategic Plan adjusts TWDB's budgetary strategies and is the building block for the agency's Legislative Appropriations Request for Fiscal Years 2008-2009, including almost 15 Exceptional Items that fund the critical personnel and the necessary resources for the agency to continue its statutorily-mandated responsibilities. Serving as a national model in regional and state water planning, the TWDB will continue to offer affordable financial assistance tools for water and wastewater utilities and to maintain and further develop a natural resource data repository critical to government and private partners.

While the mission and vision of the TWDB remain unchanged in the Strategic Plan, the continued erosion of funding for mission-critical activities and personnel limit the agency's ability to achieve the results it is accustomed to and expected to achieve by its governing board, legislative leadership and stakeholders.

As the population of Texas continues to grow in number and diversity, the demand for and need for clean, dependable and affordable water supplies for municipal, business, industrial, agricultural, environmental and recreational uses also expand. The TWDB has a 50-year history of successfully serving the people of Texas and fulfilling their essential water needs.



STATEWIDE VISION

Texas State Government must ensure that its role is limited and that its endeavors are done with maximum efficiency and fairness. The Governor's dedication to creating greater opportunity and prosperity for the citizens of Texas can be accomplished by focusing on the following critical priorities:

- Assuring open access to an educational system that not only guarantees the basic core knowledge necessary for citizenship, but also emphasizes excellence and accountability in all academic and intellectual undertakings;
- Creating and retaining job opportunities and building a stronger economy that will lead to more prosperity for our people, and a stable source of funding for core priorities;
- Protecting and preserving the health, safety and well-being of our citizens by ensuring healthcare is accessible and affordable, and our neighborhoods and communities are safe from those who intend us harm; and
- Providing disciplined principled government that invests public funds wisely and efficiently.

STATEWIDE MISSION

Texas State Government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

Aim high... we are not here to achieve inconsequential things!

STATEWIDE PHILOSOPHY

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.

- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

RELEVANT STATEWIDE GOALS AND BENCHMARKS

Below are the statewide goals and benchmarks relevant to the Texas Water Development Board (TWDB). Direct linkages from TWDB activities to the Natural Resources, Agriculture, and General Government benchmarks are clear. The TWDB also contributes to the areas of Economic Development and Health and Human Services.

Natural Resources and Agriculture

Priority Goal: To provide leadership and policy guidance for state, federal, and local initiatives that conserve and protect Texas' natural resources (air, water, land, wildlife, and mineral resources), in a consistent manner that encourages sustainable economic development while minimizing harmful effects to these resources.

Relevant Benchmarks:

Further the development of desalinated ocean water for Texas.

Increase water conservation through decreased water per-capita consumption, increased water reuse, and increased brush control.

Increase Texas waters that meet or exceed safe water quality standards.

Enhance and protect state assets through prudent and innovative management.

Utilize sound science for environmental decision making.

Enhance collaboration among the state's agencies charged with managing natural resources.

Implement new technologies to provide efficient, effective, and value-added solutions for a balanced Texas ecosystem.

General Government

Priority Goal: To support effective, efficient, and accountable state government operations and to provide citizens with greater access to government services while reducing service delivery costs.

Relevant Benchmarks:

- Total state taxes per capita.
- Total state spending per capita.
- Percent change in state spending adjusted for population and inflation.
- State and local taxes per capita.
- Ratio of federal dollars received to federal tax dollars paid.
- Number of state employees per 10,000 population.
- Number of state services accessible by Internet.
- Savings realized in state spending by making reports /documents/processes available on the Internet.

Economic Development

Priority Goal: To foster economic opportunity, job creation, capital investment, and infrastructure development by promoting a favorable business climate, addressing transportation and housing needs, and developing a productive workforce.

Relevant Benchmarks:

- Per capita gross state product.
- State taxes per capita as a percent of personal income.
- Texas unemployment rate.
- Median household income.
- Net number of new non-government, non-farm jobs created.
- Percent of small communities' population benefiting from public facility, economic development, housing assistance, and planning projects.
- Health and Human Services

Priority Goal: To provide public assistance through an efficient and effective system that promotes the health, responsibility, and self-sufficiency of individuals and families.

Relevant Benchmarks:

- Infant mortality.

AGENCY VISION, MISSION, AND PHILOSOPHY

Agency Vision

Sustainable, affordable, quality water for Texans, our economy, and our environment

Agency Mission

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

Agency Philosophy

To accomplish our Mission, the TWDB will continue to focus on three core values:

INNOVATION: We thrive on innovation and originality by encouraging risk-taking and divergent voices. We search for better ways. We want to stay at the forefront of the water arena.

EXCELLENCE: Our goal is to develop the best science and most accurate analysis, and to provide the highest quality customer service. We want to achieve excellence in everything we do.

COMMUNICATION: Our standard is openness, accuracy, and accountability in our communications. We value freedom—to seek the truth and express it. We strive towards enhancing our communication and sharing information regarding business performance.

I. Agency Overview

The TWDB is the state’s water planning and water project financing agency. The TWDB’s main responsibilities are threefold: collecting and disseminating water-related data; assisting with regional water planning, and preparing the State Water Plan for the development of the state’s water resources; and administering cost-effective financial assistance programs for the construction of water supply, wastewater treatment, flood control and agricultural water conservation projects.

Since 1957, the TWDB has been charged with addressing the state’s water needs. With the passage of Senate Bill 1 by the 75th Texas Legislature, federal and state organizations, political subdivisions, and Regional Water Planning Groups (Planning Groups) have assumed increased responsibility for ensuring sufficient water supplies for the state. The TWDB has a leadership and support role through guiding, enabling, and supporting the responsible development of the state’s water resources, to ensure that sufficient water will be available at a reasonable cost while protecting the agricultural and natural resources of the state.

ENABLING STATUTES AND LEGISLATION

Strategy	Statutory References
<p>Strategy description for 01-01-01 (Collection, Analysis, and Reporting of Environmental Impact Information):</p> <p>Collect, receive, analyze, process and facilitate access to basic data and summary information concerning water necessary to support a sound ecological environment in the state's bays and estuaries.</p>	<p>Water Code §§11.1491, 16.012, 16.058</p>
<p>Strategy description for 01-01-02 (Surface Water Monitoring and Assessment):</p> <p>Collect, receive, analyze, process and facilitate access to basic data and summary information to support planning, conservation, and responsible development of surface water for Texas and studies to determine flows necessary to support a sound ecological environment in the state’s rivers and streams.</p>	<p>Water Code Chapter 15 (Subchapter M), Chapter 16 (Subchapter B), §16.059</p>
<p>Strategy description for 01-01-03 (Groundwater Monitoring and Assessment):</p> <p>Collect, receive, analyze, process and facilitate access to basic data and summary information concerning water level and water quality data for the aquifers of Texas to support planning, conservation, and responsible development of groundwater for Texas.</p>	<p>Water Code §§11.153, 11.155, Chapter 16 (Subchapter B)</p>

<p>Strategy description for 01-01-04 (Automated Information Collection, Maintenance and Dissemination): Operate statewide program to provide training and to produce, maintain, and disseminate public domain geographic data in support of the state's water planning programs and related activities.</p>	<p>Water Code Chapter 16 (Subchapter B), §§ 36.1071, 36.1072, 36.1073, 36.159, 36.160, 36.161, 36.169</p>
<p>Strategy description for 01-02-02 (Water Resources Planning): Assist in the development and implementation of regional and state water plans and of measures resulting in protection from floodwaters. Efforts include managing contracts and providing technical assistance to regional water planning groups and political subdivisions for: 1) the preparation of regional water plans that are the foundation for the state water plan, 2) regional facility planning that initiate implementation of the state water plan and 3) researching water resource problems and issues.</p>	<p>Water Code §§6.011, 6.012, 11.1271, 11.1272, 12.051, Chapter 15 (Subchapters A, B and F), Chapter 16 (Subchapters B, C and D), National Flood Insurance Reform Act, 42 United States Code, §§4001 et seq.</p>
<p>Strategy description for 01-02-03 (Surface Water Modeling): Develop and maintain new models and adapt existing models for conducting studies on surface water resources of the state, and provide surface water technical information to support planning, conservation, and responsible development of surface water for Texas.</p>	<p>Water Code Chapter 16 (Subchapters B and C)</p>
<p>Strategy description for 01-03-01 (Water Conservation): Provide water conservation information, data, and other technical assistance and services to promote increased water-use efficiency in Texas through statewide water conservation activities and as included in the regional and state water plans.</p>	<p>Water Code §§ 11.1271, 11.1272, 15.001, 15.106, 15.208, 15.607, 15.701-.708, 15.735, 15.910, 15.975, 15.995, 16.012, 16.015, 16.0121, 16.022, 16.051, 16.056, 16.053, 16.054, 16.055, 16,136, 17.125, 17.277, 17.927, Chapter 15 (Subchapter K), and Chapter 17 (Subchapter J)</p>
<p>Strategy description for 02-01-01 (State Programs): Provide financial assistance through State Programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.</p>	<p>Texas Constitution Article III, §§49-c, 49-d, 49-d-1, 49-d-2, 49-d-3, 49-d-4, 49-d-5, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 50-d; Water Code §§6.011, 6.012, Chapter 15, (Subchapters A-F, M, N, O, Q, and R); Chapter 16 (Subchapters E and F); Chapter 17 (except for Subchapter M); §§36.159-.161, 36.371-374</p>

<p>Strategy description for 02-01-02 (EDAP): Provide economically distressed areas access and connections to adequate water supply and/or wastewater treatment systems and/or indoor plumbing improvements.</p>	<p>Texas Constitution Article III, §49-d-7, 49-d-8, 49-d-9; Water Code §§6.011, 6.012, 15.401, 15.407, Chapter 15 (Subchapter A, B, C, L, P and Q); Chapter 16 (Subchapter J); Chapter 17 (Subchapters B, K, L and M) Public Law 102-389 (Federal Appropriations Act of 1993); Public Law 103-327 (Federal Appropriations Act of 1995); Public Law 104-99 (Federal Appropriations Act of 1996, Continuing Resolutions Nos. 3 and 4); Public Law 104-204 (Federal Appropriations Act of 1997); Public Law 105-65 (Federal Appropriations Act of 1998)</p>
<p>Strategy description for 02-01-03 (Federal Programs): Provide financial assistance through SRF Programs and federal construction grants to save money for Texas communities for water supply, water quality protection, and other water-related projects.</p>	<p>Water Code §§6.011, 6.012, 16.093, 17.0821, 17.961, 17.853; Chapter 15 (Subchapter J); 33 United States Code §§1251 et seq. (Federal Water Pollution Control Act); 42 United States Code §§ 300f-300j-26 (Safe Drinking Water Act)</p>

TWDB HISTORY

The precursors to the TWDB's history reach back into the early part of the twentieth century and reflect the climate and culture of the state. Listed below are a few significant events in the evolution of the agency.

- 1904: A constitutional amendment was adopted authorizing the first public development of water resources.
- 1913: The 33rd Texas Legislature created the Board of Water Engineers to regulate appropriations of water.
- 1952-57: Texas suffered the most severe drought in the state's modern history.
- 1957: The TWDB was created by legislative act and constitutional amendment. The constitutional amendment, approved by Texas voters, authorized the TWDB to issue \$200 million in State of Texas General Obligation Water Development Bonds for the conservation and development of Texas' water resources through loans to political subdivisions.
- 1962: The Board of Water Engineers was reorganized, renamed the Texas Water Commission, and given specific responsibilities for water planning by the 57th Texas Legislature.
- 1965: The Texas Legislature restructured the state water agencies, transferred water resource planning functions to the TWDB, and renamed the Texas Water Commission as the Texas Water Resource Commission (TWRC).
- 1972: The Texas Natural Resources Information System (TNRIS) was created, succeeding the Texas Water-Oriented Data Bank and incorporating a centralized repository and clearinghouse of maps, census information, and water-related information.
- 1977: The three existing water agencies (the Texas Water Development Board, the Texas Water Rights Commission, and the Water Quality Board) were combined by the Texas Legislature, creating the Texas Department of Water Resources (TDWR). This new agency was responsible for developing Texas' water resources, maintaining the quality of water, and ensuring equitable distribution of water rights.
- 1985: Sunset legislation reorganized the Texas Department of Water Resources, splitting the agency into two separate agencies: the Texas Water Commission and the Texas Water Development Board. The TWDB was charged with long-range planning and water project financing.
- 1989: The 71st Texas Legislature and voters of the state passed comprehensive legislation and constitutional amendments establishing the Economically Distressed Areas Program (EDAP), to be administered by the TWDB.

- 1997: The 1997 State Water Plan was adopted as a consensus effort by the TWDB, the Texas Parks and Wildlife Department, and the Texas Natural Resource Conservation Commission.
 - The 75th Texas Legislature passed Senate Bill 1 (SB 1), changing the water planning process in Texas. SB 1 charged local entities with preparing regional water plans every five years and charged the TWDB with incorporating these plans into a comprehensive state water plan.
 - The enactment of SB 1 provided appropriation for the development of the Strategic Mapping Initiative and the formation of the Texas Geographic Information Council (TGIC).
- 1999: Sunset review resulted in passage of SB 312, which preserved existence of TWDB for 12 more years.
- 2001: The 77th Texas Legislature passed Senate Bill 2 (SB 2), which added additional requirements to the TWDB's technical data collection and groundwater modeling programs, and created two new funding programs to be administered by the TWDB. SB 2 also created the Texas Water Advisory Council, a 13-member organization of which the TWDB is a member.
- 2002: The 2002 State Water Plan was published, the first state water plan to be adopted by the TWDB since the passage of SB 1 by the 1997 Texas Legislature.
- 2003: The 78th Texas Legislature passed several bills focused on conservation: setting new requirements to address conservation issues when applying for financial assistance; requiring water audits by water utilities; consolidating financial assistance programs to provide financial assistance for agricultural water projects; and establishing the Water Conservation Implementation Task Force to review, evaluate, and recommend optimum levels of water use efficiency and conservation in the state.
- 2005: the Legislature considered, but ultimately did not pass, Senate Bill 3, which included many significant water policy changes, including environmental flows, water rights permitting, water conservation (including land stewardship), expedited amendments to the regional water plans, historic use of water permits, changes to the Edwards Aquifer Authority, and creating several groundwater conservation districts.
- 2005: The 79th Texas Legislature ultimately passed several other bills impacting TWDB in the following areas: seawater and brackish groundwater desalination, groundwater conservation, water conservation, and financial assistance.

AFFECTED POPULATIONS

In fulfilling the mission to provide leadership, planning, financial assistance, information and education for the conservation and responsible development of water for Texas, the TWDB serves a wide array of customers in all areas of the state. The list below offers an indication of some of the groups to whom the TWDB offers its services:

- Citizens
- Political subdivisions
- Institutions of higher education
- Water providers
- Texas Legislature
- Regional Water Planning Groups
- Consultants

However, as water is a basic necessity, ultimately the agency's customers are all of the individuals of the State of Texas.

Over the past several years, water has emerged as a primary issue in nearly every legislative session. Much of the recent legislation has expanded the breadth and size of the TWDB's service populations. Some of these changes in service populations are described below.

Financial

The Office of Project Finance and Construction Assistance provides financial assistance through grants and loans for water-related projects to water supply corporations, political subdivisions (e.g., water districts, river authorities, counties and cities) and other eligible groups throughout the State of Texas. The Economically Distressed Areas Program (EDAP) previously placed a focus on colonias in areas along the Texas-Mexico border region, but increasing attention has been paid to other areas of need in the state. With the 78th Texas Legislature's passage of House Bill 1875, the TWDB's ability to provide assistance to other disadvantaged communities, small, and rural communities was expanded.

Regional Water Planning

All divisions in the Office of Planning provide planning and technical assistance to the 16 Planning Groups that together comprise the entire State of Texas.

The TWDB provides project management and technical assistance to 16 Planning Groups. By statute, these groups include a diversity of representatives, including members of municipalities, business, electric power generators, environmental interests, river authorities, and others. The TWDB also provides assistance to contractors who are hired to conduct planning and research studies.

The Water Uses section receives information from all Texas municipalities and other companies that provide water on a retail basis, as well as all industrial companies (significant water users). The data are then used by Planning Groups,

Groundwater Conservation Districts and researchers (including for the development of groundwater availability models [GAMs]).

Because of the change in approach to state water planning, as well as new requirements that the TWDB only fund projects consistent with the State Water Plan, the Regional Water Planning group within the Water Resources Planning Division can expect to see increasing amounts of water utilities and municipalities requesting their services as more and more residents become involved in water planning.

Regional Water Planning Groups



Figure 1. Map of the 16 Regional Water Planning Groups in Texas.

Groundwater

The Groundwater Resources Division serves customers through three core services: groundwater monitoring, groundwater technical services, and groundwater availability modeling. These customers are primarily managers and technicians of groundwater conservation districts (GCDs), hydrologic consultants to Planning Groups, districts and municipalities, and private well owners.

Customers of the Groundwater Resources Division may increase if more GCDs are created in the eastern, northeastern, and southern areas of the state. It is also expected that as the division completes groundwater availability models for the major aquifers of Texas, interest in the program will rise, as will the number of customers.

Surface Water

The Surface Water Division collects, analyzes, and provides the water-related data necessary to aid water resources planning and management efforts to maintain the ecological health and productivity of Texas reservoirs, streams, rivers, bays, and estuaries. Data, models, and results are produced for state water planners, permittees, lake and reservoir owners, and other decision-makers to use as required. Environmental publications are made available to the state library system. Virtually all of the surface water data, including lake hydrographic survey data, is published. As much of the data as possible is made available to TWDB's customers, partners, and other interested parties via the agency website.

Conservation

New legislation requiring a greater emphasis on conservation strategies in regional water plans (HB 2660) requiring water utilities to conduct water loss surveys (HB 3338), as well as potential requirements that may emerge as a result of recommendations by the Water Conservation Implementation Task Force (created by SB1094), means that the Conservation Division will likely experience an increase in the number of small to mid-size municipal water suppliers requesting assistance.

The agricultural water conservation program has been expanded to allow increased funding for grants and loans. It is likely that the number of political subdivisions served annually will also increase.

The Conservation Division also provides conservation information to students, homeowners, farmers, teachers, and anyone who requests conservation information.

Keeping up with legislatively mandated expansion of services and expanding service populations, along with the aforementioned budgetary limitations and changes to the workforce, has posed new challenges to the TWDB.

Data Collection and Dissemination

Increased use of geographic information systems (GIS) and the need for current data continues to drive the need for more sophisticated capabilities to collect and share key information on water resources, transportation, and critical infrastructure. Partnerships with local governments are particularly critical to the continuous improvement of these datasets because the local entities are the most knowledgeable about changes in their jurisdictions. More outreach and communication with local entities is required to maintain currency of these critical datasets and make effective and efficient use of the state's limited mapping dollars.

Agency Main Functions

The Texas Water Development Board:

- Supports the development of regional water plans and incorporates them into a statewide water plan for the orderly and responsible development, management, and conservation of the state's water resources.
- Provides loans to local governments for water supply projects; water quality projects including wastewater treatment, municipal solid waste management, and nonpoint source pollution control; flood control projects; agricultural water conservation projects; rural and small community water and wastewater projects; and groundwater conservation district creation expenses.
- Provides grants and loans for the water and wastewater needs of the state's economically distressed areas.
- Provides agricultural water conservation and water-related research and planning grants.
- Conducts studies of the occurrence, quantity, quality, and availability of the state's surface water and groundwater, including development of groundwater availability models for the state's major and minor aquifers.
- Collects data and conducts studies concerning the freshwater needs of the state's bays and estuaries. In conjunction with other natural resources agencies, maintains an instream flow data collection and evaluation program. This includes conducting studies and analyses to determine appropriate methodologies for determining flow conditions in the state rivers and streams necessary to support a sound ecological environment.
- Facilitates the state's efforts to determine the feasibility and to identify the requirements for implementation of large-scale seawater desalination projects, and supports their implementation as appropriate. Supports ongoing desalination research and the sharing of technological information to enhance brackish groundwater and seawater desalination activities throughout the state.
- Maintains a centralized data repository of information on the state's natural resources called the Texas Natural Resources Information System

(TNRIS) and manages the Strategic Mapping (StratMap) Initiative, a Texas-based, public and private sector cost-sharing program to develop consistent, large-scale digital base maps describing surface water, elevation, transportation, aerial photography, and other information.

II. Organizational Aspects

A six-member citizen board governs the TWDB (Appendix G, Table 1). Each member of the governing board, appointed by the governor and confirmed by the Texas Senate, authorizes and advises the actions of the executive administrator and the agency's organizational units

The TWDB has an authorized workforce of 296.5 full-time equivalent employees but only enough funding to employ 285.75 actual full-time equivalent employees. As of March 31, 2006, the agency had 269 employees on the payroll occupying about 94 percent of available positions. Most employees work in the Austin office. (Appendix G, Table 2).

SIZE AND COMPOSITION OF THE WORKFORCE

Gender

Males comprise 61 percent and females comprise 39 percent of the TWDB workforce. A comparison of the latest figures available for full-time employees from the Texas Workforce Commission Civil Rights Division (CRD) with current data from the TWDB indicates that the majority of the workforce is male in all EEO categories except the Paraprofessional category where females make up 85 percent of the full-time employees (Appendix G, Table 3). Female employees are most underrepresented in the Professional category (by a difference of 20 percentage points). Among Officials and Administrators, however, females are within 8 percentage points of CRD figures (36 percent and 44 percent respectively).

The TWDB is dedicated to ensuring equality in the workforce. Because the CRD figures do not single out a professional profile comparable to that of the TWDB, it is difficult to compare the two figures for Professionals. CRD figures for Professionals represent a wide variety of professions, of which women are represented in various proportions depending on the nature of the profession. The profile of professional positions in the TWDB explains part of the shortage of women in the Professional category. The TWDB employs many natural scientists and engineers. Women continue to enter the natural sciences and engineering fields in lower proportions than men. Initiatives by the federal government and non-profit organizations to encourage women to enter the natural science and engineering fields are increasing. As women increasingly enter these fields, TWDB expects that it will be better able to approach the CRD figures.

Race

Over the years, the TWDB has increased the diversity of its workforce. (Appendix G, Table 3) shows a comparison of current TWDB full-time employees with CRD data. The data indicate that the diversity of the workforce at the TWDB is comparable to CRD figures. Blacks are underrepresented by 2 percentage points in the Officials and Administrators category when compared to CRD figures (5 percent and 7 percent respectively). In all other categories, the percentage of black employees is comparable to figures from the CRD, exceeding the CRD's figures by 2 percentage points in the paraprofessional category.

Employees identified as Hispanic are also represented well when compared to CRD figures in all categories except the Paraprofessional category, where 27 percent are Hispanic, versus 32 percent of CRD (5 percentage point difference). In all other categories, the percentage of Hispanic employees are comparable to figures from the CRD, exceeding the CRD's figures by 3 percentage points in Officials and Administrators category and also exceeding the CRD figures by 1 percentage point in the professional category.

Age

Overall, about 57 percent of the workforce is between the ages of 30-39. Those aged 60-69 comprise about 19 percent of the current workforce, those aged 40-49 comprise 13 percent and those aged 50-59 comprise about 11 percent of the current workforce. As the workforce ages, and more and more employees reach retirement eligibility, the agency will need to increase its efforts to develop career ladders and succession plans to ensure that critical skills for the agency's mission are adequately replaced. Planning for the future of the TWDB workforce is considered in the workforce plan (Appendix E).

Length of Service

About 23 percent of all employees at the TWDB have only worked for the state for 5 years or fewer. About 56 percent have worked for 5 to 10 years and 21 percent for greater than 10 years. The agency has lost a tremendous amount of institutional knowledge during the past three years and this data reflects that the age demographics of the TWDB have shifted tremendously during this period.

Human Resources Strengths and Weaknesses

Data from the State Auditor's Office indicate the TWDB's turnover rates since 2001 have fluctuated. The turnover rate in 2001 was 10.7 percent, in 2002 it was 9.1 percent, in 2003, it was 14.6 percent (due to a large amount of retirements), in 2004, it was 10.3 percent, and in 2005, it was 10.6 percent. The agency is projecting a 13 percent turnover rate in 2006. During this time period, the agency experienced an average 11 percent turnover rate.

Loss of institutional knowledge due to attrition and an aging workforce threaten all organizations. Most difficult to recover is the loss of tacit knowledge, known to few workers and not available in procedures and training manuals. With the large amount of retirements that have occurred over the past several years, the TWDB had to ensure that remaining staff were quickly developed so that they were able to continue to run their operations.

It is extremely important for TWDB to realize that the tenure and age of staff have changed dramatically over the past several years. Future loss of knowledge is expected to continue from 2007 to 2011. Although a smaller amount of employees than in previous years will reach retirement eligibility, it is still vitally important for the agency to plan for these separations.

Loss of organizational knowledge due to attrition and an aging workforce are threats to all organizations. The looming retirements make it even more important that staff is mentored, or otherwise trained to replace those retiring. This workforce situation is exacerbated by the unintended consequences of management-to-staff ratio impacts, retirements, and budget cuts restricting the agency's ability to hire experienced replacements.

Management-to-Staff Ratio

The 78th Texas Legislature required state agencies employing more than 100 full-time equivalent employees to attain a ratio of one full-time equivalent employee in a management position for every 11 full-time employees (1:11) no later than August 31, 2007 (Texas Government Code, Ann., Sect 2053.004). Compliance with this statute required reaching a minimum ratio of one full-time equivalent employee in a management position for every eight full-time employees (1:8) by March 31, 2004. In theory, these minimum management-to-staff ratio requirements should result in increased operational efficiency. Organizations can allow managers to focus solely on the business of managing without having to perform technical work. However, the TWDB has not been in the position to allow managers to focus solely on management; the TWDB relies on its managers to perform significant amounts of technical work in order to meet statutory and critical program requirements. This is further exacerbated given that only a small number of staff is available to handle multiple programs. The implementation of this statute has created a situation whereby “working managers” are called upon to oversee a greater number of programs and people. An additional unintended consequence with negative effects is that overloaded staff members have limited time to devote to quality training for potential successors. The associated budget cuts were calculated on a 1:1 basis with the elimination of management positions, providing no funds to compensate those managers that received the additional duties. Finally, although many of the positions eliminated were funded from other sources, in the end, the agency budget was reduced entirely from General Revenue, disproportionately removing vital funding from state programs.

Increased Workloads

General revenue appropriation decreases during the 78th legislative session and the reductions mandated through management-to-staff ratio requirements, early retirement incentives and legislative budget reductions have deteriorated the funding for operations in state programs.

During fiscal year 2004, the TWDB had 16 unfunded positions. These positions were not filled due to the unanticipated General Revenue reductions the agency had to absorb during fiscal year 2004. Not filling some of these key positions has resulted in struggling program performance in some areas and increased workloads throughout the agency. While the agency must leave key positions unfunded to manage its budget, the TWDB’s programs continue to expand. Budget cuts have also constrained the means available to leadership for retention of critical staff. Retirements are not the sole reason for attrition in the agency. Resignations have also contributed to loss of experience. Fair pay was the item on which the TWDB scored the worst in the latest Survey of Organizational Excellence (Appendix F).

As programs continue to expand and funding for operations and administration decreases, fewer people are left to manage more and more programs. These increased workloads limit the ability for staff to devote time to optimally prepare successors.

The importance of workforce planning for both succession and retention is increasingly more important given this environment. The TWDB workforce plan (Appendix E) details plans for retaining staff and outlines strategies being considered to prevent the negative effects associated with retirements. Unfortunately, even with such planning, increased workloads and budget cutbacks have combined and left the TWDB's leadership with limited tools to replace the knowledge and create incentives to retain critical staff.

ORGANIZATIONAL STRUCTURE

The TWDB Program Areas are functionally organized into four offices and their divisions or functions as follows:

Office of the Chief Financial Officer

- Fiscal Services
- External Audit
- Debt and Portfolio Management
- Contract Administration

Office of Planning

- Water Resources Planning
- Conservation
- Groundwater Resources
- Surface Water Resources

Office of Project Finance and Construction Assistance

- Policy and Program Development
- Project Development
- Inspection and Field Support Services

Resource Information Office

- Programming and Applications Development
- Information Technology
- Texas Natural Resources Information System

Executive Administration

The TWDB Executive Administration is composed of the following seven functions:

- Legal
- Internal Audit
- Governmental Relations
- Systems Development and Administration
- Communications
- Support Services and Records Management
- Human Resources

The TWDB organizational chart can be found in Appendix B, and detailed descriptions of the critical functions of each section can be found in Appendix E, Workforce Plan.

GEOGRAPHIC LOCATION

The main office of the TWDB is located at 1700 N. Congress Ave, on the fourth, fifth and basement floors of the Stephen F. Austin Building. The majority of TWDB employees work at this location. Field offices are located in other areas of the state (El Paso, San Antonio, Harlingen, Houston and Mesquite) and serve as centers of operation for the construction site inspection program. (See Appendix G, Table 2)

CAPITAL ASSET STRENGTHS

Capitalized assets are defined as assets with an initial, individual cost of \$5,000 or more and have an estimated useful life in excess of one year. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. The TWDB property manager is ultimately responsible for accounting for the assignment and location of all agency assets. However, the agency assigns the responsibility for ensuring the security of fixed assets directly to agency staff. The property manager conducts an annual inventory in order to account for each asset. Employees are required to certify the possession of these assets during the annual inventory. All agency assets are continuously tracked, updated, and reported through the State Property Accounting System. As of April 30, 2006, the Board had over \$15 million in capitalized assets. Examples of capitalized assets at the TWDB include vehicles, boats, water meters, and/or gauges.

HISTORICALLY UNDERUTILIZED BUSINESSES (HUB)

A HUB is generally defined as a for profit business enterprise (sole proprietorship, partnership, joint venture, corporation, limited partnership or company) with its principal place of business located in the State of Texas. Such businesses must have at least 51 percent of the assets and interests of all classes of stock and equitable securities owned by one or more persons who are members of the following groups that have been identified as economically disadvantaged: Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans, and American women. HUB owners must be active participants in the day-to-day operations of the business and must also be citizens of the United States and residents of the State of Texas.

HUB Initiatives

The Texas Water Development Board (TWDB) fully understands the goals of the statewide HUB program and is committed to providing increased opportunities for HUB participation in all TWDB expenditures. The TWDB has been successful in exceeding and/or improving HUB participation in three of the four applicable procurement categories where expenditures have occurred. The TWDB's executives, managers, and staff will continue current efforts that have proven successful in meeting the statewide goals, and will explore new opportunities to improve and increase HUB participation, wherever possible.

Examples of the TWDB's initiatives include:

- Continued assessment of internal policies and procedures to improve the TWDB's HUB program;
- Increased participation and attendance at Economic Opportunity Forums, where economically feasible;
- Increased collaboration and communication among the TWDB's staff involved with procurements and contract awards;
- Continued improvements to the TWDB's website to provide notification of current procurement opportunities and updated links to HUB search resources;
- Increased participation in monthly HUB discussion workgroups and quarterly HUB Coordinator meetings;
- Increased efforts to coordinate presentations by HUB vendors who are interested in highlighting their goods and services;
- Increased efforts on outreach and marketing to educate current HUB vendors on TWDB procurement opportunities and to identify new HUB vendors;
- Meeting with certified HUB vendors to discuss the merits of the Mentor-Protégé Program and encourage participation in agency-sponsored agreements.

HUB Goal

To establish procurement and contracting policies and procedures that support the identification, promotion, and utilization of qualified HUBs in all applicable procurements, contracts, and subcontracts awarded by the TWDB.

HUB Objective

To make a good faith effort to meet or exceed the statewide HUB goals in all applicable procurement categories.

HUB Strategies

- Implement good faith efforts to identify, solicit, and utilize qualified HUBs in all applicable TWDB procurement and contracting opportunities.

Output measure: Percent (%) of total combined dollar value of procurements, contracts, and subcontracts awarded to HUBs reflected in the semiannual and annual HUB reports.

- Participate in economic opportunity forums and other outreach/educational efforts to inform the public about contracting opportunities with the TWDB.

Outcome measure: Number of forums attended and number of direct contacts made with HUBs.

- Identify subcontracting opportunities in all TWDB procurements that meet the established criteria for requiring HUB subcontracting plans.

Output measure: Percent (%) of TWDB contracts that equal or exceed \$100,000 that have documented compliance with the state's HUB subcontracting plan requirements.

- Participate in the Mentor-Protégé Program.

Output measure: Documented agency-sponsored mentor-protégé agreement, with the agency acting as an additional resource to assist the participants in obtaining state contracts.

Fiscal Year	Total Board Expenditures	Total Expenditures with HUBs	HUB Expenditure Percentage	Number of Certified HUB Bids Received	Number of Certified HUB Awards	Percent of HUB Utilization Bids -vs- Awards
FY 2003	\$ 5,260,747	\$ 991,038	18.8%	483	413	86%
* FY 2004	\$ 6,323,978	\$ 584,634	9.2%	1057	730	69%
FY 2005	\$ 3,610,732	\$ 843,203	23.4%	467	457	98%
Total	\$15,195,457	\$ 2,418,875	15.9%	2007	1600	80%

Table 1 HUB Activity.

*** FY 2004 total for "Number of certified HUB bids received" has been modified from what was originally reported to reflect a consistent method of calculation found in the FY 2003 and FY 2005 reports.**

The Board regularly assesses its HUB program initiatives and strategies as they relate to actual performance, and actively seeks opportunities to enhance and improve the program.

KEY ORGANIZATIONAL CHANGES

During the fiscal year 2006 the Texas Water Development Board (TWDB) underwent some key staffing changes in leadership positions.

A new General Counsel hired in January 2006 has restructured the Legal Division and has begun to review priorities and workload in an effort to support the agency's legal service obligations.

A new Deputy Executive Administrator and an Associate Deputy Executive Administrator were hired in the Office of Project Finance and Construction Assistance in April 2006. These executives are reviewing priorities and the allocation of resources to identify opportunities for improving customer service and increase the Board's issuance of loans and grants to Texas communities.

Changes during the past couple of years in the Office of the Chief Financial Officer (OCFO) have worked well in centralizing internal finance activities, have provided better oversight and management of budget appropriations, and have significantly improved contract administration within the agency.

With this new leadership and the changes in the OCFO, the Board is looking forward to improving the operations and administration of the reporting and financial management of our loan and grant activities.

USE OF CONSULTANTS

Consulting services are used occasionally by the TWDB. These services are only used when there is a significant need for the service and when agency staff or another agency is unable to perform the service. As required by the State of Texas Purchase Policy, consultants are selected based on demonstrated competence, knowledge, and qualifications, as well as the reasonableness of the proposed fee for the service. The TWDB utilizes the services of qualified Historically Underutilized Businesses whenever the opportunity arises. The agency notifies the Legislative Budget Board and the Governor's Budget, Planning and Policy Office prior to contracting any consultant services exceeding \$14,000.

The TWDB anticipates continued use of consulting services throughout the 2007-2011 period to help achieve its mission to provide leadership, planning, financial assistance, information and education for the conservation and responsible development of water for Texas.

III. Fiscal Aspects

Funding for the TWDB's internal operations has not kept pace with the increasing responsibilities of the agency over the last several biennia. Significant cuts over the last few years have severely impacted all programs and activities required by state statutes. Funding for operations was severely eroded because of the reductions to General Revenue (GR). With the current economic climate and its impacts on the financial resources available to the state, the TWDB is challenged to provide present service levels and retain staff within the current budget.

Actions during the 79th Legislature resulted in net reductions to the TWDB estimated at \$1.9 million in GR for the biennium. Overall reductions to GR totaled \$8.6 million. Of this amount \$5.1 million for regional planning was shifted from GR to the Water Assistance Fund (WAF). As a one-time funding source this is feasible; however, WAF does not have the capacity to sustain funding for this item. Additional reductions impacted Municipal Conservation programs, the Strategic Mapping program as well as the agency salary budget.

Offsetting the reductions was additional GR funding of \$3.6 million for one-time grant funding for desalination and match for federal funding. TWDB also received in excess of \$3 million for increases in regional planning grants, match funding for disadvantaged communities under the Federal Safe Drinking Water Act and partial restoration of prior cuts to funding for staff costs.

The overall reduction in GR required TWDB to identify program funds that could be redirected to meet minimal funding requirements for programs for which funding was cut (municipal conservation), or never appropriated (HB1763 on groundwater management). The stretching of resources across all of the ongoing and new worthwhile programs has the potential of decreasing the effectiveness and quality of the individual programs.

Total Appropriations: FY 2002 - 2007

2002 - 2003 \$ 85,918,239

2004 - 2005 \$ 75,546,455

2006 - 2007 \$ 82,400,833

General Revenue Appropriations: FY2002 - 2007

2002 - 2003 \$ 45,649,084

2004 - 2005 \$ 39,040,519

2006 - 2007 \$ 37,159,733

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IV. Service Populations

HISTORICAL AND CURRENT CHARACTERISTICS

Over the past several years, water has emerged as a key issue in nearly every legislative session. Much of the recent legislation has broadened the scope and size of the TWDB's service populations.

Financial Assistance Programs

Bills passed by both the 78th and 79th Texas Legislature expanded the TWDB's ability to provide assistance to small, disadvantaged and/or rural communities. New legislation affects TWDB's key financial assistance programs. For example, the Economically Distressed Areas Program has historically targeted low income communities along the Texas-Mexico border. The program has expanded its geographic scope and therefore the number of customers to be served has also increased.

Regional and State Water Planning

The TWDB's Office of Planning provides data, research and other assistance that promotes the development, conservation and protection of the state's water resources. Regional and state water planning is a key mission of the office. Changes in the approach to water planning under Senate Bill 1 as well as new requirements that the TWDB only fund projects consistent with the State Water Plan will continue to place greater emphasis on the office. All divisions within the office can expect to see increasing numbers of water utilities and other customers requesting services as more stakeholders become involved in water planning.

The Water Resources Planning Division collects, maintains and analyzes planning information and disseminates it to TWDB staff, Regional Water Planning Groups and other customers to assist in developing regional and state water plans. Division staff also serve as liaisons to Regional Water Planning Groups. In addition, the division collects and maintains water use survey data from water utilities and industry that is instrumental in planning and scientific research efforts throughout the state.

The Groundwater Resources Division serves customers through three core functions: 1) groundwater monitoring, 2) groundwater technical services, and 3) groundwater availability modeling. Customers primarily include managers and technicians of groundwater conservation districts, hydrologic consultants to Regional Water Planning Groups, municipalities and private well owners. Customers of the division may increase as more local communities seek to establish groundwater conservation districts. Interest in the division's services is also growing as staff complete and refine Groundwater Availability Models for groundwater aquifers in Texas.

The Surface Water Division collects, analyzes and disseminates data related to surface waters in the state including bays and estuaries along the Texas coast. Staff produce data and models used by Regional Water Planning Groups, lake and reservoir owners and a variety of other interests. Most surface water data including lake hydrographic survey information are published and much is available online via the TWDB's website.

The Conservation Division provides information and assistance to the general public regarding the development and implementation of water conservation techniques. Legislation passed in the 78th and 79th Texas Legislatures has placed a greater emphasis on conservation as a water management strategy in regional and state water planning. As a result, the division will likely see a growing number of water utilities seeking assistance in developing and implementing conservation programs and practices. New legislation has also expanded agricultural water conservation programs to allow greater funding for grants and loans.

Data Collection and Dissemination

The Resource Information Office (RIO) plays a key role in the agency's water resource planning and development activities through data collection and dissemination of increasingly large sets of critical natural resource information. TWDB has continued to provide more automated ways of collecting, storing, and disseminating this information to TWDB customers, the general public and other governmental agencies. Changes over the last biennium have greatly increased the amount of data collected and made available over the Internet. RIO directly supports the Regional Water Planning Groups with automated submission of water plans via the Internet, and continues to collect and manage increased amounts of groundwater resource data through its expanding network of cooperators throughout the state. Significant additional information on water use, water quality, groundwater monitoring and water construction projects has been made available on the TWDB website through the Water Information, Integration and Dissemination (WIID) program. Access to the TWDB website by customers, natural resource and environmental consultants, members of the public, and other governmental entities continues to grow at a rapid pace.

The Texas Natural Resources Information System (TNRIS) has also continued to develop, collect, manage, and disseminate increasing amounts of digital geographic data describing the state's natural resources. The Texas Strategic Mapping Program (StratMap), in cooperation with local, state, and federal partners, has added over three terabytes of critical map data to its archive in the last two years and is making these data available over the Internet.

FUTURE TRENDS

Increased demand for geographically referenced data continues to drive the need for more sophisticated capabilities to collect and share key information on water resources, transportation, and critical infrastructure. Partnerships with local governments are particularly critical to contributing to the long term management of these datasets because the local entities are the most knowledgeable about changes in their jurisdictions. More outreach and communication with local entities is required to facilitate the timely update of these critical datasets and make effective and efficient use of the state's limited mapping dollars.

Making geographic information systems (GIS) available over the internet offers an opportunity to expand the understanding of many applications of the datasets to citizens and public officials.

V. Technological Developments

The TWDB relies on information technology to enhance customer service, disseminate comprehensive water planning, financial and natural resource data, and streamline internal program operations. Emphasis is placed on Internet technology usage, internal network and infrastructure upgrades and enhanced business applications. The ability of TWDB to collect, manage and disseminate the most relevant water resource data has a direct impact on the ability of agency stakeholders to make effective decisions regarding economic development, infrastructure investment, water and natural resource management, and public health and safety.

The focus of technology operations within the agency has been to provide more information over the Internet in easily accessible formats, collect more information in electronic form, employ more geospatial technologies, provide more opportunities for customer feedback, and to insure that data collected is effectively managed and secured.

The TWDB has a major investment and stake in the successful development and implementation of geographic information systems (GIS) technology. Geospatial tools are integrated into the agency's water information portal, making it easier for customers to access and understand the extensive information maintained at the TWDB. Agency staff has continued to develop GIS functionality to support the TWDB, state agencies, local and regional governments, and the public.

More statewide strategic mapping data has been made available to the public for use in GIS applications. During the past year, the TNRIS StratMap program has completed processing and archival of new digital imagery (aerial photography and satellite imagery) captured in 2004. These data are highly valued by government entities and the public for their detailed and precise depiction of on-the-ground features, and their multiple uses including economic development, natural resource management, transportation network maintenance, and other modeling and analysis activities. This imagery as well as updated datasets depicting surface

water, transportation, elevations, soils, and boundaries are also being made available to the public via the Internet.

Intergovernmental and public interest in technology outreach and training has been growing at a rapid pace. Texas Natural Resources Information Systems (TNRIS) provided approximately 4,500 person hours of GIS related training and workshops in FY 2004. In FY 2005, that number rose to 5,450, an increase of 21 percent. The Texas GIS Forum, sponsored each year by TNRIS, continues to grow in size and has drawn almost 350 users over the past two years to the week long event, which brings together GIS professionals from around the state.

IMPACT OF ANTICIPATED TECHNOLOGICAL ADVANCES

Technology trends for greater broadband access and enhanced electronic services will be the principal drivers for technology in the near term including: 1) greater adoption of broadband access and expansion of wireless network capacity; 2) expanded implementation of service oriented architectures emphasizing web access and presentation; 3) deployment of advanced data collection technologies driving the cost effectiveness of higher resolution information and the demand for real-time data; 4) continuing trend for lower costs associated with network storage systems; and 5) more support for online collaboration and communication tools.

The need for greater web centric applications will drive more advanced web architecture and system design. Greater productivity tools to meet audit and reporting requirements will be essential to support agency decision making and stronger integration of technical databases with business applications will streamline agency operations.

Integration of real time data services will foster better modeling and monitoring capabilities. Lower costs for development of mapping and imaging data combined with greater resolutions and precision will drive adoption of greater volumes of data that will require advanced technologies to make these data available to an expanded user base. Expectations for access by agency employees and services provided to customers and constituents will necessitate a need for further integration of agency operations with external data providers.

Recent changes that have improved the technological capabilities of the agency and its stakeholders include:

- Automated collection of regional water planning data through the Internet for the 16 regional water planning groups. The electronic submission of this input to the State Water Plan has provided for more efficient collection and management of data and increased communication and collaboration between TWDB staff and the regional water planners.
- Improved Internet data dissemination capabilities with major enhancements to the agency's water information portal (Water Information, Integration, and Dissemination or WIID). Easier access to previous state water plans, additional information on water use and water quality, detailed information on water infrastructure projects and

investments, and improved navigation and mapping capabilities have been added and continue to be the focus of WIID development.

- Increased storage capacity and network bandwidth to better administer and manage extensive scientific datasets housed by the agency such as groundwater availability models, water availability models, and statewide geographic data layers collected by TNRIS. The ability to centrally store, manage and backup over nine terabytes of agency data has provided agency staff with better and faster access to more data as well as improved disaster recovery capabilities.
- Enhanced collection of critical water monitoring data from 40 water cooperators throughout the state with direct investment in technical data collection devices, refresh of computer hardware and software, and technical support.
- Improved support from TNRIS for the state's emergency management function through high speed connectivity to the State Operations Center for data sharing, collection of critical infrastructure data such as state facilities and emergency shelters, and technical assistance and training of state personnel on hazard mitigation and hazard modeling.
- Development of additional statewide strategic mapping data through the TNRIS StratMap program to include a new high resolution surface water dataset, an updated statewide coverage of high resolution aerial imagery data, and additional datasets describing soils, elevation, transportation and political boundaries.
- Enhanced security of the agency's network and personal computers through the implementation of an intrusion prevention system and updated virus protection and e-mail filtering systems.
- Deployment of a new contracts management system to track the numerous grants that the agency manages for water related activities and research as well as receivable contracts.

DEGREE OF AGENCY AUTOMATION

Information made available on the agency website continues to grow. More information has been added regarding agency initiatives, operations and events, educational opportunities and curriculum, agency publications, and current water trends. Demand for agency data also continues to grow, with visits to the website currently reaching 370,000 user sessions per month. The average number of users visiting the TWDB web site per month for the first half of FY 2006 was 216,000, an increase of over 30 percent from the prior year. A new customer survey tool has also been deployed to continuously capture customer needs and suggestions. This tool includes a robust comment system to capture and route topic specific issues, inquiries and suggestions, resulting in improved customer service response.

ANTICIPATED NEED FOR AUTOMATION

Changes and improvements in the TWDB's ability to respond to customer demands and maintain a high quality of service are highly dependent upon continued technological advances and the agency's ability to adopt innovations. Likewise as the currency and relevance of information available through the Internet and wireless electronic devices increases, so do the expectations and demands that customers place on government to responsiveness. The TWDB will continue to adopt relevant technological advances and improve services.

Anticipated changes over the next planning period include:

- Improved customer service through more interactive data collection and dissemination. More detailed information about the agency's financial assistance programs and application process will better assist political subdivisions in exploring, qualifying and obtaining loans and grants. Better templates and additional electronic data collection capabilities will be added to assist customers in applying for assistance, filing regional water plans, water use surveys, water loss audits, and water monitoring information. Ongoing website improvements related to navigation, organization and search capabilities will be implemented.
- Improved archival, storage and dissemination of agency data will be achieved through the implementation of an electronic document management system. Vital records on water infrastructure projects, financial data, contract information, groundwater resources, and personnel will be digitized and preserved. Paperless processes for agency operations will be pursued wherever feasible.
- Expanded use of electronic payments will be implemented to support dissemination of agency public records and handle service orders. Educational conferences and seminars sponsored by the agency will be supported through online registration and electronic payments.
- Agency program operations will be supported through better integration of agency databases and business applications. Enterprise-wide assessments of data sources and outputs will drive enhancements, migration of legacy applications and implementation of standardized web based tools. Business processes and rules will be captured and documented for use in a more robust component based architectural model.
- Dissemination of critical geographic data held by the TWDB and TNRIS will be improved through the deployment of web-based map services. Online applications for viewing, downloading and modeling of this data will be deployed to enhance support for state agencies as well as local governments and the public. Centralized services will be created and published to streamline web-based application development by other entities and reduce the need for state agencies to duplicate data and applications built by TNRIS.

- Improvements in disaster recovery, data redundancy, and fail-safe applications will be implemented to increase support for emergency response operations. Coordination between TWDB, TNRIS and state and regional service centers will be pursued to aid local and regional government first responders in collecting, managing and utilizing critical infrastructure data necessary for preparation, response, recovery and mitigation of natural disasters and other homeland security related operations.
- Continued investment in security protocols and network administration tools will be a high priority to ensure the integrity and protection of agency data while supporting open access to public information.

VI. Economic Variables

DEMOGRAPHIC AND ECONOMIC GROWTH

Texas is one the nation's fastest growing states. From 1950 to 2005, population in the state grew from about 8 million to nearly 23 million. According to TWDB projections, the number of people living in Texas will reach 33 million by 2030 and 45 million by 2060. Most growth is expected to occur in the Rio Grande region and in urban areas surrounding Dallas-Fort Worth, Houston, San Antonio and Austin.

Not only is population rapidly growing, but Texas also has one of the world's most robust economies. With an annual gross state product valued at \$804 billion, the state's economy is bigger than that of either India or South Korea, and over the next 30 years output is forecast to double. Many key industries in the state are heavily reliant on water. For example, agriculture, which consumes about 60 percent of available water, remains a primary consumer as do many manufacturers such as petrochemical refineries and food processors. New industries have also flourished in Texas in recent years, particularly computer manufacturers and biotechnology, both of which require large quantities of high-quality water.

Rapid growth combined with Texas' susceptibility to drought makes water supply a crucial issue. One of the most pressing concerns of policymakers is whether existing water supplies will sustain economic and demographic growth, and provide ample water during times of drought. Inadequate water supplies would likely curtail economic activity in business and industries heavily reliant on water. Unreliable water supplies would not only have an immediate and real impact on business and industry, but they might also bias corporate decision makers against plant expansion or plant location in Texas. Thus, ensuring that Texas communities have abundant and dependable water supplies is crucial for the state's economic security. In this regard, regional and state water planning becomes even more critical.

INTEREST RATES

Water service providers use various debt instruments to fund water and wastewater projects. Conventional debt instruments used for long-term financing include general obligation bonds, revenue bonds, certificates of obligation, and government financial assistance programs including those of the TWDB. Market interest rates are critical to service providers seeking capital funding, and changes in these rates can affect demand for TWDB financial assistance programs.

IMPACT OF FUTURE ECONOMIC CONDITIONS

The TWDB finances loans from proceeds derived from issuing general obligation and revenue bond issues. During the last two years, TWDB's market share of finalized loan agreements decreased as compared to similar projects financed in Texas. Interest rates may have played a role in the loss of market share. Beginning in 2003, interest rates for municipal bond issues began a downward slope. The trend continued through most of 2005 with rates averaging 4.3%. The current yield curve for municipal bond issues has steepened in 2006 which may allow for TWDB to regain market share.

VII. Impact of Federal Statutes/Regulations

HISTORICAL ROLE

TWDB's presence in federal initiatives has grown considerably over the past few years, as the agency has become more proactive in working with federal agencies and the Texas congressional delegation on a wide range of issues. Most recently, TWDB's federal efforts have focused on obtaining federal assistance in implementing water management strategies in the State Water Plan. This focus coincided with increased attention by Congress on the Water Resources Development Act (WRDA). TWDB has worked very closely with the U.S. Army Corps of Engineers (Corps) on WRDA provisions that will strengthen the local-state-federal partnership on water resources management. The key to the state's WRDA strategy is the authorization for the Corps to participate in water supply projects.

In addition, TWDB has worked closely with the Texas Water Conservation Association and its members to educate the Texas congressional delegation on the importance and benefits of WRDA. More recently, TWDB has reached out to other groups, including other states, with a common interest in passing a WRDA bill in the 109th Congress. Strategically, this effort is a top priority for federal activities because it will benefit communities throughout the state that will be challenged with meeting their water needs. Subsequent to passage of WRDA, the next priority will be to work with TWDB's local partners and the Texas congressional delegation to secure federal appropriations to assist in the implementation of water management strategies.

Another federal priority for TWDB is to obtain adequate funding for streamgaging in Texas. Texas Water Code section 16.012 directs TWDB "to lead a statewide effort, in coordination with federal, state, and local governments...to develop a network for collecting and disseminating water resource-related information..." Information on the water resources of Texas is critical to the Regional Water Planning Groups and other organizations in developing regional water plans to meet future water needs and to develop water management strategies to meet those needs. The current streamgaging network is inadequate, and TWDB has been actively engaged with the Texas congressional delegation and federal partners to increase federal funding for streamgaging through the U.S. Geological Survey (USGS).

TWDB has met with several Texas congressional delegation members to discuss the importance of water data and the need for increased funding for USGS streamgaging programs, including the Cooperative Water Program and National Streamflow Information Program. TWDB has also met with senior officials at the Department of Interior and USGS to discuss approaches for closing the funding gap on streamgages. In addition, TWDB has met with staff at the Executive Office of the President, Office of Management and Budget, to discuss the importance of streamgaging to Texas and the nation. TWDB's activities have

generated positive results, as the President's Fiscal Year 2007 budget increased funding for the National Streamflow Information Program by \$2 million. TWDB will continue to work with the Texas congressional delegation and federal partners on this issue. The next step in addressing this issue is to educate federal appropriators on the importance of streamgaging and its role in federal decision making.

TWDB has targeted the Texas Water Allocation Assessment (TWAA) as a key federal initiative. Through TWAA appropriations, TWDB works closely with the Corps of Engineers to target financial and technical assistance to projects and activities with the greatest opportunity to contribute to the implementation of water management strategies in the State Water Plan. This initiative is important because it provides for federal assistance while giving TWDB great latitude in how the funds are used.

TWDB continues to develop strategies for addressing other federal issues, including but not limited to the following:

- Desalination research
- Financial and technical assistance for desalination projects
- Disposal of brackish groundwater desalination concentrate
- Reauthorization of the Clean Water Act, particularly legislation to make changes to the State Revolving Fund
- Potential provisions for the 2007 Farm Bill
- Protection of the agency's use of fee revenue for administration of the State Revolving Fund
- Legislative proposals to change operation or treatment of financing programs or bond issuance
- Exemption for water and wastewater projects from the private activity volume cap
- Regional water research activities
- Safe Drinking Water Act regulations, including activities related to arsenic and standards for naturally-occurring contaminants
- Discussion on the future of the North American Development Bank
- Business model review of programs at the Bureau of Reclamation
- Additional mapping initiatives partnering with FEMA, U.S. Department of Agriculture, and the USGS.

IMPACT TO AGENCY AND SERVICE POPULATIONS

For the past two years, TWDB has partnered with the Texas Water Conservation Association (TWCA) to hold Texas Water Day on Capitol Hill in Washington, D.C. In just two years, the event has garnered the attention of the Texas congressional delegation, federal agencies and other states. This year, over 100 Texas water professionals visited congressional and committee offices to discuss priority statewide water issues. The level of awareness and support of water-related issues has risen significantly since the first Texas Water Day event. TWDB plans to continue to participate in this event, and sees it as a key component of the agency's federal strategy.

As the agency moves forward on federal issues, TWDB will develop and strengthen relationships with other states in order to broaden its reach on Capitol Hill. TWDB will also continue to strengthen partnerships with federal agencies, with a commitment to supporting stakeholders as they make progress in implementing the water management strategies in the State Water Plan.

VIII. Legal and Other Legislative Issues

IMPACT OF STATUTORY CHANGES

Since the drought of the mid-1990s, a number of actions have occurred to keep water issues in the forefront:

- In 1997, the 75th Texas Legislature enacted Senate Bill 1, changing the way Texas plans for the future water needs of the state.
- In 2001, the 77th Texas Legislature enacted Senate Bill 2, creating new financial assistance programs designed to finance water supply projects recommended by the State Water Plan. This legislation also directed the TWDB to prepare an Infrastructure Financing Report that would address how political subdivisions would pay for needed water supply infrastructure.
- In 2002, the TWDB issued the State Water Plan. It was followed shortly thereafter by a letter from Governor Rick Perry directing the TWDB to develop a recommendation for a demonstration seawater desalination project as one step toward securing an abundant water supply to meet Texas' future water supply needs. This was one element in Governor Perry's "Controlling Our Destiny" water plan.
- In 2003, the 78th Texas Legislature enacted Senate Bill 1639 creating the Study Commission on Environmental Flows to study ways to balance the growing demands for Texas' water resource and environmental concerns. Lieutenant Governor David Dewhurst and House Speaker Tom Craddick issued water-related interim charges to a growing number of water-related legislative committees.

The 78th Texas Legislature adopted House Bill 1370 which was signed into law in May 2003. HB 1370 directs the TWDB to “undertake or participate in research, feasibility and facility planning studies, investigations, and surveys as it considers necessary to further the development of cost-effective water supplies from seawater desalination in the state.” In addition, the legislation directs TWDB to report biennially on the progress of seawater desalination activities in the state. In its 2004 Biannual Report on Seawater Desalination, the TWDB concluded that implementing seawater desalination in Texas is technically feasible. The construction and operation of large-scale demonstration facilities will create an effective precedent to guide the development of a new, drought-proof, and plentiful water supply. The reports clearly showed, however, that financial assistance will be required in order to realize the development of large-scale seawater desalination projects in Texas.

In 2003, the Texas Legislature directed the TWDB to allocate \$1.5 million for feasibility and regional facility planning studies (feasibility studies) to determine the technical and economic viability of proposed demonstration seawater desalination projects. This resulted in TWDB funding studies of the Lower Rio Grande Valley-Brownsville, Corpus Christi, and Freeport project proposals.

The 78th Texas Legislature created the Water Conservation Implementation Task Force (WCITF) via enactment of Senate Bill 1094. In 2004, the WCITF produced a report, which included legislative policy recommendations, and a Best Management Practices (BMP) Guide.

In 2005, the Legislature considered, but ultimately did not pass, Senate Bill 3, which included many significant water policy changes, including environmental flows, water rights permitting, water conservation (including land stewardship), expedited amendments to the regional water plans, historic use of water permits, changes to the Edwards Aquifer Authority, and creating several groundwater conservation districts.

The 79th Texas Legislature in 2005 passed several other bills that impacted TWDB programs. A few key items are discussed below.

Seawater and Brackish Groundwater Desalination

During the 79th Legislature in 2005, H.B. 1 appropriated \$3.3 million to the TWDB to further the research necessary to implement Governor Perry's leadership to find an alternative water supply source. The Legislature appropriated \$2.5 million for up to three seawater desalination pilot plants in Brownsville, Corpus Christi and Freeport. Another important component was an appropriation of \$600,000 for up to three brackish groundwater desalination demonstration projects.

Groundwater Conservation

H.B. 1763 - This bill is significant to the TWDB because it strengthens the joint management planning between districts in a groundwater management area and requires the districts to base their groundwater management plans on the desired future groundwater conditions established through joint planning. The bill requires Regional Water Planning Groups to include in their regional water plans information supplied by the TWDB on the amount of managed available groundwater, and to also include an analysis of conjunctive use as a water management strategy. The bill requires districts to quantitatively identify the desired future conditions of their groundwater resources in their groundwater management plans, and requires districts to include, if applicable, recharge enhancement, rainwater harvesting, precipitation enhancement or brush control where appropriate and cost-effective. The bill requires joint planning and review management plans and accomplishments in groundwater management areas. They shall also establish the desired future conditions for the relevant aquifers in their groundwater management area considering uses and conditions of the aquifer not later than 2010. Districts shall issue permits up to the point of the managed available groundwater. However, there were no funds appropriated by the 79th Legislature to complete any of the new tasks associated with implementing H.B. 1763.

Water Conservation

H.B. 1 (General Appropriations Act) - Eliminated General Revenue funding for TWDB's municipal water conservation program. Consequently, the TWDB cobbled together funding from various sources and scaled back the program. If the program is to continue in the future, funding will need to be restored.

H.B. 1224 - Requires the TWDB to conduct a study to determine the effects, if any, of take-or-pay contracts on efforts to conserve water and to submit its findings and recommendations in a report to the Legislature on or before January 1, 2007. The Board approved issuing a Request for Proposal (RFP) in November 2005. The Board awarded the contract for the study in January 2006.

H.B. 1225 - Amends Sec. 11.173 (b), Water Code, to exempt from cancellation that portion of a water right that is not used as a result of the implementation of water conservation measures.

H.B. 2428 - As of January 1, 2006, any commercial pre-rinse valves for commercial dishwashing sold in Texas that are not already in inventory or been ordered, must have a flow rate of 1.6 gallons per minute or less and be certified and listed by the TCEQ.

H.B. 2430 - Creates a Rainwater Harvesting (RWH) Evaluation Committee, chaired by the TWDB and including TCEQ, Department of State Health Services, and the Texas section of the American Water Works Association, to study the feasibility of using rainwater as a source of water supply and recommend

minimum water quality guidelines and standards for potable and non-potable indoor uses of rainwater, treatment methods of rainwater, ways in which to use RWH systems with existing municipal water systems and ways in which Texas can further promote RWH. The committee must produce a report to the Legislature by December 31, 2006.

Financial Assistance

H.B. 467 - By redefining "economically distressed area," "affected county" and "political subdivision," the bill morphs the Economically Distressed Areas Program (EDAP) into a statewide program. The bill requires the TWDB to find that the area to be served by the proposed project has a median house hold income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available, rather than an average per capita income that is at least 25 percent below the state average for the most recent three consecutive years for which statistics are available. Clarifies the authority of the TWDB to use money in the economically distressed areas account to provide financial assistance to a political subdivision in the form of a loan, including zero percent interest rate loans, grant, or other type of financial assistance to be determined by the TWDB, rather than the general reference that the assistance be repaid in the form, manner, and time provided by TWDB rules and the agreement between the TWDB and a political subdivision. The bill also amends Sec. 212.0105, Local Government Code, to authorize any city in the state that applies for EDAP assistance to enforce the Model Subdivision Rules. H.B. 467 authorizes any county that has an EDAP applicant in that county to enforce the Model Subdivision Rules. However, there were no funds appropriated by the 79th Legislature to complete any of the new tasks associated with implementing H.B. 467.

H.B. 1657 - Clarifies the TWDB's authority to receive federal grant, loan and other assistance from any federal agency for water supply projects, treatment works, or structural or nonstructural flood control measures. Also deletes the requirement for a grant processing fee.

H.B. 3029 - Renames the "Pilot Program for Water and Wastewater Loans for Rural Communities" to the "Program for Water and Wastewater Financial Assistance for Disadvantaged Rural Communities" and authorizes the TWDB to provide grants and loans to political subdivisions or water supply corporations for projects that will provide service to disadvantage rural communities. "Rural community" includes any portion of a political subdivision with a service population of less than 5,000 located outside a municipality or its extra-territorial jurisdiction or a "predominantly residential area with a population of 5,000 or less that is located outside the corporate boundaries of a municipality." The bill adds a definition of "disadvantaged rural community" to be a rural community where median household income is not greater than 75 percent of median state household income.

THE FUTURE - 2006 AND BEYOND

Environmental Flows

In October 2005, Governor Rick Perry issued an Executive Order (RP-50) creating the Environmental Flows Advisory Committee to examine relevant issues and make recommendations for Texas Commission on Environmental Quality (TCEQ) action and legislation on methods for making future decisions to protect instream flows and freshwater inflows, while integrating such needs with human needs, including methods to address allocation of flows during drought conditions, using the December 2004 report of the Study Commission as a starting point. The committee will submit its report prior to the start of the 80th Regular Legislative Session in 2007.

2007 State Water Plan

The TWDB will present to the 80th Texas Legislature in January 2007 a comprehensive State Water Plan that incorporates the approved Regional Water Plans illustrating the orderly development, management and conservation of water resources over the next 50 years as well as the preparation for and response to drought conditions so that sufficient water is available at a reasonable cost to ensure public health, safety and welfare and to further economic development and to protect the agricultural and natural resources of the entire state. The plan will also include policy recommendations.

Interim Legislative Committees

A number of legislative committees have been given interim study charges affecting the TWDB and could result in either appropriations or legislation during the 80th Regular Legislative Session in 2007. Below are some of those committees, their respective charges and information on which TWDB programs might be involved.

House Border and International Affairs

Examine the most efficient ways to coordinate the many border-related governmental entities and border-specific programs of state agencies, specifically the operations of the Borderlands Information Center (BIC) and the Border Activity Tracker (BAT) and the possibility of combining and transforming them into a comprehensive border information clearinghouse.

NOTE: The BIC and the BAT are part of the Texas Natural Resource Information System (TNRIS) housed at the TWDB, neither of which have ever received state appropriations. The comprehensive border information clearinghouse will require an appropriation to acquire or build, staff and maintain.

House Natural Resources

- (1) Consider the potential for increased outdoor water savings through landscape water conservation, including irrigation audit requirements, turf replacement programs and the provision of certain landscape options for prospective home buyers.

NOTE: Water conservation is an important component of regional and state water planning for the Office of Planning. Any incentives to encourage voluntary water conservation could result in additional water resources, especially in a time of drought.

- (2) Examine state wastewater reuse policies, including an assessment of potential changes or clarifications to the Texas Water Code.

NOTE: Wastewater reuse is an important component of regional and state water planning for the Office of Planning.

- (3) Continue the study of the Commission on Water for Environmental Flows, and further evaluate options for providing adequate environmental flows.

NOTE: The TWDB's Office of Planning Survey Water Resources Section are actively involved in instream flows and flows for bays and estuaries.

Senate Intergovernmental Relations

- (1) Study and make recommendations regarding the relationship between cities and special utility districts, including the formation of special utility districts in the extraterritorial jurisdiction of cities, and the ability of those districts to meet the future service needs of residents; the number of special utility districts currently existing and their effect on the overall property tax burden; as well as the significant growth/creation of special utility districts and their effect on the provision of services to residents.

NOTE: The TWDB's Office of Planning would be involved in regional and state water planning to help districts and municipalities plan to meet future needs. Water districts and municipalities frequently seek financial assistance from the TWDB's Office of Project Finance and Construction Assistance to study, plan, develop, design and construct water and wastewater infrastructure for their customers.

- (2) Study the status of floodplain mapping in Texas communities and the scope of local governments' floodplain development management authority and make recommendations, as necessary, to enable communities to provide accurate floodplain data and management plans that will facilitate more favorable insurance rates and better protect the lives and property of Texas residents in the event of a natural disaster.

NOTE: The TWDB administers the Flood Mitigation Assistance (FMA) program and is a statewide Cooperative Technical Partner (CTP) for the Federal

Emergency Management Agency (FEMA). TNRIS is the administrator of the Map Modernization Management Support grant and has taken an active role in producing the necessary topographic data that would allow the modernization of the outdated flood insurance rate maps. Several data layers required for accurate floodplain delineations are available through the TNRIS. Additional state appropriations would allow the statewide creation, update and maintenance of the floodplain mapping data.

Senate International Relations and Trade

Review state and local policies impacting the water/wastewater services, transportation and health infrastructure needs of Texas colonias. Work with the TWDB, the Office of the Attorney General and the Colonia Coordinator to develop recommendations aimed at improving and strengthening the available resources and policies affecting economically distressed areas.

NOTE: The TWDB's Office of Project Finance and Construction Assistance administers the Economically Distressed Areas Program, typically targeting colonias, and other financial assistance programs benefiting infrastructure improvements.

Senate Natural Resources

(1) Study and assess all issues related to ground and surface water law, policy and management, including, but not limited to: the role of federal, state, regional and local governments, including river authorities and other water management entities, and their jurisdiction, authority, and coordination in setting consistent, nondiscriminatory water policies; the statutory, regulatory, and/or economic impediments to implementing key water management strategies recommended in the Regional and State Water Plans; the role of groundwater conservation districts; conjunctive use of both ground and surface water resources; rule of capture; historic use standards; water infrastructure and financing, including financing sources for new water resources; interbasin transfers; water rights, including environmental flows, junior water rights; the transition of water rights from agricultural to municipal and industrial uses and coordination among transitioning water management authorities; conservation; drought preparedness; and water marketing.

NOTE: The TWDB Office of Planning works with all of these issues through regional and state water planning, groundwater availability modeling, groundwater district assistance, municipal and agriculture water conservation, surface water monitoring, water use surveys, and more. The Office of Project Finance and Construction Assistance assists water and wastewater utilities with grant and loan programs to improve and expand infrastructure.

- (2) Identify areas of the state where surface or groundwater was contaminated by petroleum operations. Determine the appropriate regulatory and technical requirements to remediate the contamination and prevent future contamination, and recommend appropriate agency jurisdiction for preventing, responding and remedying such incidents.

NOTE: Although the TWDB is not a regulatory agency, the agency's Groundwater Resources and Surface Water Resources Sections in the Office of Planning are interested in water quality issues.

- (3) Study the permitting exemptions and water well regulations in Sec. 36.117, Water Code. Review the jurisdiction over the regulation of groundwater pumping in conjunction with drilling and production of oil and gas.

NOTE: The TWDB's Groundwater Resources Section in the Office of Planning provides technical assistance to groundwater conservation districts. Chapter 36, Water Code, also authorizes the TWDB to review and approve groundwater conservation district management plans.

Transportation & Homeland Security

Study the implementation of Senate Bill 9, 79th Legislature, Regular Session, relating to homeland security, and make recommendations to enhance its effectiveness. Focus on implementation of provisions relating to mutual aid, including the need for a statewide compact, agricultural inspection stations, the health alert network, radio and computer interoperability and the protection of drinking water and of vital infrastructure. Assess the feasibility of establishing and operating a statewide public building mapping information system for state-owned buildings.

NOTE: During the last legislative session, the TWDB was added to the Homeland Security Council, primarily because of the role TNRIS plays in the preparation, mitigation, response and recovery operations related to emergency management. TNRIS supports multiple agencies at the local, state, and federal level for map data collection and distribution. Multiple projects for the Governor's Division of Emergency Management have been completed or are underway to map emergency shelters, state facilities, and weather related hazards. TNRIS also provided GIS support staff to FEMA at the joint field office set up for response to Hurricanes Katrina and Rita.

IX. Self Evaluation and Opportunities for Improvement

OFFICE OF PROJECT FINANCE AND CONSTRUCTION ASSISTANCE

The Office of Project Finance and Construction Assistance (OPFCA) is responsible for providing financial assistance through the loan and grant programs to entities to ensure the implementation of the State Water Plan. The two major federally funded programs OPFCA administers are the Clean Water (CWSRF) and Drinking Water (DWSRF) State Revolving Funds. Funded by congressional appropriations through the Environmental Protection Agency (EPA), both the financial and programmatic aspects of these programs are annually reviewed by EPA staff. The TWDB has received recognition as one of the premiere programs in the country. These two federal programs; in addition to, the federally funded Colonia Wastewater Assistance Treatment Program (CWTAP) have been audited by the State Auditor's Office and reports issued with no significant findings.

The DWSRF federal regulations allow the state to use up to 30 percent of each federal grant allocation to provide loans to disadvantaged communities at reduced interest rates and requires that 15 percent of each grant be allocated to small communities under 25,000 in population. The State Legislature provides the match funds that permits the TWDB to allocate up to the maximum of 30 percent of each grant to assist these disadvantaged communities. Although the CWSRF regulations do not require a similar program, the TWDB determined that disadvantaged communities would benefit from a program similar to the DWSRF program. The CWSRF small community disadvantaged program was established in 2004 using funds allocated by the State Legislature. Through the federally funded CWTAP and the state funded Economically Distressed Areas Program (EDAP), OPFCA has provided financial assistance in the form of grants and loans for water and wastewater projects to economically distressed areas.

The agency has made strides by developing career paths for staff. Staff that attend specific training share the information and knowledge gained with other staff who were unable to attend. This has many benefits including reducing the productivity lost by not having multiple staff out in training.

Key Obstacles

Fiscal

The full realization of several state financial assistance programs depends upon General Revenue funds and staff resources. State loan programs have been impacted by cuts to General Revenue and a continuation of these funding cuts will result in a reduction of the level of services provided on state loan and grant programs. These service reductions include: reductions in the frequency of monthly field inspections during construction; reduced levels of technical assistance to economically disadvantaged political subdivision, and loan/grant management oversight activities.

The State Participation Program is currently out of funds. Unless additional General Revenue funds are received, projects will be delayed or financed from other sources, resulting in projects being scaled back to less than the most optimum (cost-effective) size and scope. Two funds, the Water Infrastructure Fund and the Rural Water Assistance Funds, although approved by the Texas legislature, have never received appropriated funds to be implemented.

In order to successfully complete the EDAP projects in progress and to continue to provide financial assistance to communities identified as disadvantaged throughout Texas, the agency must obtain the necessary state legislative appropriations. The EDAP has been impacted by reductions in the budgets for 2004, 2005, and 2006 fiscal years through reduced debt service appropriations and cuts in the administrative funds to manage the projects. The DWSRF Disadvantaged Community Program will not be able to continue without additional match funding from state General Revenue. Although the agency received authorization to implement a statewide program for economically disadvantaged communities, funds were not attached to the legislation.

Human Resources

To manage an effective, cost efficient grant/loan program for water and infrastructure needs of economically disadvantaged communities throughout the State of Texas, OPFCA needs to retain its current trained technical staff, including engineers, environmental reviewers, and financial analysts. The experience and knowledge garnered by the current staff in working with colonia residents and political entities, will serve the state well once the economically disadvantaged program is funded.

OPFCA works closely with EPA regional and headquarters staff to ensure that federally funded projects are implemented in accordance with all required federal regulations.

A new management structure was put in place in OPFCA in April 2006 and organization of staff by source of funding was implemented. Two new positions were created, an Associate Deputy Executive Administrator to handle day-to-day activities and an Assistant Administrator for Strategic Planning, Performance

Measures, and Management Information Systems. The restructuring of work by source of funds into three work groups - one federal, one state and one a combination of funding sources - is designed to increase communication between the disciplines and to track the status of all projects. The work groups with their daily meeting schedule will focus on financial applications, closings and the status of active projects.

The revised organizational structure with its clear lines of responsibility and authority will assist staff in understanding their own unique role within the agency and OPFCA. OPFCA management is dedicated to listening to the employees and responding to issues and concerns. Regularly scheduled meetings with agendas will keep an open communication between staff and management. In addition, the OPFCA staff development and training specialist will be developing modules and training staff on topics such as: change and its effects; re-framing discussions to enhance problem-solving; workload management; oral communication in a work group setting; and requirements of their position.

OFFICE OF PLANNING

Despite continued reductions in funding and increased responsibilities, the Office of Planning continues to meet its statutory responsibilities. The accomplishments of the past few years, however, will not be equaled in the future unless these efforts are adequately funded. The Office of Planning, like the rest of the agency, has robbed Peter to pay Paul, and the strain on the agency's operational infrastructure will soon be overwhelming. As a result, the first strategic priority of the Office of Planning is to identify and secure the appropriate level of funding to support its numerous programs and projects mandated by the Legislature. A second strategic priority is to strengthen our ability to assist local partners to implement water management strategies as laid out in the 2007 State Water Plan.

TWDB's Office of Planning has earned a stellar reputation as one of the leading water science and planning organizations in the nation. In regards to water planning, numerous states recognize Texas' successful implementation of regional water planning and have sought guidance from TWDB on the process. The Office of Planning has been invited to states such as California, Oklahoma, New Mexico, Pennsylvania and Illinois to describe the Texas state and regional water planning infrastructure and process. Many states have adopted the Texas model for water planning.

Likewise in regards to research and science, the Office of Planning leads the way on groundbreaking initiatives that will have lasting impacts on policy and decision making related to water resources issues. TWDB's work on environmental flows and groundwater availability modeling is at the forefront of the science. Unfortunately, these two activities and regional water planning lack adequate resources to meet the needs of constituents and policymakers.

In addition to its planning and science accomplishments, the Office of Planning has quickly become an incubator for water projects that demonstrate innovative technologies and practices. TWDB has taken the lead in guiding the development

of demonstration seawater desalination projects, with the goal of securing adequate water supplies to meet the state's growing need for water. TWDB continues to provide financial and technical assistance to ensure that the projects are implemented in the most efficient and cost-effective manner. The Office of Planning is also responsible for launching two Agricultural Water Conservation Demonstration projects to assess the ability to increase water conservation through cost-effective increases in water use efficiency. The results of these demonstration projects will highlight the benefits of conservation technology and practices and provide the impetus for agricultural conservation efforts throughout Texas and the nation.

In recognition of TWDB's efforts on these fronts, TWDB was "Highly Commended" in the Water Agency of the Year category of the 2006 Global Water Awards. The commendation stated: "Unlike other water agencies on the shortlist, the Texas Water Development Board does not provide water to anyone. Nor does it regulate water services. Its role is limited to the development and management of the state's water resources, a duty which it has carried out in exemplary fashion, marrying planning with action in such a way as to inspire total confidence in the future of water supply in one of America's driest states."

To strengthen TWDB's position as the leading agency in water planning, science and demonstration initiatives, the Office of Planning works closely with all levels of government, ranging from participation and coordination with regional water planning groups to partnering with federal agencies to leverage resources.

The Office of Planning will be engaged in current and ongoing activities, as follows:

- Supporting the Regional Water Planning Process
- Preparation of the State Water Plan has been one of the primary tasks of the TWDB since its inception in 1957. Senate Bill 1, 75th Texas Legislature, changed the process of state water planning to provide more grassroots ownership of the plan. Under this approach, each of 16 Regional Water Planning Groups develops regional water plans, which are then consolidated into the State Water Plan. Both regional and State Water Plans must be updated every five years.

While the state and regional water planning process has successfully raised the level of awareness of water supply issues and has identified the considerable challenges in meeting the state's water needs, funding for regional water planning continues to decrease. In FY06-07, appropriations for regional water planning were reduced by \$1.5 million from the requested amount, and the funding shifted from a dependable source of revenue (general revenue) to a more tenuous revenue source that will be depleted over time (revenue from the Texas Water Resources Finance Authority portfolio). The impacts of budget cuts on regional water planning during the current round have been quite significant. Only about half of the funding requests were approved for region specific studies and projects needed to develop solutions to water supply needs identified by the regional water planning groups. At a time when regional water planning groups need more

resources and data to make informed decisions on water management strategies, the budget reductions and unreliable funding sources will result in a significant reduction in the amount, type, and quality of work that the Regional Water Planning Groups may undertake. Ultimately, the value and integrity of the regional water planning process that has been so successful and nationally recognized, will be in serious jeopardy if funding is not restored and supported by general revenues.

Groundwater Availability Modeling

Continuing Support of Groundwater Availability Models and Groundwater Data Collection Information on the water resources of Texas is critical for meeting future needs and developing answers to important water resource policy issues. The need for more data has been highlighted by the Senate Select Committee on Water Policy, the Texas Groundwater Protection Committee, Regional Water Planning Groups, Groundwater Conservation Districts (GCDs), and other private and public interests. The TWDB continues to assist groundwater conservation districts in collecting groundwater resource information. Long-range plans include the update and expansion of the groundwater and surface water monitoring networks by upgrading to the latest monitoring technology and expanding the number of stations. Budget cuts over the years have adversely affected the timeliness and production of GAMs for the minor aquifer, damaged the agency's ability to hire and retain very specialized technical staff, and reduced staff and travel available for field studies in support of modeling efforts. As TWDB's support of groundwater issues continues to grow, the need for adequate funding grows with it.

Furthering the Development of the Instream Flow Program

TWDB and other state agencies are mandated by the Legislature to provide for the collection of instream flow data and analysis. The Texas Parks and Wildlife Department (TPWD), the Texas Commission on Environmental Quality (TCEQ) and the TWDB were directed to determine the appropriate methodologies for determining flow conditions in the state's rivers and streams to support a sound ecological environment. Instream flow studies for six specified sites are to be completed no later than the statutorily established deadline of December 31, 2010. Although progress has been made over the last few years, reduced appropriations have negatively impacted the instream flow program by effectively eliminating the possibility of installing site specific real-time streamflow monitoring stations, reducing ability of staff to conduct necessary fieldwork and decreasing the amount of compensation available to hire and retain qualified technical staff. The legislature authorized but did not fund a full-time employee position for the instream flow program, effectively leaving the agency with limited resources to meet its legislative mandates. Environmental flows, of which the instream flow program is one part, continue to receive attention from the legislature and the Governor. Governor Perry issued an Executive Order establishing the Environmental Flows Advisory Committee. The Committee's work has added to TWDB's workload but without additional funding to support this activity.

Continuing Development of the Bays and Estuaries Program

In response to legislative directives, the TWDB and the TPWD jointly established and currently maintain a data collection and analytical study program focused on determining the effects of and needs for freshwater inflows to the state's bays and estuaries. TPWD and the TCEQ jointly evaluate the findings so that TCEQ can appropriately assess the effects of the issuance of water permits within 200 river-miles of the coast. There are seven major and three minor bay and estuary systems distributed along approximately 370 miles of the Texas Gulf Coast. These estuarine (tidal) ecosystems cover over 2.6 million acres with open water bays, intertidal mudflats, and emergent marshes. TWDB has completed modeling of all the major bays and estuaries of Texas. Freshwater optimization curves, which are used by the TCEQ to determine estuarine needs, are available now for all of the major estuaries. The freshwater inflow needs of the minor Texas estuaries (i.e., Brazos River Estuary, San Bernard River Estuary, and the Rio Grande Estuary) are currently under study through this year. Since the state methodology was first developed and applied, many years of flow, salinity, harvest and fisheries data for statistical analyses have been collected. While the program has continued to move forward over the past two years, reduced appropriations have negatively impacted the bays and estuaries program just as it has impacted the instream flows program, making it difficult for it to meet its legislative mandate.

Supporting Desalination Activities

The TWDB has been actively engaged in scientific research and education on desalination throughout the past several years and is continuing to move forward in its support for desalination research and pilot program implementation.

Creation of pilot plants for testing the quality and range of variation of the raw water and the ability of different membranes to process the raw water is the necessary next step for the eventual production of potable water through desalination. The legislature appropriated funds for the development of pilot projects, and in April 2006 TWDB awarded grant funding in the amount of \$1.3 million to the Brownsville Public Utility Board to pursue pilot plant development for seawater desalination.

Supporting Water Conservation and Education

TWDB faces serious challenges associated with budget cuts in the conservation program. Budget cuts in FY 04-05 limited the ability of TWDB staff to provide technical assistance by limiting the ability to attend a number of public events, reducing the number of TWDB-sponsored workshops, and reducing the number of TWDB outreach activities. More drastic budget reductions in FY06-07 forced TWDB to shift funds from other agency programs in order to carry out a basic municipal conservation program, despite the findings and recommendations of the Water Conservation Implementation Task Force. Without a restoration of funding for municipal conservation, TWDB will be unable to adequately implement a number of the recommendations from the WCITF and will provide a reduced level of technical assistance to political subdivisions and the public.

Developing and Expanding Relationships with Federal Agencies

Though faced with significant challenges in carrying out its mission due to a reduction in available resources, coupled with an increase in responsibilities and tasks, one approach to addressing these challenges is to leverage state resources to the maximum extent possible.

To leverage its resources with federal resources, TWDB monitors a variety of activities at the federal level and works closely with the Texas congressional delegation and federal agencies on all water-related issues and policy. TWDB participates in the development and review of federal legislation and appropriations requests, and assists congressional offices with constituent issues related to water. Over the past biennium, TWDB's involvement in federal issues has increased considerably, resulting in a greater presence on Capitol Hill and strengthened partnerships with federal agencies. TWDB's credibility and impact on Capitol Hill has never been higher.

Unfortunately, as TWDB increases its ability to secure federal funding and legislative provisions, the federal government is experiencing funding shortfalls equivalent to those at the state level. As a result of the shortfalls, Congress is reducing budgets, as well as shifting certain tasks to state and local governments.

Keeping in mind the fiscal realities at the federal level, TWDB has developed a federal strategy that focuses on three themes:

- (1) **Identifying Key Appropriations.** TWDB works with the congressional delegation, federal agencies, and customers to identify key funding needs that could possibly be addressed with federal funds. Then, TWDB submits appropriations requests to select members of the delegation and works with the offices to provide information to support the requests.
- (2) **Increasing Legislative Input.** TWDB monitors federal legislative activity to identify bills for which the agency can provide productive input. TWDB's input ensures that Texas needs are addressed, and helps to avoid unfunded mandates.
- (3) **Strengthening Partnerships.** TWDB maintains routine contact with federal agencies to strengthen collaboration and cooperation. Consequently, the agency is able to leverage financial and technical strengths with those of its partner agencies at the federal level. Currently, TWDB is working with the U.S. Army Corps of Engineers to expand Corps authority to provide assistance to state and local governments. TWDB hopes to leverage Corps resources to help the state implement the water management strategies identified in *Water for Texas – 2002*.

Using this approach, the State of Texas should be strategically positioned to benefit from all water-related initiatives at the federal level.

Improving Customer Service Throughout the Agency

The TWDB recognizes the importance of strong customer service. The TWDB leadership identified “Increasing Customer Satisfaction” as the primary strategic goal that will drive the agency’s ability to achieve its vision and mission. Increasing customer satisfaction involves a range of business activity from small actions performed at the level of customer and client interaction, to larger initiatives such as automating the financial assistance application process so that customers can apply for assistance via the Internet.

GOALS, OBJECTIVES & STRATEGIES

GOAL 1	Water Resource Planning
Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans.	
Objective 01-01	Operate Statewide Programs to Collect and Disseminate State Water Plan
Operate statewide, water-related data collection, integration, dissemination, and evaluation programs that provide public access to adequate information to conduct planning of water resources projects.	
Outcome 01-01.01	Percent of information available to adequately monitor the state's water supplies.
Strategy 01-01-01	Collection, Analysis and Reporting of Environmental Impact Information
Collect, receive, analyze, process, and facilitate access to basic data and summary information concerning water necessary to support a sound ecological environment in the state's streams, rivers, bays and estuaries.	
Output 01-01-01.01	Number of bay, estuary, and instream study elements completed.
Strategy 01-01-02	Water Resources Data Collection and Assessment
Collect, receive, analyze, process and facilitate access to basic data and summary information to support planning, conservation, and responsible development of surface water and groundwater for Texas and studies to determine the quantity and quality of water available and environmental flow needs.	
Strategy 01-01-03	Automated Information Collection, Maintenance, and Dissemination
Operate statewide program to provide training and to produce, maintain, and disseminate public domain geographic data in support of the state's water planning programs and related activities.	
Output 01-01-03.01	Number of person-hours in training classes and conferences sponsored by TNRIS.
Output 01-01-03.02	Number of StratMap digital base map data elements available.
Explanatory 01-01-03.01	Number of responses to requests for TNRIS-related information that are filled.
Objective 01-02	Water Planning and Financial Assistance Activities
Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment, and flood protection.	
Outcome 01-02.01	Percent of key regional and statewide water planning activities completed.
Strategy 01-02-01	Technical Assistance and Modeling
Conduct studies on surface water and groundwater resources; provide technical information and assistance to citizens, groundwater conservation districts, river authorities, water utilities and regional water planning groups; and develop, maintain, and adapt surface water and groundwater availability models to support planning, conservation, and responsible development of water in Texas.	
Output 01-02-01.01	Number of responses to requests for water resource information that are filled.

Strategy 01-02-02	Water Resources Planning
Output 01-02-02.01	Number of active grants for regional studies.
Objective 01-03	Provide Technical and/or Financial Assistance for Water Conservation
GOAL 1 – cont.	Water Resource Planning
Provide eligible political subdivisions in Texas with technical and/or financial assistance for water conservation to support planning, conservation, and responsible development of water supplies to meet the future demands for water as identified in the regional and state water plans.	
Outcome 01-03.01	Percent of communities receiving technical and/or financial assistance.
Outcome 01-03.02	Percent of water saved with financial assistance.

Strategy 01-03-01	Water Conservation Education and Assistance
Provide water conservation information, data, and other technical assistance and services to promote increased water-use efficiency in Texas through statewide water conservation activities and as included in the regional and state water plans.	
Output 01-03-01.01	Number of responses to requests for water conservation information.

GOAL 2	Water Project Financing
Provide cost-effective financing for the development of water supply for water quality protection, and for other water-related projects.	
Objective 02-01	Provide Savings Through Cost-effective Financial Assistance
Provide savings to Texas communities by making cost-effective financial assistance available for water supply, water quality protection, and other water-related infrastructure needs.	
Outcome 02-01.01	Total dollars committed as a percent of total financial assistance dollars available.
Outcome 02-01.02	Dollars saved from TWDB financial assistance commitments.
Strategy 02-01-01	State Financial Assistance Programs
Provide financial assistance through State Programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.	
Output 02-01-01.01	Number of state participation projects receiving financial assistance.
Explanatory 02-01-01.01	Number receiving water or wastewater service from regional systems.
Explanatory 02-01-01.02	Dollars saved on water and wastewater service from regional systems.
Strategy 02-01-02	Economically Distressed Areas Program
Provide economically distressed areas access and connections to adequate water supply and/or wastewater treatment systems and/or indoor plumbing improvements.	
Output 02-01-02.01	Number of Board actions to amend, confirm, or modify an applicant's terms.
Output 02-01-02.01	Number of colonias loans and grants closed.
Output 02-01-02.03	Number of completed colonia or economically distressed areas projects.
Output 02-01-02.04	Construction in progress for Colonia projects.

Explanatory 02-01-02.01	Number of colonia residents with a construction commitment.
Explanatory 02-01-02.02	Economically distressed area (colonia) residents provided adequate water supplies or wastewater systems.
Strategy 02-01-03	Federal Financial Assistance Programs
GOAL 2 – cont.	Water Project Financing
Provide financial assistance through SRF Programs and Federal Construction Grants to save money for Texas communities for water supply, water quality protection, and other water-related projects.	
Output 02-01-03.01	Number of financial assistance commitments made.
Output 02-01-03.02	Number of commitments to small, rural, or disadvantaged community projects.
Output 02-01-03.03	Number of commitments to State Water Plan projects.
Output 02-01-03.04	Total dollars of financial assistance committed.
Output 02-01-03.05	Total dollars committed to small, rural, or disadvantaged community projects through agency programs targeting such communities.
Output 02-01-03.06	Total dollars committed to implement the State Water Plan.
Output 02-01-03.07	Number of communities with active financial assistance agreements.
Output 02-01-03.08	Number of construction contracts managed.
Output 02-01-03.08	Number of construction contracts managed.
Output 02-01-03.10	Number of Board actions to amend, confirm, or modify an applicant's terms.
Output 02-01-03.11	Number of new or updated water-related facility needs.
Explanatory 02-01-03.01	Dollars of financial assistance made available.
Explanatory 02-01-03.02	Number of Actions /Program and Policy Development and Implementation.
Efficiency 02-01-03.01	Administrative cost per active financial assistance agreement.
Efficiency 02-01-03.02	Efficiency Financial assistance dollars managed per FTE.

GOAL 3	Indirect Administration
Strategy 03-01-01	Central Administration
Strategy 03-01-02	Information Resources
Strategy 03-01-03	Other Support Services

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APPENDIX A: Agency's Strategic Planning Process

Development of the TWDB 2007-2011 strategic planning process began in September 2005. A series of work sessions were conducted to:

- Review current mission and vision statements.
- Identify strengths, weaknesses, opportunities and threats.
- Provide feedback on proposed stakeholder/customer workshop.

These initial workshops provided the opportunity for the TWDB to identify future issues, opportunities and problems to provide the basis for formulating goals, objectives, strategies and performance measures. It was determined through these initial workshops that the TWDB would again conduct stakeholder workshops in preparation for development of the 2007-2011 strategic plan. The stakeholder feedback was instrumental in developing a strategy map as well as guidelines for both internal and external performance measurement in the 2005-2009 strategic plan. The input received in these stakeholder meetings drove the decisions by the TWDB on what to request in its 2006-2007 Legislative Appropriations Request. Furthermore, this laid foundation for developing the TWDB 2005 Legislative agenda.

The TWDB refined the stakeholder meeting process to better facilitate the information gathering process. To accomplish this, a first segment of meetings were conducted by dividing participants into seven product/service breakout groups. The groups were set up according to product/service lines in the 2005-2009 strategic plan and each group was asked a series of questions designed to collect opinions on strengths, weaknesses, opportunities and threats. The seven product/service breakout groups include:

- Water Planning Grants and Technical Assistance (includes Municipal Conservation)
- Groundwater Modeling/Data Collection/ Research Grants and Technical Assistance
- Surface Water Modeling/Data Collection/Research Grants and Technical Assistance
- Infrastructure Construction Finance
- Grants and Loans for Disadvantaged and Rural Communities
- Agricultural Water Conservation grants and Loans/Technical Assistance
- GIS/TNRIS/Data Collection and Dissemination

A second segment of the meetings brought together a different mix of the participants into five areas of focus based on the agency mission statement. Questions were structured to collect views on how well the TWDB is accomplishing its mission, identify priorities and get ideas on desired

improvements. The five areas of focus based on the agency mission statement are:

- Economic
- Political
- Technological
- Demographic
- Social

The focus groups were then asked to evaluate input from the seven product/service groups within the context of leadership, planning, financial assistance, data collection and dissemination and education.

The participants completed a survey consisting of a series of questions concerning how beneficial the workshops were. Workshop participants indicated the overall experience was beneficial with an average score of 4.4 on a 1 (low) to 5 (high) rating scale. The TWDB will use these survey results to improve the process for future information gathering sessions with stakeholders.

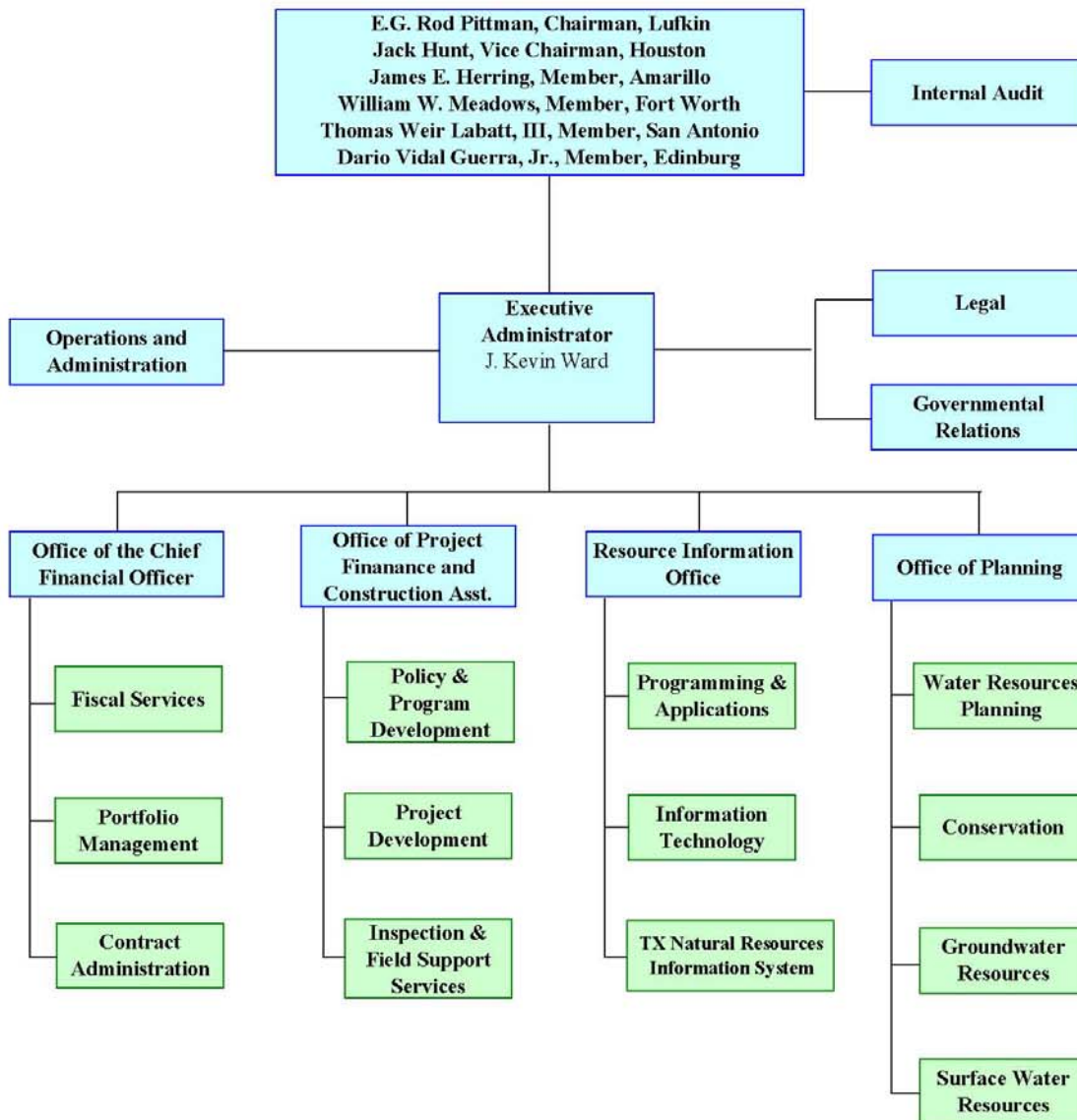
The information collected during the stakeholder process was analyzed and categorized based on each goal or initiative and the specific action required in order to accomplish them. The categorization of the stakeholder input focused on following recommended actions:

- Inclusion in the Strategic Plan
- Legislative Appropriations Request Exceptional Item
- Need for Budget Structure Change
- State Legislation Required
- Federal Legislation Required
- Rule Change Needed
- Procedural Change Needed
- Other Action Required
- No Action Required

The TWDB used this categorized stakeholder input to plan and coordinate the agency's legislative process development. This ensured that each stakeholder issue was addressed by the agency during its planning cycle.

APPENDIX B: Current Organizational Chart

TEXAS WATER DEVELOPMENT BOARD Organization Chart



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APPENDIX C: Five-Year Projection for Outcome Measures

Measure	2007*	2008	2009	2010	2011
% Information to Monitor Water Supplies	69.1%	69.1%	69.1%	69.1%	69.1%
% Key Regional and Statewide Water Planning Activities Completed	84.6%	84.6%	84.6%	84.6%	84.6%
% Communities Receiving Technical/Financial Assistance	9.5%	9.5%	9.5%	9.5%	9.5%
% Water Saved with Financial Assistance	7.5%	7.5%	7.5%	7.5%	7.5%
Dollars Committed as Percent of Total Financial Assistance Dollars	84.7%	77.7%	82.5%	85.4%	82.8%
Dollars Saved from TWDB Assistance	\$91.8 M	\$80.7 M	\$81.4 M	\$58.5 M	\$43.8 M

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APPENDIX D: Performance Measure Definitions

GOAL 1	Water Resource Planning
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Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans.

Objective 01-01	Operate Statewide Programs to Collect and Disseminate State Water Plan
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Operate statewide, water-related data collection, integration, dissemination, and evaluation programs that provide public access to adequate information to conduct planning of water resources projects.

Outcome 01-01.01	Percent of information available to adequately monitor the state's water supplies.
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- **Short Definition:** Percent of information available to adequately monitor the state's water supplies.
- **Purpose/Importance:** This outcome reflects the percent of information available relative to the amount of information needed to adequately monitor the state's water supplies. The measure provides information concerning the adequacy of the state's water supply monitoring network aspects that are the TWDB's responsibility.
- **Source/Collection of Data:** Information comes directly from TWDB monitoring programs for collection and analysis of groundwater, surface water and environmental flow (bay, estuary and instream) data, including data from cooperators, both paid, such as the USGS, and non-paid, such as groundwater conservation districts. Information is available when it has been collected by TWDB or other sources and processed by TWDB.
- **Method of Calculation:** Percent performance is calculated by dividing the amount of information available associated with adequately monitoring the state's water supplies from each TWDB monitoring program by the amount of information needed for each TWDB monitoring program to adequately monitor the state's groundwater and surface water supplies and multiplying by 100. These percentages are summed and their average is the reported measure. The amount of information needed for each TWDB monitoring program to monitor the state's water supplies adequately is contained in the Office of Planning's Performance Measure Procedures document. The amount of information available associated with adequately monitoring the state's water supplies from each TWDB monitoring program is maintained by designated staff in spreadsheet form.

- **Data Limitations:** The TWDB does not have total control over either the amount or the time during which the information is received because this number reflects contributions from outside cooperators.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Actual performance higher than targeted reflects a greater amount of information available and is desirable.

Strategy 01-01-01	Collection, Analysis and Reporting of Environmental Impact Information
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Collect, receive, analyze, process, and facilitate access to basic data and summary information concerning water necessary to support a sound ecological environment in the state's streams, rivers, bays and estuaries.

Output 01-01-01.01	Number of bay, estuary, and instream study elements completed.
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- **Short Definition:** Number of bay, estuary, and instream study elements completed.
- **Purpose/Importance:** This measure shows the number of bay and estuary inflow and instream flow study elements completed annually as required by Texas Water Code Sections 16.058, 16.059, 11.1491 and 11.147. The measure also provides data on the progress of environmental flow needs studies necessary for planning, management and availability modeling of the state's surface water as defined in Texas Water Code Section 11.021.
- **Source/Collection of Data:** A study element is considered complete when designated staff have approved a study element. The number of study elements completed are maintained by designated staff in a spreadsheet according to the Office of Planning's Performance Measure Procedures document.
- **Method of Calculation:** The number of study elements completed annually is calculated by adding the number of estuarine hydrographic surveys, hydrodynamic and salinity models, sediment analyses, nutrient analyses, fisheries analyses, freshwater inflow optimization analyses, water quality data collection and analysis, biological data collection and analysis, and verifications of needs for bays and estuaries to the number of instream flow study elements completed. The instream flow study elements are: study design, hydrologic and hydraulic evaluation, biological evaluation, physical processes evaluation, water quality evaluation, integration and interpretation, study report, and instream flow program support.
- **Data Limitations:** The number of study elements completed is dependent on the definition of study elements, which may be revised as necessary to fit the specific environment being studied. Verification of computed environmental flow needs

information completed by cooperating agencies can be affected by other priorities in the joint interagency study program with the Texas Parks and Wildlife Department and the Texas Commission on Environmental Quality.

- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Actual performance higher than targeted would be desirable because it would provide needed information earlier in the process of regional and statewide water planning.

Strategy 01-01-02	Water Resources Data Collection and Assessment
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Collect, receive, analyze, process and facilitate access to basic data and summary information to support planning, conservation, and responsible development of surface water and groundwater for Texas and studies to determine the quantity and quality of water available and environmental flow needs.

Output 01-01-02.01	Number of data units collected and/or processed by TWDB.
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- **Short Definition:** Number of data units collected and/or processed by TWDB staff in support of monitoring, investigating, and defining the state's surface water and groundwater resources.
- **Purpose/Importance:** This information provides an indication of the availability of data (collected by the TWDB and made available to the public, the TWDB, private companies and governmental entities) necessary to perform water supply planning.
- **Source/Collection of Data:** Information comes directly from TWDB staff collecting data and from cooperators, both paid, such as the USGS, and non-paid, such as groundwater conservation districts. Data units consist of: number of semi-monthly reservoir level measurements; number of semi-monthly periods that streamflow measurements are taken from daily streamflow sites funded by the TWDB; number of semi-monthly periods that meteorological reports are provided to TWDB by cooperators from TWDB-maintained stations; number of one-hundred-surface-acre areas surveyed by the TWDB during reservoir surveys; number of groundwater level measurements collected from non-recorder wells; number of groundwater levels (six per month) collected from automatic recorder sites funded by the TWDB or operated solely by the TWDB; and number of groundwater quality analyses collected from wells and springs.
- **Method of Calculation:** The number of data units is calculated quarterly and is maintained by designated staff in spreadsheets and databases according to the Office of Planning's Performance Measures Procedures document.

- **Data Limitations:** The TWDB does not have total control over the amount nor the time during which the information is received because this number reflects contributions from outside cooperators.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Actual performance higher than targeted reflects a greater amount of information contributed by cooperators and is desirable.

Strategy 01-01-03	Automated Information Collection, Maintenance, and Dissemination
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Operate statewide program to provide training and to produce, maintain, and disseminate public domain geographic data in support of the state's water planning programs and related activities.

Output 01-01-03.01	Number of person-hours in training classes and conferences sponsored by TNRIS.
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- **Short Definition:** This measure reports the number of person-hours in classes and conferences sponsored by TNRIS.
- **Purpose/Importance:** It quantifies the impact of TNRIS in providing technical training related to natural resource information and technology.
- **Source/Collection of Data:** TNRIS training classes include workshops and short courses presented or sponsored by TNRIS. Outside experts may be hired by TNRIS on a consulting basis to provide instruction in the use of TNRIS related facilities or technologies, or natural resource information. To be included, conferences must be sponsored or co-sponsored by TNRIS and relate to natural resource information and technologies. This measure is collected through registration records for each event to provide a total number of participants and the hours per event.
- **Method of Calculation:** The number of participants is then multiplied by the number of hours spent in each workshop, short course, training session and conference to provide a total number of person-hours per event.
- **Data Limitations:** Measurement results are not subject to staff interpretation.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Desired performance would be reflected by higher than targeted results.

Output 01-01-03.02	Number of StratMap digital base map data elements available.
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- **Short Definition:** This measure records progress in maintaining the currency of the digital basemap for Texas, as defined by Texas Geographic Information Council (TGIC) in the Digital Texas 2004 report and initiated through the Texas Strategic Mapping (StratMap) Program created by the 75th Legislature in 1998. The digital base map consists of seven main layers or themes, augmented by fourteen additional layers. These layers can be classified in two categories: basemap vector layers and basemap raster themes (elevation, imagery). The modernization of the StratMap and basemap themes is accomplished by creating, updating, enhancing, or maintaining digital data layers.
- The measure is defined by counting the number of mapping units produced each quarter as a result of updates, maintenance, enhancement and production of critical base map layers.
- **Purpose/Importance:** The measure is determined by the total number of current mapping units collected. Current mapping units are defined as updated, enhanced or new data at a scale of 1:24,000, or better, for one layer covering the area of one 7.5-minute USGS quadrangle. The TGIC has identified these layers as requiring ongoing updates, or maintenance to ensure that they will remain current. These themes are: transportation, political boundaries, elevation models and contours, watersheds, geographic names, parcel index, surface geology, street addresses, land use – land cover, and digital imagery. This measure is intended to ensure that the state receives, inventories, and integrates changes in these data themes as recorded by local, regional, state and federal entities within Texas. Imagery and elevation models to update the digital data themes must also be received in a timely manner to ensure that the data remain useful for state and public planning purposes.
- **Source/Collection of Data:** The measure information will be collected by the TNRIS division of the TWDB. Measure data will be stored and maintained within a database at TWDB.
- **Method of Calculation:** The measure is calculated as a total number of mapping units received, inventoried and integrated into the existing basemap digital databases (both raster and vector) maintained by TNRIS. There are 4,376 quadrangle maps covering Texas. Total Output for transportation and boundary update/maintenance is based on completing 4,376 mapping units per year. Output for digital imagery requires completion of 550 mapping units, covering 4,376 units over eight years. Annual Output for all three data layers totals 9,302.
- **Data Limitations:** TWDB will be collecting updated transportation and boundary information from other entities of varied scale, quality and format. Thus, data collected may not be standardized until processed by TWDB. Data updates may be submitted to TWDB at irregular intervals. TWDB will also be collecting data from a diverse group of data providers. Cooperation between these groups and TWDB is essential to ensure timely data updates and maintenance.

- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Desired performance would be to meet or exceed the targeted results.

Explanatory 01-01-03.01	Number of responses to requests for TNRIS-related information that are filled.
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- **Short Definition:** Report the number of requests from public or private entities for TNRIS-related information that are filled.
- **Purpose/Importance:** This measure reports the number of responses to requests from public or private entities for TNRIS-related information. This measure quantifies the role that TNRIS plays as the central repository and access for geo-spatial data utilized by governmental and private sector agencies in Texas.
- **Source/Collection of Data:**
 - Quick Responses: Tallied on a notepad and transferred to the Excel application to print monthly reports
 - Self-Service: Consultants trained to use TNRIS archives have an access database that resides on the TWDB network. The consultants sign in, then provide a monthly paper summary of their data request. These are tallied by request, not by volume.
 - Data Delivery: A) Internet: The WebTrends web tracking software counts data accesses on web pages with downloadable data. TNRIS does not track “hits,” rather specific accesses to web pages or sub-files. B) Sales: TNRIS accountant tracks the number of “orders” that have been placed into the accounting database for that month. This number only reflects actual transaction totals and does not reflect the total volume.
 - Professional Services: Included within the Data Delivery report, but category is used periodically to identify products that can be packaged into a data delivery to minimize the use of Professional Services.
- **Method of Calculation:** This measure is calculated by summing data gathered in the following categories:
 - Self Service requests. Data acquisitions by customers physically in the TNRIS office.
 - Quick Response requests (QR’s). Requests that are answered quickly (approximately five minutes or less), refer the person to the correct location to obtain information, and do not require a product delivery. QRs may be provided verbally (in person or phone), through e-mails or faxes.
 - Data Delivery requests (DD’s). Pre-packaged products delivered to a customer in the form of maps, digital data, handouts and publications. DDs occur through the Internet, e-mails, over-the-counter and faxes.

Internet DDs are captured by a specialized counter that records the actual download of a computerized mapping or database file.

- Professional Services requests. Compilations, searches, or analyses performed of available water resource data that is not pre-packaged.
- **Data Limitations:** A duplicate paper system may be utilized, for self-service delivery, or in the event the automated system is not available. Measurement results are not subject to staff interpretation.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Desired performance would be reflected by higher than targeted results.

Objective 01-02	Water Planning and Financial Assistance Activities
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Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment, and flood protection.

Outcome 01-02.01	Percent of key regional and statewide water planning activities completed.
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- **Short Definition:** Percent of key regional and statewide water planning activities completed within the five-year planning cycle.
- **Purpose/Importance:** This outcome shows the percent of scheduled activities completed annually that are determined to be critical to the development of Regional and State Water Plans to meet future water supply needs in Texas.
- **Source/Collection of Data:** Measure annually assesses four activities that are consistently required each year throughout the cycle:
 - (1) *Contract Management:* Annual assessment is based on the percent of total payment requests from the Planning Group Political Subdivisions (Contractors), which are paid within the contract specifications.
 - (2) *Project Management:* Assessment is based on a combination of: a) percent of all scheduled Planning Group meetings that are supported by the presence and participation of a TWDB representative; and b) results of an annual survey of Planning Group Chairs evaluating the support provided by the TWDB Project Manager and other TWDB staff assisting the Planning Group.
 - (3) *Database Management and Technical Assistance:* Assessment based on the percent of total requests for database information or assistance with database use that are fulfilled within the agreed period.
 - (4) *TWDB Water Use Survey:* TWDB annually posts on its web site the results of the most recent water use survey database (for the year

occurring two years before the current year). Assessment is based on percent of Planning Groups for which annual water use survey data are available.

- **Method of Calculation:** Annually, numbers of payment requests, database requests, Planning Group meetings, survey results, and completed water use surveys are collected. These numerical data are converted to percentages for that activity as described above. The individual activity percentages are aggregated and divided by number of activities to provide the annual assessment of completed activities.

Example Inputs:

FY 2003

Contract management (58/64)

Project management ((32/44 + 85%)/2)

Database management (60/75)

TWDB water use survey data (16/16)

= (90.6% + 78.9% + 80% + 100%)/4

= 87.4%

- **Data Limitations:** No known data limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** To improve understanding and assessment of TWDB efforts throughout the regional and state water planning process. Higher than targeted performance indicates better progress and is desirable.

Strategy 01-02-01	Surface Water and Groundwater Technical Assistance and Modeling
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Conduct studies on surface water and groundwater resources; provide technical information and assistance to citizens, groundwater conservation districts, river authorities, water utilities and regional water planning groups; and develop, maintain, and adapt surface water and groundwater availability models to support planning, conservation, and responsible development of water in Texas.

Output 01-02-01.01	Number of responses to requests for water resource information that are filled.
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- **Short Definition:** This measure reports the number of requests for groundwater and surface water and water conservation information.
- **Purpose/Importance:** This measure quantifies the role that the Water Information Network, the Groundwater Technical Assistance section, the Groundwater Availability Modeling section and Groundwater Resources Administration section plays in the dissemination of valuable water resource data and conservation information to governmental and private concerns.

- **Source/Collection of Data:** This measure is calculated by summing data requests in the following categories:
 - Quick Response requests: Requests for information that are answered quickly (approximately five minutes or less), refer the person to the correct location to obtain information and, do not require a product delivery. QRs may be provided verbally (in person or phone), through emails or faxes.
 - Data Delivery requests: Pre-packaged products delivered to a customer in the form of maps, digital data, handouts and publications. DDs occur through the mail, email, over-the-counter, and fax.
 - Professional Services requests: Compilations, searches, or analyses performed of available water resource data that is not prepackaged.
- **Method of Calculation:** Requests, entered by staff, are collected and maintained in an electronic format.
- **Data Limitations:** Back-ups are run nightly on the Novell Network. The maximum data loss from a system failure or crash would be one day's worth of data. A duplicate paper system may be utilized, for self -service delivery, or in the event the automated system is not available. Measurement results are not subject to staff interpretation.
- **Calculation Type:** Cumulative
- **New Measure:** No.
- **Target Attainment:** Desired performance would be reflected by higher than targeted results.

Strategy 01-02-02

Water Resources Planning

Assist in the development and implementation of regional and state water plans and of measures resulting in protection from floodwaters. Efforts include managing contracts and providing technical assistance to regional water planning groups and political subdivisions for: 1) the preparation of regional water plans that are the foundation for the state water plan, 2) regional facility planning that initiate implementation of the state water plan and 3) researching water resource problems and issues.

Output 01-02-02.01

Number of active grants for regional studies.

- **Short Definition:** Number of active grants for regional water, wastewater, flood and research studies funded from the Research and Planning Fund.
- **Data Source:** Information for this measure is maintained by designated staff in a database according to the Office of Planning's Performance Measure Procedures document.
- **Purpose/Importance:** The number of active grants for studies is considered the number of studies funded from the Research and Planning Fund that require any management activity by TWDB staff, and provides information on the workload associated with the grant program. A grant is active at the time of board action making a grant commitment until the contract retainer has been processed by designated staff in the Contract Administration Division.
- **Method of Calculation:** This measure is calculated by adding the number of grant commitments made for studies during a particular fiscal year to the number of studies from previous fiscal years in progress at the beginning of each quarter.
- **Data Limitations:** No known data limitations. Measurement data is generated by TWDB staff through tracking of performance of grant studies as defined in the Office of Planning Performance Measures Procedures document.
- **Calculation Type:** Non-Cumulative.
- **New Measure:** No.
- **Target Attainment:** A higher number is desired because this means that more grant money is being handed out.

Objective 01-03	Provide Technical and/or Financial Assistance for Water Conservation
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Provide eligible political subdivisions in Texas with technical and/or financial assistance for water conservation to support planning, conservation, and responsible development of water supplies to meet the future demands for water as identified in the regional and state water plans.

Outcome 01-03.01	Percent of communities receiving technical and/or financial assistance.
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- **Short Definition:** Percent of communities receiving technical and/or financial assistance for water planning and conservation.
- **Purpose/Importance:** This outcome measures the number of communities that receive technical and/or financial assistance from the TWDB for water conservation and financial assistance for water, wastewater or flood protection planning relative to the total estimated number of Texas communities eligible for assistance. This outcome provides information on the percent of Texas communities that the TWDB is able to assist with the referenced programs.
- **Source/Collection of Data:** The total number of Texas communities eligible for assistance is contained in the Office of Planning's Performance Measure Procedures document. Records of the communities assisted during each fiscal year for each of the above program areas is maintained in a database by designated staff. Each community receiving assistance is assigned a common but unique identifier in each of the program databases. These databases are then analyzed to ensure that individual communities are not double-counted. A particular community is counted only once during each fiscal year regardless of the number of times that community receives technical or financial assistance from TWDB.
- **Method of Calculation:** The measure is calculated by dividing the combined number of communities and other entities that are provided with technical and/or financial assistance from TWDB related to water conservation and water, wastewater and flood protection planning by the total number of Texas communities eligible for assistance and multiplying by 100.
- **Data Limitations:** Technical assistance may be provided to individuals or firms that do not indicate they are associated with an eligible community; and thus, that particular community is not identified and counted.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** A higher percentage of communities being assisted is desirable.

Outcome 01-03.02	% Water Saved with Financial Assistance
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- **Short Definition:** Percent of annual water use saved by recipients of TWDB financial assistance.
- **Purpose/Importance:** This outcome demonstrates the amount of water saved by recipients of TWDB financial assistance due to conservation efforts relative to the amount of water used by the recipients, and provides information on the amount of water savings due to conservation efforts by those recipients.
- **Source/Collection of Data:** The amount of water saved is the annual water savings in acre-feet resulting from: (1) improvements made with systems or equipment purchased with TWDB agricultural water conservation grants or loans or (2) implementation of water conservation programs required as a condition of receiving TWDB loans for water supply or water quality enhancement projects. Recipients of TWDB financial assistance are required by rule for a period of three years to submit an annual report that includes estimates of water savings. Reported water savings are entered into a database by designated staff. The percentage may be adjusted based on the professional judgment of staff to remove or account for abnormal weather conditions or information that may become available in the future for those percentages used after the entity no longer submits reports to the TWDB. Water savings will be calculated for as long as a financial repayment obligation exists to the TWDB.
- **Method of Calculation:** The measure is calculated by dividing the amounts of water reported as saved for recipients of financial assistance by the total amount of water used by the entities receiving the financial assistance and multiplying by 100. Savings will be entered into a database and the average of all entities will be calculated according to the Office of Planning's Performance Measure Procedures document.
- **Data Limitations:** The entities' reporting of water savings may be inaccurate or incomplete. TWDB estimates, for years after entities have stopped reporting, may not include specific data for that entity in a particular year.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** A higher percentage of savings is desirable.

Strategy 01-03-01

Water Conservation Education and Assistance

Provide water conservation information, data, and other technical assistance and services to promote increased water-use efficiency in Texas through statewide water conservation activities and as included in the regional and state water plans.

Output 01-03-01.01

Number of responses to requests for water conservation information.

- **Short Definition:** This measure reports the number of requests from public and private entities and individuals for water conservation information, data, technical assistance and educational activities provided by TWDB staff.
- **Purpose/Importance:** The measure indicates TWDB conservation information and services provided to public and private entities and individuals. It allows for assistance of more than one type or more than once in a year.
- **Source/Collection of Data:** This measure is calculated by summing the number of responses to requests for information and assistance such as conservation information, data, technical assistance, professional services, training or equipment loans that is provided by TWDB Conservation staff.
- **Method of Calculation:** All requests for information and services are entered into a database by conservation staff.
- **Data Limitations:** No known data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** A higher number of assists is desirable.

GOAL 2	Water Project Financing
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Provide cost-effective financing for the development of water supply for water quality protection, and for other water-related projects.

Objective 02-01	Provide Savings Through Cost-effective Financial Assistance
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Provide savings to Texas communities by making cost-effective financial assistance available for water supply, water quality protection, and other water-related infrastructure needs.

Outcome 02-01.01	Dollars Committed as a Percent of Total Financial Assistance Dollars
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- **Short Definition:** Total dollars committed as a percent of total financial assistance dollars available.
- **Purpose/Importance:** This measure is intended to:
 - demonstrate the TWDB’s effort to make funds available for financing;
 - measure our effectiveness in marketing, providing technical assistance; and
 - measure our effectiveness at committing funds to cost effective water related projects.
- **Source/Collection of Data:** The source of the numerator (“Total dollars committed”) will come from the TWDB’s Financial Information System (FIS) Database. The agency will look at historical periods for establishing the benchmark and at the actual commitment dollars for the budget reporting period, for the reporting period of record. Commitments are TWDB-approved dedications of funds for specific projects.
- **Method of Calculation:** The reporting period “total dollars committed” will be divided by the “total financial assistance dollars available” and expressed as a percentage
 - This will be compared to the benchmark percentage, which used projected total dollars to be committed from historic data compared to the “total available dollars available” and expressed as a percentage.
 - The benchmark percentage is then compared to the reporting percentage: Reporting Percentage/Benchmark percentage = Percentage over or under
Reporting % / Benchmark % = Result of goal

Example: 90% / 85% = 105.88% of Goal
 80% / 85% = 94.11% of Goal

- **Data Limitations:** The denominator is set at the time of the Benchmark and should not change. However, if federal grants changes state appropriations change during the year, then this could have effects on the target. Corresponding changes to this target that would have to be negotiated for change with the LBB or explained in reporting.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Outcome 02-01.02	Dollars saved from TWDB Assistance
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- **Short Definition:** This measure indicates the projected interest savings to local governments resulting from TWDB financial assistance.
- **Purpose/Importance:** This measure is important as it demonstrates the cost-effectiveness of financial assistance provided to Texas communities.
- **Source/Collection of Data:** A Microsoft Excel spreadsheet entitled “Savings_XX_XX” is located at an Office of Project Finance and Construction Assistance network drive. The spreadsheet is used to calculate this measure. The column entitled Current Year “Commitment Amounts” is the source of the numerator for the calculation. The data for the spreadsheet is derived form the agendas for monthly TWDB meetings and represents approved financial assistance commitments.
- **Method of Calculation:** For loans, using an estimated interest rate differential, calculate the difference in the interest cost for TWDB loans versus estimated market rates, commercial loan rates or bond interest rates. Depending on the loan program, various differentials are assumed in order to reflect the level of savings estimated for the program. For grants, the savings are calculated by using the total estimated market or commercial loan principal and interest costs.
- All TWDB loans and grant programs are included, except for General Research and Planning grants, Regional Water Planning grants and Agricultural grants. The commitment dollar value used in this measure is not adjusted for commitment cancellations that occur when a loan is closed for less than the commitment amount, when a commitment expires without a closing or when the TWDB formally cancels a commitment. Savings will be calculated as: $\text{Sum (Loans/type * Gross Int-saved Factor/type)} + \text{Sum (Grants/type)} + \text{Sum (Grants/type * GIFt)}$
- **Data Limitations:** The gross dollar savings resulting from TWDB financial assistance can be limited by highly competitive interest rates.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Strategy 02-01-01	State Financial Assistance Programs
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Provide financial assistance through State Programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.

Output 02-01-01.01	Number of state participation projects receiving financial assistance.
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- **Short Definition:** Measure indicates TWDB workload activity associated with state participation loans. State participation is when the state may purchase interest in a reservoir, water supply, or regional wastewater treatment project. The state’s ownership interest will be purchased by the political subdivision over a specified period of time.
- **Purpose/Importance** to state participation projects and is important because it ensures the optimum development for areas of high growth where the existing customer base is not able to afford proper funding at that current time.
- **Source/Collection of Data:** This information is provided in a database system that was created by TWDB staff called the Financial Information System.
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of state participation commitments.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Explanatory 02-01-01.01	Number receiving water or wastewater service from regional systems.
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- **Short Definition:** This measure indicates TWDB workload activity associated with providing communities with water or wastewater service through regional systems with state ownership investment.
- **Purpose/Importance:** This measure identifies the number of communities benefiting from TWDB-funded state participation projects.
- **Source/Collection of Data:** The information that is used to generate the quarterly performance for this measure is maintained in a Microsoft Access database. Office of Project Finance and Construction Assistance staff provide engineering, financial and environmental assistance to applicants and present the applicant’s

request for financial assistance commitments to the TWDB at the monthly Board meetings. After each monthly meeting, the Office of Chief Financial Officer staff enters the information for those applicants that received a financial assistance commitment into the FIS database.

- **Method of Calculation:** The measure is calculated each quarter by totaling the number of communities that received state participation funds.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Explanatory 02-01-01.02	Dollars saved on water and wastewater service from regional systems.
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- **Short Definition:** This measure indicates dollars saved by regional project sponsors that received a TWDB financial assistance commitment for a state participation project.
- **Purpose/Importance:** This measure demonstrates the dollars saved by entities receiving a state participation financial assistance commitment. This measure is important, as it provides a basis for comparing TWDB interest rates with commercial market interest rates.
- **Source/Collection of Data:** A Microsoft Excel spreadsheet entitled “Savings_XX_XX” is located on an Office of Project Finance and Construction Assistance (OPFCA) network drive. The spreadsheet is used to calculate this measure. The X represents the month and year that the spreadsheet was last updated. The OPFCA staff provides engineering, financial and environmental assistance to applicants and presents the applicant’s request for financial assistance commitments to the TWDB at the monthly Board meetings. The project division director assesses the historical savings trends, and then, based on those trends, projects the total dollar savings for regional systems with state ownership. The total projected savings provided by the division director for the fiscal year are then entered into a spreadsheet and totaled.
- **Method of Calculation:** Savings are based on a rate differential and calculated when a commitment is made. Savings are calculated according to the market rate differential between the total projected repurchase cost and the projected market cost, using the commitment report, Delphis Hanover Corporation yield curves and amortization spreadsheet, which are added to a calculation of the savings resulting from constructing the facilities to address optimum project development. The optimum development savings calculation is a projection that compares the additional cost associated with a theoretical future phase of a project to the actual optimally sized project. The commitment dollar value used in this measure is not adjusted for commitment cancellations that occur when a loan is closed for less

than the commitment amount, when a loan commitment expires without a closing or when the board formally cancels a commitment.

- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Strategy 02-01-02	Economically Distressed Areas Program
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Provide economically distressed areas access and connections to adequate water supply and/or wastewater treatment systems and/or indoor plumbing improvements.

Output 02-01-02.01	Number of Board actions to amend, confirm, or modify an applicant's terms.
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- **Short Definition:** This measure indicates workload activity associated with providing financial assistance to applicants in confirming or modifying the terms of previously approved colonia financial assistance.
- **Purpose/Importance:** This measure is important as it measures workload associated with ensuring that applicants achieve optimum financial assistance terms. This measure indicates the level of TWDB activity for a major work effort.
- **Source/Collection of Data:** The information for this measure will be extracted from the monthly Board and Committee meeting minutes.
- **Method of Calculation:** The measure will be calculated by counting the number of Board actions required to amend, confirm or modify financial assistance terms after receiving a TWDB commitment for financial assistance.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Lower than target.

Output 02-01-02.01	Number of colonias loans and grants closed.
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- **Short Definition:** This measure indicates TWDB workload activity associated with economically distressed areas. The number of loans closed and grants executed, funded from the Economically Distressed Areas Program Account.

- **Purpose/Importance:** This is a measure of major TWDB activity for the Economically Distressed Areas Program.
- **Source/Collection of Data:** The information for loans closed is provided in a database system created by the TWDB called the Financial Information System (FIS). The database includes bonds, loan contracts and loan forgiveness contracts. Entries for loan closings are entered into the FIS by the administrative technician for the Office of Chief Financial Officer (OCFO). A general query of loans closed in any given time frame from the FIS system produces a report of loans closed in any given quarter. A manual file of all contract initiation forms is maintained by the OCFO. The information is then compiled in a listing of grants executed which is produced on a monthly basis.
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of economically distressed areas loans closed and grants executed.
- **Target Attainment:** No limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Desired Performance:** Higher than target.

Output 02-01-02.03	Number of completed colonia or economically distressed areas projects.
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- **Short Definition:** This measure indicates the number of projects for which the TWDB has determined construction is substantially complete.
- **Purpose/Importance:** This measure demonstrates the progress of the EDAP by counting the number of completed projects.
- **Source/Collection of Data:** The information that is used to generate the quarterly performance for this measure is maintained in a Microsoft Access database entitled, "Inspect.mdb," which is located at V:/Share/Access/Inspect.mdb. There are four Inspection Field Offices representing four different regions in the state. The Inspection Field Offices monitor the progress of construction contracts for all of the entities that have a commitment with the TWDB. All contracts associated with economically distressed areas programs are included in this database. The administrative technician for Inspection and Field Support within OPFCA enters the information into the Inspect database. A query of the database for EDAP projects completed in any given timeframe is used to produce the report of the number of projects completed in the quarter.
- **Method of Calculation:** The measure is calculated by totaling the number of finalized economically distressed areas construction contracts.
- **Data Limitations:** No limitations.
- **Calculation Type:** Non-cumulative. Although the measure is cumulative over time, it includes performance data carried over from previous fiscal years.
- **New Measure:** No.

- **Target Attainment:** Higher than target.

Output 02-01-02.04	Construction in progress for Colonia projects.
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- **Short Definition:** Construction contracts in progress are regarded as loan/grant commitments approved by the TWDB that are in various stages of construction, from approval of plans and specifications through construction to completion is verified by final inspection.
- **Purpose/Importance:** This measure demonstrates the staff effort required after a financial assistance commitment is made to assure completion of projects.
- **Source/Collection of Data:** This information is maintained in a Microsoft Access database entitled “Inspect.mdb,” which is located at V:/Share/Access/Inspect.mdb. There are four Inspection Field Offices representing four different regions in the state. These Inspection Field Offices monitor the progress of construction contracts for all of the entities that have a commitment with the TWDB. All contracts associated with funding from the EDAP are included in this database. Once the TWDB approves the Plans and Specifications, the respective Inspection Field Offices are notified and the administrative technician for Inspection and Field Support, within OPFCA, enters the information into the Inspect database.
- **Method of Calculation:** This measure is calculated by beginning with a baseline number of all contracts with approved plans and specifications, built without a final inspection at the beginning of each fiscal year. The measure for the first quarter is calculated by taking the beginning baseline number and adding all plans and specifications approved during the quarter. For the second, third and fourth quarters, the measure is calculated by taking the number at the end of the previous quarter and adding the number of plans and specifications approved during the quarter and subtracting the number of final inspections conducted during the pervious quarter. The fiscal year end number is calculated by taking the fourth quarter, which will then also become the baseline number for the first quarter of the following fiscal year.
- **Data Limitations:** No limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Explanatory 02-01-02.01	Number of colonia residents with a construction commitment.
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- **Short Definition:** This measure demonstrates the workload effort associated with providing financial assistance for design and construction to political subdivisions

to provide water and/or wastewater services to residents in economically distressed areas.

- **Purpose/Importance:** This measure indicates the number of people that are at a significant milestone in obtaining adequate water or wastewater services.
- **Source/Collection of Data:** The number of economically distressed area residents associated with the TWDB’s initiation of construction commitments is taken from the facility plans or other sources such as surveys. The data is maintained in a spreadsheet by staff in the Office of Chief Financial Officer and updated on a monthly basis.
- **Method of Calculation:** The total number of economically distressed area residents is maintained in the above referenced spreadsheet.
- **Data Limitations:** No data limitation.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Explanatory 02-01-02.02	Economically distressed area (colonia) residents provided adequate water supplies or wastewater systems.
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- **Short Definition:** This measure indicates the number of people who will be able to receive adequate water or wastewater service.
- **Purpose/Importance:** This measure demonstrates the number of residents who may benefit from the EDAP and will have safe drinking water.
- **Source/Collection of Data:** The number of residents that can be served by a completed construction project is reported in the EDAP monthly status report. When a project has been determined to be complete by running the query identified in Output Measure 02-01-02.03, the information is provided to the administrative technician that maintains the EDAP monthly report. Each month, projects are reported by phase of development at the end of the month. The advancement of a project from construction to completion also reflects the number of economically distressed areas and residents that can be served by the completed project. A running total is calculated in the Financial Summary, which is located at V:\share\status\Fundbrk2.xls - \$_Sum.
- **Method of Calculation:** The total number of economically distressed areas residents is calculated by adding the number of residents identified in the EDAP Monthly Status Report.
- **Data Limitations:** No data limitation.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Strategy 02-01-03	Federal Financial Assistance Programs
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Provide financial assistance through SRF Programs and Federal Construction Grants to save money for Texas communities for water supply, water quality protection, and other water-related projects.

Output 02-01-03.01	Number of financial assistance commitments made.
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- **Short Definition:** This measure accounts for the number of loan and grant financial assistance commitments made during the respective reporting period.
- **Purpose/Importance:** This data is important because it represents the number of cost-effective financial assistance commitments provided to communities by TWDB.
- **Source/Collection of Data:** This information is provided in a database system that was created by TWDB staff called the Financial Information System (FIS).
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of financial assistance commitments provided to communities.
- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The count is not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.02	Number of commitments to small, rural, or disadvantaged community projects.
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- **Short Definition:** This is a count of the number of loan and grant financial assistance commitments the TWDB makes to small, rural, or disadvantaged community projects through one of the TWDB programs directed at small, rural or disadvantaged communities.
- **Purpose/Importance:** This measure is important because it represents the number of small, rural and disadvantaged communities that receive cost-effective financial assistance commitments from the TWDB.
- **Source/Collection of Data:** The performance data will be based on Board commitments recorded in the TWDB's Financial Information System (FIS) database. Commitments will be counted from the following programs: Economically Distressed Areas Program, Colonia Wastewater Treatment

Assistance Program, Colonia Self-Help Program, Community Self-Help Program, Rural Water Assistance Fund Program, Rural Community Water and Wastewater Fund (Pilot) Program, Clean Water State Revolving Fund Disadvantaged Community Program, Drinking Water State Revolving Fund Disadvantaged Program, and the Small Community Hardship Program.

- **Method of Calculation:** Query the FIS database to identify the commitments made during the reporting period from the programs listed in the source/collection of data. A commitment consists of a Board action on one project for funding from one program. Board actions to increase the amount of grant and loan will also be counted as a commitment.
- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The count is not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.03	Number of commitments to State Water Plan projects.
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- **Short Definition:** Count of Board commitments of financial assistance to projects identified in the State Water Plan (SWP) during the reporting period. Commitments are Board approved dedications of funds for projects and are counted at the time of Board action.
- **Purpose/Importance:** This measure reflects the Board's commitment to the implementation of water management strategies in the SWP. This is important because it indicates progress on the implementation of the SWP to prepare the state to meet future water needs and for drought. The breakout of the individual water management strategies in the Comment section of this measure will provide staff with an overview of which SWP strategies are being implemented.
- **Source/Collection of Data:** The sum of the number of Board financial assistance commitments to SWP projects will come from the TWDB's Financial Information System (FIS) database maintained by the Fiscal Services division of the Office of the Chief Financial Officer.
- **Method of Calculation:** Cumulative.
- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The count is not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.04	Total dollars of financial assistance committed.
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- **Short Definition:** This measure accounts for the total dollars in financial assistance provided to communities per reporting period.
- **Purpose/Importance:** This measure represents a significant workload effort and is an important measure that assesses the TWDB’s performance in providing financial assistance to communities.
- **Source/Collection of Data:** This information is provided in a database system that was created by TWDB staff called the Financial Information System (FIS).
- **Method of Calculation:** The measure is calculated each quarter by totaling the dollar amount in financial assistance commitments provided to communities.
- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The count is not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.05	Total dollars committed to small, rural, or disadvantaged community projects through agency programs targeting such communities.
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- **Short Definition:** Sum of the dollar value of loan and grant financial assistance commitments the TWDB makes to small, rural, or disadvantaged community projects through one of the TWDB programs directed at small, rural or disadvantaged communities. Current programs directed at small, rural or disadvantaged communities include the Economically Distressed Areas Program, Colonia Wastewater Treatment Assistance Program, Colonia Self-Help Program, Community Self-Help Program, Rural Water Assistance Fund Program, Rural Community Water and Wastewater Fund (Pilot) Program, Clean Water State Revolving Fund Disadvantaged Community Program, Drinking Water State Revolving Fund Disadvantaged Program, and the Small Community Hardship Program.
- **Purpose/Importance:** This measure is important because it represents the amount of dollars going toward small, rural and disadvantaged communities that receive cost-effective financial assistance commitments from the TWDB.
- **Source/Collection of Data:** The performance data will be based on Board commitments recorded in the TWDB's Financial Information System (FIS) database. Commitments will be counted from the following programs:

Economically Distressed Areas Program, Colonia Wastewater Treatment Assistance Program, Colonia Self-Help Program, Community Self-Help Program, Rural Water Assistance Fund Program, Rural Community Water and Wastewater Fund (Pilot) Program, Clean Water State Revolving Fund Disadvantaged Community Program, Drinking Water State Revolving Fund Disadvantaged Program, and the Small Community Hardship Program.

- **Method of Calculation:** Query the FIS database to identify and sum the dollar value of commitments made during the reporting period from the programs listed in the source/collection of data. A commitment consists of a board action on one project for funding from one program. Dollars associated with Board actions to increase the amount of grant and loan will also be counted in the total.
- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The dollars are not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.06	Total dollars committed to implement the State Water Plan.
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- **Short Definition:** Sum of Board committed financial assistance (dollars) to projects identified in the State Water Plan (SWP) during the reporting period. Commitments are Board approved dedications of funds for projects and are counted at the time of Board action.
- **Purpose/Importance:** This measure reflects the Board's commitment to the implementation of water management strategies in the SWP. This is important because it indicates progress on the implementation of the SWP, although only that funded through the Board, to prepare the state to meet future water needs and for drought. The breakout of the individual water management strategies in the Comment section of this measure will provide staff with an overview of which SWP strategies are being implemented.
- **Source/Collection of Data:** The sum of the Board's financial assistance committed to SWP projects will come from the TWDB's Financial Information System (FIS) database maintained by the Fiscal Services Division of the Office of the Chief Financial Officer.
- **Method of Calculation:** The measure is calculated by summing the amount of financial assistance committed for the recording period and year to date. The Comments section will reflect the breakout of financial assistance by the respective SWP water management strategy.

- **Data Limitations:** Recipients may withdraw from the financial assistance commitments without taking any funds. The dollars are not adjusted for such withdrawals.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.07	Number of communities with active financial assistance agreements.
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- **Short Definition:** This measure accounts for the number of entities having commitments and/or active loan or grant agreements requiring financial compliance, monitoring and day-to-day portfolio and contract administration.
- **Purpose/Importance:** This measure will provide the TWDB and the Legislature a gauge of how many communities the TWDB is interacting with each year.
- **Source/Collection of Data:** This information is provided in a database system that was created by TWDB staff called the Financial Information System.
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of communities that had active financial assistance agreements during the reporting period.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.08	Number of construction contracts managed.
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- **Short Definition:** Construction contracts in progress are construction contracts which result from non-EDAP financial assistance commitments approved by the TWDB that are in various stages of construction, from approval of plans and specifications through construction to completion, verified by final inspection.
- **Purpose/Importance:** This measure demonstrates the staff effort required after a financial assistance commitment is made to assure completion of projects. Once entities are granted commitments, there are a number of construction contracts that must be executed to complete a project. This measure is important because it enables the TWDB to track the progress of the construction contracts, which directly reflects the completeness of a project.

- **Source/Collection of Data:** This information is provided in a database system that was created by TWDB staff called the Financial Information System (FIS).
- **Method of Calculation:** This measure is calculated each quarter by totaling the number of construction contracts in progress.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.08	Number of construction contracts managed.
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- **Short Definition:** This measure accounts for the number of non-EDAP financial assistance agreement closings processed per reporting period.
- **Purpose/Importance:** This measure represents a significant milestone and a significant workload effort for the financial assistance programs.
- **Source/Collection of Data:** The loan closings information comes from loan closings transactions recorded in the Financial Information System (FIS) database. The grant closings information comes from contract initiation forms maintained by legal counsel and the Office of Chief Financial Officer.
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of financial assistance agreement closings.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.10	Number of Board actions to amend, confirm, or modify an applicant's terms.
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- **Short Definition:** This measure indicates workload activity associated with providing financial assistance to applicants in confirming or modifying the terms of previously approved financial assistance.
- **Purpose/Importance:** This measure is important as it measures workload associated with ensuring that applicants achieve optimum financial assistance terms. This measure indicates the level of TWDB activity for a major work effort.

- **Source/Collection of Data:** The information for this measure will be extracted from the monthly Board and Committee meeting minutes.
- **Method of Calculation:** The measure is calculated each quarter by totaling the number of Board actions required to amend, confirm or modify financial assistance terms after receiving a TWDB commitment for financial assistance.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Output 02-01-03.11	Number of new or updated water-related facility needs.
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- **Short Definition:** This measure reports the number of updates to information on water-related facility needs for Texas communities and other entities.
- **Purpose/Importance:** This measure quantifies the amount of information input to the Facility Needs (FN) Section database system. The database facilitates and aids FN participation in two federally mandated water-related infrastructure needs surveys: 1) the Clean Water (Act) Needs Survey, and 2) the (Safe) Drinking Water (Act) Needs Survey. Needs identified for Texas determine the state's allotment of federal funding for the Clean Water and Drinking Water State Revolving Fund Programs.
- **Source/Collection of Data:** Communities and other entities includes cities, water districts, municipal utility districts, water supply corporations and other political subdivisions that manage or plan for water resources for which TWDB staff obtains current needs information regarding water, wastewater and other water-related infrastructure. Update information is collected by: 1) direct contact with communities (e.g., site visits) by TWDB staff, 2) various secondary sources including TCEQ files and databases, 3) capital improvement planning documents obtained from public utilities, 4) TWDB-funded facility planning studies, and 5) direct mail surveys. A network database is maintained that includes facility needs data for Texas communities. A need is "identified" when a community/entity record is either established or updated in the database.
- **Method of Calculation:** The calculation methodology is a simple sum of the number of facility database records that have been updated.
- **Data Limitations:** Back-ups are run nightly on the agency's Unix database server. The maximum data loss from a system failure would be one day's input. Measurement results are not subject to staff interpretation.
- **Calculation Type:** Cumulative.
- **New Measure:** No.

- **Target Attainment:** Desired performance would be reflected by higher than targeted results.

Explanatory 02-01-03.01	Dollars of financial assistance made available.
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- **Short Definition:** The sum of the dollars that are made available for each financial assistance program over the course of a fiscal year. Through Intended Use Plans, sustainable capacity models, and appropriations the agency will establish an amount of funds designated as available for funding.
- **Purpose/Importance:** This measure is important because it establishes a base line of available resources from which the TWDB staff can develop projects and establish targets and goals for financial assistance commitments. While it may seem that the resources are not limited, except by bond authorization authority, there are in fact limits based upon certain programs capacity, the amount of federal grants available and the limitations or enhancements set by Appropriations Bill Riders. Therefore, this is an important benchmark to adequately measure the success achieved in committing funds while respecting the limitations of resources actually available while running sound and prudent programs of assurance to Texas communities.
- **Source/Collection of Data:** The source of this will be “total financial assistance dollars available” for the specific period for financial assistance commitments. This total will be derived from the sum of money identified as available in Intended Use Plan for the Drinking Water State Revolving Fund Program the sustainable capacity models for the Clean Water State Revolving Fund Program and State Loan Program (Development Fund II) and the Rural Water Assistance Fund programs, and Legislative Appropriations and/or debt issuance authorization for the other financial assistance programs.
- **Method of Calculation:** The total will be derived from the sum of money identified as from the various sources listed.
- **Data Limitations:** This amount available is set as the benchmark for evaluating our performance and should not change after the amounts available for each program are established. Revisions to capacity models made late in the fiscal year will change the benchmark.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

Explanatory 02-01-03.02	Number of Actions /Program and Policy Development and Implementation.
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- **Short Definition:** This measure demonstrates the amount of staff effort required to develop and implement new rules, policies, and programs and/or make modifications to existing TWDB rules, policies and programs for all Goal 2 financial assistance programs.
- **Purpose/Importance:** This measure is important, as it demonstrates the amount of staff effort required to develop and implement new rules, policies and programs.
- **Source/Collection of Data:** The information for this measure will be extracted from the monthly Board and Committee meeting minutes and other documentation.
- **Method of Calculation:** This measure will be calculated by counting the number of Board actions required to develop and implement new rules, policies and programs.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Cumulative.
- **New Measure:** No.
- **Target Attainment:** Lower than target.

Efficiency 02-01-03.01	Administrative cost per active financial assistance agreement.
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- **Short Definition:** This measure indicates the total dollars spent per active financial assistance agreement.
- **Purpose/Importance:** This measure demonstrates the average cost for each financial assistance agreement.
- **Source/Collection of Data:** The financial assistance information is provided in a database system that was created by TWDB staff called the Financial Information System (FIS). The administration cost information is maintained in the agency's MIP system.
- **Method of Calculation:** Per reporting period, the total number of active financial assistance agreements is divided by the total administrative cost of the financial assistance programs.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.

- **Target Attainment:** Lower than target.

Efficiency 02-01-03.02	Efficiency Financial assistance dollars managed per FTE.
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- **Short Definition:** This measure indicates the total dollars managed and administered by staff in the financial assistance programs.
- **Purpose/Importance:** This measure demonstrates the average amount of funds that are managed by program staff.
- **Source/Collection of Data:** Data on the loan dollars managed is provided in a database system that was created by TWDB staff called the Financial Information System (FIS). Data on the amount of grant dollars managed are maintained in the agency's EVARE system. The FTE information is maintained in the agency's USAS system.
- **Method of Calculation:** Per reporting period, the "total dollars managed" during the reporting period is divided by the total number of financial assistance program staff.
- **Data Limitations:** No data limitations.
- **Calculation Type:** Non-cumulative.
- **New Measure:** No.
- **Target Attainment:** Higher than target.

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APPENDIX E: WORKFORCE PLAN

The TWDB workforce plan is presented in three parts. Part one is an introduction. Part two covers an overview of operations, supply analysis, future workforce profile (demand analysis) and gap analysis for each Office within TWDB. And part three covers current workforce profile and strategy development from an agency perspective.

Introduction

The TWDB is the state agency charged with collecting and disseminating water-related data, assisting with regional planning, preparing the State Water Plan for the development of the state's water resources, and administering cost-effective financial programs for the construction of water supply, wastewater treatment, flood control, and agricultural water conservation projects.

The executive administrator operates within the broad policy framework established by the Texas State Legislature, with oversight from the governing board, for the management of the agency's statewide water financing, data collection, and planning responsibilities. The agency is organized into five major offices: Executive Administration, the Office of Planning, the Office of Project Finance and Construction Assistance, the Resource Information Office, and the Office of the Chief Financial Officer.

Administration of the TWDB is accomplished by directing the activities of a multidisciplinary staff with numerous and diverse programs in water-related project construction activities, data collection and dissemination activities, hydrologic and environmental analysis, water supply planning, water policy development, and internal operations.

Currently, the TWDB is continuing to manage its mission critical priorities with reduced resources. However, the agency's ability to perform at the same high quality level is being compromised due to the lack of general revenue funding for the Municipal Conservation and Economically Distressed Areas programs. Without restoration of appropriations for these key staff, the TWDB will be forced to reduce programs and services, which could negatively impact the future of Texas' water resources.

Office of Project Finance and Construction Assistance

Overview of Operations

The mission and primary business functions of the Office of Project Finance and Construction Assistance (OPFCA) involve all aspects of making loan and grant financial assistance available to TWDB customers.

To achieve its goals and objectives, OPFCA relies on the efforts of its four divisions: Administration, Program and Policy Development, Project Development, and Inspection and Field Support Services. Collectively, these divisions are responsible for the following business functions:

- Working with applicants throughout the financial assistance process to ensure that the applicant's schedules and expectations are met and that the application, design, closing, and construction of a project proceeds smoothly and in a timely manner.
- Holding pre-application meetings with interested entities and conducting environmental, financial, and engineering reviews for the different phases of a project.
- Conducting project inspections of TWDB-financed projects to ensure that each contract is constructed in accordance with the approved plans and specifications.
- Marketing the TWDB's financial assistance programs.
- Managing the Clean Water State Revolving Fund and Drinking Water State Revolving Fund Intended Use Plan processes.
- Reviewing work processes, rules, and procedures and making improvements to ensure efficiency and effectiveness.
- Developing and implementing new financial assistance programs.
- Collecting, managing, and distributing information describing water and wastewater facility needs in Texas.

This information is strategically important for the following reasons: 1) it allows the TWDB to forecast demand for its financing services; 2) it serves as the basis for allocation of federal dollars to the state for these purposes; and 3) it serves as an integral part of the agency's information resource environment.

OPFCA is anticipating a number of challenges in the near future. One significant challenge will be implementation of any new financial assistance programs that might be created by the 80th Texas Legislature. Preparing and fine-tuning procedures to implement the new programs will be challenging, as we currently have limited resources to handle the current programs we are expected to support.

Existing programs also pose challenges. Examples include: decreases in federal appropriations for State Revolving Fund (SRF) programs, balancing the EPA's requests for information/reporting requirements with other workload requirements, and challenges associated with the continued growth of the financial assets owned and managed by the TWDB.

The increasing complexity of the TWDB's financing programs has been aggravated by the loss of several senior staff who have retired. Budget constraints have made it difficult to replace senior level staff and to retain new staff long enough to reach a high level of proficiency.

This Office has been particularly impacted by General Revenue reductions made in fiscal years 2005, 2006 and 2007. OPFCA reduced services related to GR funding and will continue to be understaffed as long as this type of funding is not restored by the Legislature.

Supply Analysis

Staff and workforce skills critical to the mission and goals of OPFCA include the following:

- Financial Analysts with significant experience of TWDB financial assistance program experience
- Licensed Professional Engineers with significant TWDB financial assistance program experience.
- Environmental Resource Specialists with experience in TWDB financial assistance programs.
- Administrative Assistants with experience in TWDB financial assistance programs, Board mail out procedures and proficiency in Microsoft Office.
- Division Directors with five or more years of experience in TWDB financial assistance programs and policy development.
- Team Leads with four or more years of experience in TWDB financial assistance programs and policy development.
- Field Inspectors with three or more years of experience in conducting engineering reviews.
- Performance measurement, planning, and management system analysis skills to review and implement policies and procedures to increase efficiency and effectiveness of workload flow.

Workforce skill needs should not change significantly in the future. However, the key to successfully managing the large number of complex financial assistance programs OPFCA implements is maintaining a large enough pool of agency experience and institutional knowledge in each discipline. This situation requires that we have enough latitude in salary adjustments to be able to retain skilled, experienced workers. The impacts of attrition can be managed, provided that OPFCA continues to hire and retain new employees until they achieve a high level of proficiency and are ready to be promoted into managerial positions.

Future Workforce Planning

OPFCA is continually impacted by additional EPA reporting requirements relating to the State Revolving Fund Programs. Similarly, the office is impacted by the fact that the Legislature, while not in session, has ongoing committees that operate full time and have additional requests for information that must be met.

The closing out of the EDAP I program over 2007 - 2009 is requiring a workload analysis to determine the effects on current staff. In particular, if the Legislature

does not provide administrative funds for EDAP II or other programs funded through General Revenues and the marketing efforts in the SRF program do not significantly produce adequate workload, a rigorous workload review must be undertaken. Additionally, there is the prospect that new financial assistance programs will be created or implemented, which will impact OPFCA's current workforce profile and increase its workload. These new programs may require additional staff or additional technical changes to meet workload demands. Automation can help, but it adds additional technical system risks and unique personnel risks.

Given the fact that the Inspection and Field Support Services Division will face a high level of retirements, this division must focus on hiring staff that have proven engineering inspection skills and have the potential to develop managerial skills.

Gap Analysis

Additional skills will be required to deal with technical advances. OPFCA has recently centralized some functions, with closer cooperation between divisions for technical developments. These types of cooperative efforts will be necessary to ensure that agency-wide considerations are layered into in-depth systems needed by staff. Other gaps will need to be addressed through expanded training opportunities for staff. The office feels that mentoring and cross-training opportunities can fill most gaps and should be offered to staff.

The Inspection and Field Support Services Division faces a significant risk if all current managerial employees retire upon their eligibility within the next five years. If this division does not begin to hire staff immediately and develop them rapidly, there will be a shortage in engineering inspection experience and managerial experience.

An issue unique to this Office is the availability of General Revenue funding. If a shortfall continues to exist in this source of revenue, the Office will be faced with a shortage of workers who perform work related to General Revenue funded projects.

There may be a shortage of staff in some areas over the next five years due to the increased workload associated with increased financial assistance opportunities, asset volume, and complexity.

As in other Offices, if the economy picks up, this area may face difficulties in finding qualified staff to work in certain professions. Furthermore, if the economy becomes more competitive, as expected, this Office will face greater challenges given the salary levels it can afford to pay staff.

OPFCA must continue to maintain its current level of skills and provide training of both new and existing staff to limit the negative impacts of staff turnover.

Office of Planning

Overview of Operations

The mission of the Office of Planning (OoP) is to provide leadership, technical services, and financial assistance to support planning, conservation, and responsible development of water in Texas. The Office's strategic goal is to plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans. Its objectives for the current Strategic Plan are:

- Collect, analyze, and disseminate water-related data and planning information for Texas to support regional and statewide water resources planning and infrastructure development.
- Annually provide eligible subdivisions in Texas with technical and/or financial assistance for water conservation. To achieve these goals and objectives, the OoP relies on the support of its four divisions and Administration staff: Water Resources Planning, Conservation, Groundwater Resources, and Surface Water Resources. Collectively, these divisions are responsible for the following business functions:
- Supporting the development of regional water plans and their incorporation into a statewide water plan for the orderly development, management and conservation of the state's water resources.
- Conducting studies of the occurrence, quantity, and quality of groundwater in the state.
- Conducting studies of the occurrence, quantity, quality, and availability of surface water and collecting data and conducting studies concerning the freshwater needs of the state's bays and estuaries.
- Administering the Texas Water Bank, which facilitates the transfer, sale, or lease of water and water rights throughout the state, and the Texas Water Trust, in which water rights are held for environmental flow maintenance purposes.

The OoP is facing a number of key issues and challenges in the immediate future. The OoP is continuing to work with the Texas Commission on Environmental Quality (TCEQ) and the Texas Parks and Wildlife Department (TPWD) in a joint effort to undertake a leadership role in the development of statewide analyses of instream flow needs. There may be a need to secure additional staff to adequately meet the demands of this effort.

Turnover in core areas of the Office's functions, including the retirement of senior managers, have been exacerbated by the agency's limited ability to compete in the job market and limited funding for salaries. This situation requires the Office to anticipate potential knowledge and skill gaps and to provide effective cross training.

Supply Analysis

Staff critical to the mission and goals of the OoP include:

- Hydrogeologists, hydrologists, and geologists knowledgeable about Texas water and geologic resources.
- Other environmental scientists and/or professionals knowledgeable about Texas environmental regulations, research issues, and programs covering a wide spectrum of activities, such as conservation, biology, modeling, and facilitation of regional planning processes.
- Licensed professional engineers with significant TWDB financial and technical assistance program experience.
- Individuals with solid contract management skills and the ability to maintain effective working relationships with their customers.
- Individuals who possess strong written and verbal communication skills.
- Administrative technicians with experience in TWDB programs and Board mail out procedures.
- Division directors with significant TWDB program and policy development expertise.
- A senior executive assistant.

The OoP's workforce skill needs should not increase significantly in the next five years. However, maintaining that skill set will present some challenges. Retaining senior and highly skilled staff is of paramount importance in order for the office to provide program continuity while assimilating new technological advances in water modeling, planning, and research. This situation requires that the Office be given enough latitude in salary adjustments to be able to retain skilled, experienced workers and provide sufficient training to all staff.

Future Workforce Profile

The OoP is a multidisciplinary and highly interdependent organization. New programs and assignments brought about by recent legislative changes and the State Water Plan will not create demands for new skills but may require a level of effort that exceeds the current capacity. A critical task will be the agency's participation in the development of instream flow analysis of Texas' rivers.

In addition, staff will need to continue to expand their expertise in conservation knowledge, project management skills, writing abilities, new technology knowledge (such as desalination), and communication skills.

OoP recognizes that it is a training ground for various professions. For this reason, there will be continued efforts to hire staff at an entry-level and advance them as fast as fiscally and practically possible.

The anticipated workload will require the OoP to maintain its current level of skills and provide training of both new and existing staff to limit the negative impacts of staff turnover.

Gap Analysis

Although the Office of Planning has done its best to maintain staffing levels, there are shortages for individuals with overall expertise in State of Texas water resources, Hydrogeologists, groundwater modelers, surface water engineers, surface water hydrogeologists, and planners. This Office is faced with hiring staff at entry to mid-level positions, providing these individuals with extensive training and development (internally and externally), only to see them recruited away by other water-related entities who can afford to pay them 30 percent to 50 percent more than the TWDB. In effect, this Office serves as a training ground. Also, when recently attempting to fill a key, senior-level position, the Office of Planning was unable to offer a competitive salary for this position. This places this area of the TWDB in an extremely vulnerable position.

If the economy picks up, this Office may face difficulties in finding qualified staff to work in certain professions.

Furthermore, if the economy becomes more competitive, as expected, this Office will face greater challenges given the limited resources it has available to reward deserving staff.

Resource Information Office

Overview of Operations

The mission of the Resource Information Office (RIO) is to: 1) act as a customer-focused organization that effectively utilizes technology to provide high value solutions that directly support the business functions of the TWDB programs, 2) efficiently manage information resources and technology infrastructure to provide high-quality products and services to internal and external customers in a cost-effective and secure manner; and 3) to develop, manage, and promote the efficient collection and dissemination of critical natural resource and financial data.

As part of this mission, RIO manages the Texas Natural Resources Information System (TNRIS), the state's natural resource and geospatial data clearinghouse, charged with the acquisition, development, management, and dissemination of statewide datasets, geospatial technology solutions, and historic maps and records. TNRIS has a broad customer base that includes internal TWDB customers, external customers at all levels of government, various industries, and the public.

RIO is involved in all TWDB Strategic Plan Goals and Objectives and is primarily responsible for supporting the efficient collection, management and dissemination of the agency's critical datasets required to promote effective water planning, management and development of the state's water systems.

RIO's specific business functions are organized according to the respective divisions, and sections conduct their own operations within the context of supporting RIO's larger mission. A brief description of each area and its function follows.

Programming and Applications Development Division

The Programming and Applications Development Division (PADD) provides project management, systems analysis of agency business functions, web content management web application development, programming support, geographic information systems development, and database administration support.

Information Technology Division

The Information Technology Division (ITD) provides software and hardware acquisition and support functions to the agency. This division develops IR purchase standards and participates in purchase review. It also manages the agency's local and wide-area network and supports agency interactions with the Department of Information Resources (DIR).

ITD also supports the integration and distribution of water-related information for the TWDB through TxWIN. TxWIN has both analog and digital information distribution functions and hosts the Network Optimization program, whose objective is to build a statewide network of cooperators for the sharing of critical water-related information. Its staff works internally with the TWDB's data collection activities staff and externally with a broad community of water data collectors and users.

Texas Natural Resources Information System Division

The Texas Natural Resources Information System (TNRIS) serves as a natural resource information clearinghouse and referral center for the state. TNRIS directly supports state agencies and leads interagency coordination and strategic planning through the Texas Geographic Information Council (TGIC), which is made up of over forty state agencies, higher education institutions and other government partners. TGIC and TNRIS serve an important role in the state as they help optimize the use of natural resource information from a multi-agency perspective. TNRIS also manages the Strategic Mapping (StratMap) Program, which is a multi-million dollar partnership program for the design, development, maintenance, and distribution of critical statewide digital base map layers utilizing the latest in available Geographic Information System technology.

RIO is facing a number of challenges in the future regarding outsourcing and consolidation efforts, security risks, disaster recovery, and development of more web services. The 79th Legislature enacted outsourcing and data consolidation directives aimed at cost savings for IT data center operations. RIO will be working with the DIR to analyze opportunities for the TWDB to increase the quality of service and reduce costs of services as part of H.B. 1516 implementation. The role of ITD staff may shift from providing direct technical support to more managerial responsibilities to ensure outsourced service contracts

meet service levels required to maintain the agency's data center and program operations capabilities.

Supply Analysis

RIO represents a highly technical and specialized area within the TWDB. As a result, the skills necessary to perform specific functions and tasks within the Office require extensive experience in project management, information technology, geospatial technologies and remote sensing, and grant development and contract services management.

Workforce skills include knowledge and experience in the following areas:

- Project Managers with experience in information technology resource and software application development methodologies.
- Business and Systems Analysts with strong facilitation and documentation skills
- Software Engineers and Database Administrators with experience in standard software development techniques, relational databases, web development tools, and deployment of web services.
- Geospatial technologists with knowledge of geographic information systems, geographic data models, remote sensing, Internet map services and cartographic product development.
- Network administration and security professionals with knowledge of local and wide area network administration, security protocols and threat protection, identity management, and standard computer hardware and software support and troubleshooting.
- Customer service specialists to support public assistance and access and dissemination of public data holdings.
- Grant and contract management professionals to support joint partnership funding of agency technology initiatives, interagency contracts, and oversight of contract and consulting services

RIO staff must maintain knowledge and expertise in a fast paced technology environment while also demonstrating the essential relationship development skills needed to communicate with customers, understand the critical business drivers for the agency, determine business case justifications and return on investment, and fostering solid partnerships among governmental entities at all levels.

Future Workforce Planning

RIO is continually impacted by rapid changes in technology components and Internet technology innovations. The growth and expansion of technology usage, the ever increasing amount of information available and the development of real-time wireless access to data will continually drive customer expectations and demands.

While current staffing levels are projected to essentially remain unchanged, the office workforce profile will continue to evolve. The need for staff with diverse IT backgrounds, including strong web-based programming, database management, Internet-based GIS programming, network management, project/program management expertise, and strong contract management skills will increase. Such skills can be acquired through training or through focused recruiting and hiring activities when key positions become vacant. Improved knowledge of business processes and relationships will become more important along with external customer service.

Future application areas that will require increased staff knowledge are Internet technologies such as portal technologies, real-time data streaming, and web services. Ongoing concerns about Internet and wireless security will require continued training, knowledge acquisition, and deployment of security and threat detection tools. Training opportunities regarding new digital remote sensing technologies being used to acquire statewide geographic datasets along with new standards and data processing procedures will be necessary. Real-time data capture and fail-over application capabilities will be necessary to support emergency response and management needs.

The overarching challenge for all of the IT professionals is to consistently strive for an understanding of the business needs within the agency, implementation of strong standards and protocols, process and procedures development, and the implementation of best practices in project management, business case development, software engineering and web development, and customer service.

Gap Analysis

The recent upturn in the state's economy has brought about job growth for the first time since the 2001 downturn. Recent reports have shown that the IT industry is seeing growth in high tech jobs across the state and particularly in the Central Texas region. The pool of IT professionals interested in state employment will continue to dwindle in response to this economic improvement. At the same time that the state is experiencing new growth in the IT sector, the State Auditor's Office reports that state government employees are still approximately 17 percent behind in salary scale compared to the private sector.

The available pool of candidates for IT jobs within the agency is decreasing and the hiring of standard network and programming positions has become much more difficult. The applicant pool for specialty areas such as GIS is even more difficult, creating a much longer recruitment and hiring process. The quality and quantity of job applications for TWDB vacancies has dwindled remarkably, even when the agency has done extensive recruitment and advertising.

The long-term assessment is that, as the economy improves and the IT industry begins a recovery, the demand for IT professionals will increase, making it more difficult to hire and retain competent staff. Turnover will likely increase and IT managers will be challenged to fill the gaps with temporary staff. However, even recent attempts to contract for specialty skills such as GIS web development and

systems architecture have demonstrated that the pool of available candidates is not large enough. This shrinking of the candidate pool will bring about higher costs and a further need to outsource.

Office of the Chief of Financial Officer

The mission and primary business functions of the Office of Chief Financial Officer (OCFO) involve maintaining efficient and effective internal accounting activities, ensuring soundness in bond and portfolio activities, active and focused external auditing, and oversight of agency contract activities.

To achieve its goals and objectives, OCFO relies on the effort of its four divisions and Administration staff: Fiscal Services, Debt and Portfolio Management, Contract Administration and External Audit. Collectively, these divisions are responsible for the following business functions:

Fiscal Services Division

The Fiscal Services Division is responsible for preparing the Annual Financial Report, producing quarterly financial statements for the TWDB's Audit Committee, managing projects for the Legislative Appropriations Request and the development of operating budgets, and handling the day-to-day fiscal management of the agency. In addition, Fiscal Services is responsible for producing management and ad-hoc financial reports throughout the year for management and oversight agencies.

This division ensures that the agency pays its bills on time; guarantees that all employees receive compensation in a timely manner; provides financial services related to the distribution of loans, bonds, and grants; and maintains the agency's internal accounting structure, transactions, and balances. One major challenge will be the maintenance of sound financial operations to handle the increasingly complex accounting and reporting requirements anticipated in the future.

Debt and Portfolio Management

The Debt and Portfolio Management Division is responsible for ensuring that the TWDB pays all of its bond repayment obligations in a timely manner and fully complies with the finance-related provisions of its bond resolutions. In addition, they are responsible for preventing loan repayment defaults or financial guarantor claims in the TWDB's loan portfolio and maximizing the investment yield on the TWDB's monies within the constraints of security and liquidity needs and arbitrage yield limitations.

They are also responsible for ensuring that all investment activities are conducted in accordance with the Public Funds Investment Act and applicable US Treasury arbitrage regulations.

Contract Administration Division

The Contract Administration Division is responsible for ensuring that the TWDB's funds and assets are prudently deposited and/or safeguarded in accordance with applicable statutes, contractual provisions, and prudent business practices and standards. They must ensure the timely collection of loan repayments due the TWDB. They are also responsible for ensuring sound agency contract and grant administration activities and reporting in accordance with state and/or federal guidelines, to include Minority Business Enterprise/Women Business Enterprise procurement management. Staff oversees and administers the agency's purchasing activities including promoting effective Historically Underutilized Business activities. Also, staff are responsible for maintaining engineering project records and performing record retention activities.

External Audit Division

The External Audit Division is responsible for ensuring that the TWDB's funds and assets are prudently deposited and/or safeguarded in accordance with applicable statutes, contractual provisions, and prudent business practices and standards. By reviewing financial reports of entities within TWDB's loan portfolio and working with them to address problem areas, the division ensures the timely collection of loan repayments due the TWDB.

Office of Executive Administration

Overview of Operations

Executive Administration is composed of seven functions: Legal, Internal Audit, Governmental Relations, Operations and Administration (which is comprised of the following areas: Human Resources, Systems Development and Administration, Communications, Support Services and Records Management). Executive Administration is committed to providing high-quality, timely, cost-efficient, and professional services and support to our customers through teamwork, innovation, and continuous improvement.

Their primary objectives include the following:

- Providing sound and timely legal advice in support of the agency's strategic goals and ensuring that the TWDB complies with all laws and rules.
- Systematically evaluating TWDB programs and services to ensure that they meet external customer needs and to expand marketing opportunities.
- Maintaining effective relationships with governmental entities in our efforts to respond to state or federal legislative initiatives.
- Providing agency staff efficient and effective human resources-related services.

- Develop automated systems to increase the efficiency, effectiveness, and standardization of agency-wide functions and to provide support to Executive Administration staff and Board Members.
- Be the voice of the agency to news media and to maintain communications within the agency to keep staff informed about agency activities.
- Providing support services to TWDB employees and Board members and also maintain agency records in compliance with record retention guidelines.

Legal

Legal is responsible for providing sound and timely legal advice in support of the agency's strategic goals, and ensuring that the TWDB complies with all laws and rules. It provides support to Board members and to TWDB staff in all areas of the agency's work including financial assistance, water planning, water policy issues, human resources activities, contract matters, and rulemaking.

Internal Audit

Internal Audit assists all management staff and the Audit Committee members with objective reports, recommendations, counsel, and information on the adequacy and effectiveness of the agency's system of internal controls and the quality of performance in carrying out assigned responsibilities.

Governmental Relations

Governmental Relations staff is responsible for coordinating federal and state legislative activities. They develop TWDB legislative goals and plans, apprise the Board, Executive Administrator, and program staff of potential issues, and serve as liaisons with federal and state elected officials, key committees, staff, agency officials, local governments and stakeholders.

Operations & Administration

The Director of Operations and Administrator along with this division's staff administer the operations of Human Resources, Systems Development and Administration, Communications, and Support Services and Records Management and also provide support to TWDB Board members. They monitor agency activities to ensure compliance with deadlines and work with agency staff in a manner that allows for daily activities to be conducted in the most efficient and effective manner.

Human Resources

Human Resources (HR) is responsible for ensuring that agency human resource activities are compliant with applicable state and federal laws and guidelines. HR's primary responsibilities include: assisting in filling employment vacancies, processing payroll transactions, providing counseling to staff, monitoring compliance with agency guidelines regarding performance appraisals, performing risk management activities, assisting with Workers' Compensation matters, providing health and benefits services (which includes an Employee Assistance Program, agency wellness program and assisting with sick leave-related matters), providing and assisting employees with staff development activities, providing HR services to the Office of Rural and Community Affairs (via an inter-agency agreement).

Human Resource mission, strategies, and goals will be impacted in the next couple of years. They will continue to maintain a one HR employee to every 85 agency staff ratio as required by the guidelines issues by the Council on Competitive Government (CCG) In addition, the CCG is continuing to review the possibility of outsourcing some of HR functions of agencies in the Executive Branch with 500 or less FTE's.

The CCG is scheduled to release a report on this matter in May 2006. Also, the Legislative Budget Board's Performance Review section is also looking at options to consolidate HR functions of state agencies. They are schedule to release a report with their recommendations in December 2006. Both of these reports have the potential to impact TWDB's HR staffing level and funding for HR activities.

Systems Development and Administration

Systems Development & Administration are responsible for identifying agency activities, that Executive Administration is responsible for, and working with IT staff to determine if the process can be automated so as to increase the efficiency, effectiveness, and standardization of the functions. Two systems already automated include the agency's mail-log system and monthly Board mail-out system. In addition, staff in this section provides support to Executive Administration staff and Board Members.

Communications

Communications staff are responsible for interacting with external customers, members of the press, political subdivisions, and public institutions to keep them informed about the TWDB's products and services, performance, and successes. They ensure that the agency's actions are communicated and portrayed in a clear, consistent, and positive manner. Also, this section is responsible for marketing agency programs, developing and distributing an agency newsletter, maintaining internal communication to keep Board staff informed, and also managing the agency's print operations and graphic development.

Support Services and Records Management

Support Services and Records Management is responsible for managing the agency's mail operations, building security, physical resource management, administration the motor pool, and agency records management. This function is responsible for day-to-day activities that include accountability for agency equipment, maintenance of the telecommunications system, assisting with facility management, processing mail, overseeing fleet operations (including checking out vehicles and all aspects of vehicle servicing and maintenance), and responding to special requests as necessary. In addition, staff must ensure that all records management activities are performed in a timely manner and also ensure that our agency is in compliance with state record retention laws/guidelines.

Also, since Executive Administration primarily sets direction for the agency and provides support to maintain operations, changes in its goals and objectives will be dependent on future legislative activities that impact major programs within the other Offices of TWDB.

Supply Analysis

Administration

The Executive Administrator is entering his fourth year in this position. It is critical for the agency to maintain him and his extensive institutional knowledge of complex state and federal financial programs, his knowledge of planning activities, and his managerial skills.

Other critical skills in this area include the ability to coordinate large, agency-wide projects (such as coordinating and facilitating focus groups, stakeholder meetings, the Balanced Scorecard, and monthly mail-out activities). Strong interpersonal skills and the ability to interact with all levels of individuals are a must. Attention to detail, excellent project management abilities, and the ability to proof correspondence are also essential skills.

Also, a new emphasis has been placed on being able to actively travel throughout the state and act an ambassador of the agency in efforts to promote our programs and development relationships that can enhance the Board's reputation as the leader water policy matters.

Legal

The General Counsel and the staff in Legal must be able to provide legal services to TWDB staff in the areas of financial assistance, water planning, water policy issues, human resources activities, contract matters, open records, open meeting, and rulemaking. Also, the General Counsel serves as chief legal advisor to the agency's Board Members and the Executive Administrator.

A new General Counsel was hired in January 2006. This individual possesses recognized legal expertise in water resources, including water rights and water

permitting matters. The General Counsel is quickly developing in-depth knowledge of water financing programs, water planning matters, and open meeting laws/guidelines.

Since January 2006, two senior attorneys and one entry-level attorney have resigned leaving the TWDB with two senior attorneys and one entry-level attorney. The remaining attorneys need to keep their core skills up-to-date with continuing education, and staff should be cross-trained in OPFCA and Planning program activities, human resources, contract, and open records matters. Also, the General Counsel needs to identify the future staffing needs of this division and should attempt to fill the vacancies with attorney's "who can hit the ground running." This may prove difficult as the hiring for attorneys with natural resources and contract knowledge is very competitive in the Austin area.

Internal Audit

The Director of Internal Audit is required by state statute to be a Certified Public Accountant or Certified Internal Auditor. Internal auditors must be able to conduct audits of state and other entities receiving state or federal funding and perform critical project management duties for work assignments. They must have expertise in auditing standards and performance criteria, federal audit requirements, electronic data processing skills and other areas that require extensive experience in governmental auditing. They must have good communication skills in order to present audit activities at least quarterly to Audit Committee members and discuss the status of audits in progress and other activities with the Audit Committee chairman, or other committee members. Internal Auditors must keep up with current agency activities in order to routinely discuss audit issues or provide consultative information to the Executive Administrator, management and staff.

At this time, there are no staffing issues in this section.

Governmental Relations

A role critical to the mission and goals of the TWDB is a Government Relations staff with the ability to maintain effective relationships with elected officials, key committees, their staff, other state and federal agencies, local governments and stakeholders. Staff in this section must also possess excellent research, organizational, team-building and project management skills, the ability to read, analyze, interpret, and respond to information in a timely, efficient and effective manner and to both anticipate and respond promptly to the needs of their internal and external customers. Other critical skills include being able to navigate an on-line legislative tracking and bill analysis system, the Legislative Budget Board's (LBB) fiscal note management system and other news and information sources. Proficiency in all forms of communication—written and verbal, in person and via correspondence—is essential.

At this time, there are no staffing issues in this section.

Operations and Administration

The Director of Operations and Administration oversees a diverse group of employees performing various support functions for the agency. In addition, this individual works closely with the Executive Administrator and provides supports with the handling of complex agency issues and special projects. This position requires a person who can multi-task, be detailed oriented, possess excellent project planning and project management skills, and the ability to grasp and process information quickly and be able to make sound, quality decisions on the matters at hand. The Director recently hired a Program Specialist to assist her with carrying out her duties and responsibilities. This individual should also be able to multi-task, be detailed oriented, and possess excellent project planning and project management skills.

Human Resources

Workforce skills critical to these operations include extensive knowledge in all aspects of HR operations, including hiring/recruitment, employee relations, compensation, performance evaluation, staff development, benefits administration, change agent activities, project management, and succession planning. With the recent transfer of the HR Director to another area of the agency, the Director of Administration and Operations needs to determine how to move forward with staffing the HR division. She will need to take into consideration the potential that the Council on Competitive Government will recommend outsourcing most of the HR functions that TWDB staff currently perform. Also, the Legislative Budget Board is considering recommending the consolidation of HR functions for agencies such as the TWDB.

Systems Development and Administration

Workforce skills critical to these operations include excellent administrative skills, the ability to multi-task, project management skills, proofreading skills, and the ability to understand systems/processes. Proficiency in all forms of communication—written and verbal, in person and via correspondence—is essential.

At this time, there no staffing issues in this section.

Communications

The ability to market our agency and issue effective press releases so that TWDB can maintain a positive press presence in the media is essential. Proficiency in all forms of communication—written and verbal, in person and via correspondence—is essential.

In addition, multiple level web architect skills are necessary for the development, implementation, and maintenance of the internal and external web resources, including updating web content, monitoring web resources and services, analysis of hardware and software, and evaluation of potential enhancements.

At this time, there are no staffing issues in this section.

Support Services and Records Management

Workforce skills critical to these operations include extensive knowledge of state property/fixed asset management rules guidelines, facility management (to include telecommunications and mail operations), and agency records management knowledge to include record retention guidelines. The ability to multi-task and respond to requests in a timely manner is important.

At this time, there are no staffing issues in this section.

In summary, customer service skills are important and critical for all areas in Executive Administration.

Future Workforce Profile

Legal

The General Counsel needs to hire and maintain additional attorneys and ensure that they develop their technical skills quickly. Legal will need to continue to have staff that can provide sound legal advice and opinions to Board members and staff on financing water resources issues, contracts, human resources activities, open meeting and open records, and ethics. Legal staff must continue to provide monthly Board/committee meeting support including agenda activities, minutes and archives, and rule drafting (to include coordination and submission in accordance with Texas Register requirements).

If the Legislature expands any of the agency's programs, Legal will have to reevaluate its staffing levels in the event it needs to secure additional resources to meet the needs of our agency.

Internal Audit

Internal Audit does not anticipate any workforce changes. The current workforce should be maintained in order to adequately address agency programs, processes and systems. Internal auditors are required to assess potential risks and audit high priority areas in a timely manner.

Governmental Relations

With every election, there are potential changes to the Texas congressional delegation and the Texas Legislature. The Governmental Relations staff must continue to establish, build and maintain strong relationships. It is important for Governmental Relations staff to be able to relate and to interact with elected officials and staff that represent the ethnic, linguistic, political, geographic and socioeconomic diversity of the State of Texas.

Projected future workforce needs will continue to include the enhancement of interpersonal communications skills, project management skills, legislative process knowledge, policy development skills, analytical skills, as well as sensitivity to the demographic diversity of the federal, state and local policymaking bodies. Maintaining these skills will be critical for the agency to continue to succeed in these very important, high profile activities.

Administration and Operations

Administration and Operations anticipates that it will need to retain staff with same/similar work skills that are currently present. Staff also will need to continue to enhance their project management skills in order to meet deadlines. Maintaining staff with these skills will be important as TWDB continues to be involved in evolving, high-profile water issues throughout Texas.

Human Resources

Human Resources' future is currently uncertain. If the Council on Competitive Government outsources half or more of the current HR activities or if the Legislative Budget Board make a recommendation to consolidate HR functions, Director of Administration & Operations will need to determine workforce skills will be necessary to perform the HR function(s) remaining at our agency.

Future workforce needs could include strong overall HR knowledge, including HR certification; employee relations/ombudsman skills, compensation skills, and skills in becoming a more effective change agent for the agency.

Systems Development & Administration

Systems Development & Administration needs to retain staff with systems analysis and development skills, advanced administrative skills, communication skills, multi-tasking and project management skills, and proofreading skills.

Future workforce needs include the skills identified above.

Communications

Communications needs to retain staff with same/similar work skills that are currently present. This section is exploring securing back-up resources for Graphics staff through an interagency agreement with other agencies within the Stephen F. Austin Building. Taking this action will ensure that functions performed by Graphics staff will be fully supported.

Projected future workforce skills that will be needed include continuing to learn new software in enhance the operations and functions of this section.

Staff Support Services

Staff Support Services does not anticipate changes in the type of workforce it currently employs.

Future skills needed include extensive knowledge of the following: state property and fixed asset management; facility management (to include telecommunications and mail operations); and records management (to include state record retentions laws/guidelines).

Gap Analysis

At this time, Executive Administration does not anticipate any surplus or shortage of staff. If the economy picks up, this area may face difficulties in finding qualified staff to work in certain professions. Furthermore, if the economy becomes more competitive, as expected, this Office will face greater challenges given the salary levels it can afford to pay staff.

The Governmental Relations staff focuses primarily on federal and state activities, but are working with agency program staff to determine its ability to assist with local governmental activities and relationships. This task could be initiated with existing staff levels and no shortage of staff is anticipated. Governmental Relations does not anticipate any surplus or shortage of staff.

Current TWDB Workforce Profile

TWDB currently has an authorized workforce of 296.5 full-time equivalent employees but only enough funding to employ 286.75. The Board's current workforce is comprised of March 29, 2006 is 61 percent males and 39 percent females. About 23 percent of all employees at the TWDB have only worked for the state for 5 years or fewer. About 57 percent have worked for 5 to 10 years and 21 percent for greater than 10 years (Appendix G, Table 5). The agency has lost a tremendous amount of institutional knowledge during the past three years and this data reflects that the age demographics of the TWDB have shifted tremendously during this period.

Data from the State Auditor's Office indicate the TWDB's turnover rates since 2001 have fluctuated. The turnover rate in 2001 was 10.7 percent, in 2002, 9.1 percent, in 2003, 14.6 percent (due to a large amount of retirements), in 2004, 10.3 percent, and in 2005, 10.6 percent. The agency is projecting a 13 percent turnover rate in 2006. During this time period, the agency has experience an average 11 percent turnover rate. The agency will examine turnover data from this year to determine if it can implement strategies to reduce the turnover rate. This will be complicated by the fact that the Austin area economy is picking up and there will be competition for staffing resources in this area of the state.

Loss of institutional knowledge due to attrition and an aging workforce threaten all organizations. Most difficult to recover is the loss of tacit knowledge, known to few workers and not available in procedures and training manuals. With the

large amount of retirements that have occurred over the past several years, the TWDB had to ensure that remaining staff were quickly developed so that they were able to continue to run their operations.

It is extremely important for TWDB to realize that the tenure and age of staff have changed dramatically over the past several years. As previously stated, about 57 percent of the workforce is between the ages of 30-39. Those aged 60-69 comprise about 19 percent of the current work force and those aged 50-59 comprise about 11 percent of the current workforce. As the workforce ages, it is important to develop an active succession planning effort to ensure that critical skills for the agency's mission are adequately replaced. Also, the agency must look at developing career ladders so that the majority of the employees, ages 30-39, will know what their growth potential is at the TWDB. Taking this action might keep them from leaving the TWDB in search of job growth opportunities.

Statistical reports, included in Appendix G, detail the agency's workforce, age, and tenure demographics. The TWDB will continue to actively review its demographic data in its efforts to maintain a diverse workforce and to anticipate retirements, to best conduct staff development and career growth, and to have strategic and effective recruitment, succession, and replacement staffing activities.

Strategy Development

The Executive Administrator will continue to monitor succession planning strategies in his efforts to reduce adverse potential impact to agency operations. Part of this plan includes piloting hiring an Associate Deputy Administrator in the Office of Project, Finance and Construction Assistance. If this proves successful, Associate Deputy Administrator positions may be staffed in each Office. At this time, the Deputy Executive Administrators should be mentoring their Division Directors, the Division Directors should be mentoring their Managers and Team Leads, and Managers and Team Leads should be mentoring senior-level staff in an informal manner.

A new performance appraisal systems being launched in May 2006 will include specific requirements for agency succession planning activities.

In its efforts to address competency gaps or surpluses, the Board will:

- Continue fostering a work environment that is sensitive to the needs of staff and supports a balance between their professional and personal activities.
- Advocate a variety of work alternative work options.
- Use all available compensation tools (merits, one-time merits, promotions, administrative leave, recruitment bonuses, and retention bonuses) to reward deserving staff.
- Identify and use non-salary-dependent incentives to recruit and maintain key employees.

- Maintain an effective recruitment program.
- Plan career development for staff and provide necessary training.
- Allow staff increased participation and involvement in agency programs.
- Provide leadership development, cross-training, and succession and replacement planning as necessary.
- Pursue all opportunities for technological efficiencies, thereby minimizing and/or preventing the need for additional employees.
- Assess the activities of staff and identify any efficiency improvements or workload reductions that would be more appropriate for a less experienced and skilled staff without substantially increasing the risk.
- Consider the reduction or elimination of some customer assistance and support activities to focus limited staffing resources on specific mission-critical functions (because of the adversity such reductions would create, this would be implemented only as a last resort).

APPENDIX F: 2007-2011 Survey of Organizational Excellence

The Survey of Organizational Excellence uses a framework of five dimensions which together represents the total work environment. These dimensions are: Work Group, Accommodations, Organizational Features, Information and Personal. Each of these dimensions is further divided into constructs as follows:

- Dimension I
- Work Group Dimension II
- Accommodations Dimension III
- Organizational
- Features Dimension IV
- Information Dimension V
- Personal
- Supervisor Effectiveness
- Fairness
- Team Effectiveness
- Diversity Fair Pay
- Physical Environment
- Benefits
- Employee Development Change Oriented
- Goal Oriented
- Holographic
- Strategic
- Quality Internal
- Availability
- External Job Satisfaction
- Time and Stress
- Burnout
- Empowerment

NOTE: The design, collection and analysis of this survey was performed by the University of Texas. For further information on their process construct, please go to: <http://www.survey.utexas.edu>

A review of the results of the Survey of Organizational Excellence provides insight into how employees within TWDB see the agency, and informs strategies and initiatives to create a workforce with a strong sense of mission and sense of shared responsibility.

The results of the survey are briefly discussed below as well as strategies and initiatives the TWDB has implemented, is in the process of implementing, or intends on implementing.

Summary of Results for the Texas Water Development Board

Out of the 273 employees who were invited to take the survey, 203 responded. As a general rule, rates higher than 50 percent suggest soundness. A 74 percent response rate is considered high and exceeds any prior survey results. All of the responses were submitted using the on-line survey.

The scoring system ranged from a low of 100 to a high of 500. Scores over 400 points indicate substantial strength. Scores over 300 indicate that the issue is viewed more positively than negatively, while those below indicate a more negative view. A score below 200 is critical and should be interpreted as a source of great concern.

The TWDB did not receive any scores lower than 270. Of the 20 constructs scored, 19 were scored at 300 or greater. The lowest-scoring items being Fair Pay.

The TWDB's five highest-scoring constructs correspond to four of the five dimensions:

- Accommodations (Physical Environment = 372)
- Organizational Features (Strategic = 384, and Quality = 383)
- Information (External = 370)
- Personal (Job Satisfaction and Time and Stress = 363)

The five lowest scoring items were also located along four dimensions as well. The four are:

- Accommodations (Fair Pay = 270)
- Information (Internal = 312)
- Work Group (Supervisor Effectiveness =326, Team Effectiveness =323)
- Organizational Features (Change Oriented = 330)

Although these were the five items in which the agency scored the lowest, only one of these five categories obtained a score less than 300, indicating that employees view these items, Supervisor Effectiveness, Team Effectiveness and Change Oriented, more positively than negatively.

Furthermore, these three items showed improvement from previous years. Given this, the agency will focus efforts to make improvements on the two lowest scored items, Accommodations (Fair Pay) and Information (Internal).

A comparison of scores for this year's survey with scores from the survey in past years, show the positive gains made in all dimensions.

Despite the positive progress, TWDB still lags behind other agencies of similar size. However, TWDB scored higher than agencies with a similar mission and all survey respondents.

As a result, TWDB will continue to strive for greater employee satisfaction by addressing specific areas of concern as demonstrated in the survey results.

Two areas that must be addressed are Fair Pay and Internal. These two components are of particular concern because they are the two lowest scoring items. Particularly Fair Pay which received a value of less than 300.

Fair Pay: The construct addresses employees' perceptions of the overall compensation package provided by the TWDB, when compared, for example, with similar jobs in other organizations. The TWDB score for this construct was 270, 25 points higher than in the previous survey but still indicating that employees negatively view the competitiveness of their compensation package when compared to similar jobs in their communities.

The TWDB has faced a series of budget reduction in prior biennial appropriations. As a result, salaries, along with other budget items and programs were cut. This has limited the agency in its ability to maximize compensation in accordance with current state position classifications.

Internal: The construct is indicative of the internal communications within the agency and encompasses all communication including, top-down, bottom-up, and across divisions. It addresses the extent to which communications are open and candid and move the organization toward goal achievement. The TWDB score for this construct was 312; this was a gain in 15 points from the previous survey. Still, it is the second lowest construct and should be improved

Initiatives in Response to Survey Findings

Fair Pay

As mentioned above, the TWDB has made several reductions that affected many aspects of the agencies operating budget. In an effort to reduce the need for staff reduction or prevent further reductions to much need operating budget, TWDB has had to manage salary growth despite ever-changing conditions. TWDB is currently piloting an electronic appraisal system that will assist in managing performance plans and appraisals to ensure fair and equitable compensation. During recruitment, TWDB makes efforts to inform potential applicants of the many benefits of state employment in addition to salary.

Internal Communication

TWDB continues to use the Balanced Scorecard management system to track and identify specific meetings and communication events that may be of interest to staff. Agendas and meeting notes are available to staff on the agency's Intranet. Furthermore, a standardized meeting summary template has been created to allow staff to communicate specific information efficiently and effectively. Other activities such as a web-enabled priorities and projects list are also being utilized to ensure that staff wanting information have it available.

APPENDIX G: Tables

TABLE 1 Texas Water Development Board				
Member Name	Term/Appointment Dates	Qualifications	Address	Telephone Number Fax Number Email
E.G. Rod Pittman	Appointed: 02/2002 Appointed Chairman: 02/2003 Term Expires: 12/31/07	Member and Chairman	515 South 1 st Street Lufkin, TX 75901	Office: 936-632-6711 Fax: 936-634-7750 Email: rpittman5@cox- internet.com
Jack Hunt	Appointed: 01/1998 Elected Vice-Chairman: 3/2002 Re-appointed: 01/2004 Term Expires: 12/31/09	Member and Vice Chairman	King Ranch, Inc. Three Riverway, Suite 1600 Houston, TX 77056	Phone: 832-681-5763 Fax: 832-681-5729 Email: jhunt@king- ranch.com
William W. (Bill) Meadows	Appointed: 04/2000 Term Expires: 12/31/05	Member	The Rigg Group, Inc. 777 Main Street, Suite C-50 Fort Worth, TX 76102-5333	Phone: 817-335-4444 Fax: 817-336-5944 Email: Meadows@wrigg.com
Thomas Weir Labatt III	Appointed: 02/2002 Term Expires: 12/31/05	Member	135 West Elsmere Place San Antonio, TX 78212	Office: 210-260-3196 Fax: 210-732-8082 Email: wlabatt@satx.rr.com
Dario Vidal Guerra, Jr.	Appointed: 02/2002 Term Expires: 12/31/07	Member	1021 East Canton Edinburg, TX 78539	Office: 956-383-2959 Fax: 956-383-2148 Email: dvgranch@aol.com
James E. Herring	Appointed: 01/2004 Term Expires: 12/31/09	Member	Friona Industries, L.P. P.O. Box 15568 Amarillo, TX 79105	Office: 806-374-1811 Fax: 806-374-1324 Email: jeh@frionaind.com

APPENDIX G: Tables - cont.

TABLE 2			
Texas Water Development Board			
Full Time Equivalent Employees (FTEs) by Location – Fiscal Year 2006			
Headquarters (HQ), Regional, or Field Office	Location	Number of Authorized FTEs, FY 2006	Number of Actual FTEs as of March 31, 2006
Stephen F. Austin Building, HQ	Austin	279.50	251.75
Region 1, (Field Office)	Mesquite	5.00	5.00
Region 2, (Field Office)	Houston	7.00	7.00
Region 3, (Field Office)	Harlingen	3.00	3.00
Region 4, (Field Office)	El Paso	1.00	1.00
Region 5, (Field Office)	San Antonio	1.00	1.00
TOTAL		296.50	268.75

TABLE 3			
Texas Water Development Board			
Workforce Comparison: TWDB Workforce and CRD Laborforce Percentages			
Officials / Administration	Black	Hispanic	Female
TWDB Workforce Percentages	5%	18%	36%
CRD Laborforce Percentages	7%	15%	44%
Variance	-2%	3%	-8%
Professional	Black	Hispanic	Female
TWDB Workforce Percentages	8%	15%	34%
CRD Laborforce Percentages	8%	14%	54%
Variance	0%	1%	-20%
Para-Professional	Black	Hispanic	Female
TWDB Workforce Percentages	20%	27%	85%
CRD Laborforce Percentages	18%	32%	56%
Variance	2%	-5%	29%
Source: CRD data from the Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2002, for the State of Texas.			