Texas Water Development Board

Strategic Plan

Fiscal Years 2015 – 2019

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Texas Water Development Board

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JULY 7, 2014

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Introduction

Statewide Vision, Mission, and Philosophy

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 health care 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

Natural Resources and Agriculture

Priority Goal:

To conserve and protect our state's natural resources

(air, water, land, wildlife, and mineral resources) by

- *Providing leadership and policy guidance for state, federal, and local initiatives;*
- *To maintain Texas' status as a leader in agriculture; and*
- *Encouraging responsible, sustainable economic development.*

Relevant Benchmarks:

- Acre-feet of desalinated brackish and ocean water produced for Texas
- Percentage of water conservation through decreased water usage, increased water reuse, and brush control
- Percentage of Texas waters that meet or exceed safe water quality standards
- Average time required in responding to natural disasters such as wildfires and hurricanes
- Percentage of implemented new technologies that provide efficient, effective, and value-added solutions for a balanced Texas ecosystem
- Number of jobs created or retained in rural communities through state investment

General Government

Priority Goal:

To provide citizens with greater access to government services while reducing service delivery costs and protecting the fiscal resources for current and future taxpayers by

- *Supporting effective, efficient, and accountable state government operations;*
- *Ensuring the state's bonds attain the highest possible bond rating; and*
- *Conservatively managing the state's debt.*

Relevant Benchmarks:

- Total state taxes per capita
- Total state spending per capita
- Percentage 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
- Total savings realized in state spending by making reports/documents/processes available on the Internet and accepting information in electronic format
- Funded ratio of statewide pension funds
- Texas general obligation bond ratings
- Issuance cost per $1,000 in general obligation debt

Economic Development

Priority Goal:

To provide an attractive economic climate for current and emerging industries that fosters economic opportunity, job creation, capital investment, and infrastructure development by

- *Promoting a favorable and fair system to fund necessary state services;*
- *Promoting a favorable business climate; and*
- *Developing a well-trained, educated and 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
- Number of Texans receiving job training services

Health and Human Services

Priority Goal:

To promote the health, responsibility, and self-sufficiency of individuals and families by

- *Making public assistance available to those most in need through efficient and effective systems; and*
- *Continuing to create partnerships with local communities, advocacy groups, and the private and not-for-profit sectors.*

Relevant Benchmarks:

- Infant mortality rate

Regulatory

Priority Goal:

To ensure Texans are effectively and efficiently served

by high-quality professionals and businesses by

- *Implementing clear standards;*
- *Ensuring compliance; and,*
- *Establishing market-based solutions.*

Relevant Benchmarks:

- There are no relevant benchmarks listed for regulatory agencies that are pursuant to the goal of the TWDB, though the agency works to ensure compliance in projects funded by the TWDB.

Agency Vision and Mission

Agency Vision

Sustainable and affordable water for Texas.

Agency Mission

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

Agency Core Values

To accomplish our mission, the TWDB will continue to focus on these core values:

COMMUNICATION

Our standard is effective communication through education and outreach to ensure openness, accuracy, and accountability.

CUSTOMER SERVICE

We respect and value customers' needs and interests in everything we do.

EXCELLENCE

We strive to achieve excellence in everything we do.

GOVERNANCE

Accountability, transparency, responsiveness, and integrity are the cornerstones of the agency's governing framework, guided by policies set by the Board and carried out by the Executive Administrator.

INNOVATION

We seek innovation by encouraging fresh perspectives and divergent voices. We strive to be at the forefront of the water arena.

INTEGRITY

Our foremost responsibility is to the people of Texas. We expect all employees to perform their duties with integrity.

TALENT

We recruit the best employees and appreciate those with diverse talents and backgrounds who are passionate about our work. We diligently work to increase our capacity to learn, collaborate, and lead.

STEWARDSHIP

We recognize that great responsibility comes along with the trust placed in our agency by the citizens of Texas and our legislature. We administer our debt and loan portfolios with fiscal prudence, and we produce and manage robust technical information to safeguard the state's health, safety, and natural resources.

Agency Philosophy of Customer Service

The TWDB strives to achieve excellence in meeting and exceeding customer expectations and in providing information and services in a highly professional and timely manner. To achieve these goals, the TWDB is committed to encouraging customer feedback on products and services provided and to the continual evaluation of our programs to ensure they meet the needs of our customers.

The TWDB is an equal opportunity employer and does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services. The TWDB is in compliance with the Americans with Disabilities Act.

Looking Forward

House Bill 4 Implementation

Implementation of House Bill 4 (HB 4), 83rd Session, is a top priority of the TWDB. HB 4 reorganized the TWDB. It changed the governing body from a six-member part-time board to a three-member full-time board. It also required the appointment of new Board members and the hiring of a new executive administrator. The new Board members took office on September 1, 2013, and quickly moved to hire a new Executive Administrator.

On Nov. 5, 2013, Texas voters approved Proposition 6. This constitutional amendment, along with HB 4, created two funds – the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT) – both with a goal to finance projects in the state water plan.

As a first step to implement the SWIFT and SWIRFT funds, the TWDB engaged in an extensive and wide ranging effort to solicit input from stakeholders. Each of the Board members made numerous presentations to a wide variety of groups and the Board as a whole held four work sessions around the state to hear public input prior to development of a proposed rule to implement HB 4. The Board held work sessions on Feb. 11 in Conroe, on Feb. 24 in Lubbock, on March 24 in Harlingen and May 29 in El Paso.

The Board heard a wide-range of testimony from representatives of large municipalities and rural interests, regional water planning groups, environmental interests, project engineers, non-profit water supply corporations, irrigation districts and water utility managers. The executive administrator held three staff-led stakeholder meetings in Austin, on Jan. 31, 2014, Feb. 19, 2014, and March 6, 2014. Staff heard input on the prioritization system and definitions of agricultural water conservation, rural, and water conservation. The Board also solicited written comments that could be submitted via e-mail and the TWDB website. Prior to proposing a rule, the Board had received over 38 comments and suggestions.

The rules to implement the SWIFT fund and SWIRFT program will cover all the required elements from the statute. A prioritization system will be created to score and rank applicants to be used by the Board in determining whether a project qualifies for financial assistance at the time the application is filed with the Board. In the proposed rule, the Board strived to make the assignment of points clear and objective. Also of central importance in the proposed rule is the determination of projects that qualify for the 10 percent set-aside funding for rural projects and agricultural water conservation, and the 20 percent set-aside funding for water conservation and reuse. The Board understands that the percentages given in the statute are intended as a floor and not a ceiling, meaning that the Board is not limited to funding only 10 percent of total project funds for rural and agricultural water conservation, or only funding 20 percent for total project funds for water conservation and reuse.

The TWDB continues to coordinate with the Texas Treasury Safekeeping Trust Company (Trust) to facilitate the investment of the $2 billion of SWIFT Funds. The Trust has approved Phase 2 of the investment strategy and began implementation in June of 2014 upon receipt of guidance from the TWDB. Once the first projects are funded, the TWDB expects to provide forecasts of the cash flow in and out of the SWIFT, as it actively manages the funds.

In the first part of 2014, the TWDB undertook an underwriter selection request for qualifications to select an underwriting pool to serve on the TWDB's bond issues, including SWIRFT bond issues. As part of that process, specific questions were included to solicit ideas and strategies to optimize the capacity of the SWIFT and SWIRFT. Many of the responses validated or enhanced the financial model utilized during the last legislative session regarding SWIRFT. Significant flexibility must be embedded into the structure of the SWIRFT program because many of the variables that impact the projected capacity are dynamic, including the decade of need projections, program structure demand and market interest rates.

To further leverage the capacity of the SWIFT and SWIRFT, the funding methodology of state water

plan projects was analyzed in an effort to integrate the utilization of the $6 billion in bond authorization the agency was granted through voter approval of Proposition 2 in 2011. The TWDB's credit ratings are impacted by the borrower's credit ratings; therefore, this analysis determined how guiding prospective borrowers of various credit ratings to use the SWIFT and SWIRFT or the $6 billion will impact TWDB's rating and subsidy provided. As was required in HB 4, any use of the $6 billion will be done on a self-supporting basis so as to not impact the constitutional debt limit.

Final adoption of the rules is currently scheduled for December 2014. The agency will begin soliciting applications in 2015.

Agency Reorganization

In November 2013, the TWDB embarked on a large-scale reorganization of the agency in an effort to streamline the financial assistance and water planning processes, and improve customer service. Whereas the agency was previously organized into offices by discipline (Construction Assistance, Project Oversight, Water Resources Planning and Information, and Project Finance), many staff are now organized into teams that work on financial assistance projects in a geographical area of Texas within the new office of Water Supply and Infrastructure. Each team consists of a manager, a financial analyst, engineers, and an environmental reviewer, and each has assigned to it an attorney and a regional water planner.

The agency sought feedback on its reorganization in its 2014 customer service survey, and input from customers was overwhelmingly positive.

Increased Outreach Efforts

The TWDB has increased outreach in promoting the financial assistance, regional water planning and water science and conservation programs to additional recipients through social media, funding assistance and technical workshops, presentations to interested parties, and one-on-one meetings with communities. The TWDB has been working very diligently to educate stakeholders and the general public about our programs and receive stakeholder feedback to optimize program offerings.

In December of 2013, the TWDB created the position of Agricultural and Rural Texas Ombudsman in order to expand the agency's outreach efforts in rural Texas. Thus far, activities have included outreach in the rural parts of the state and with organizations within the agriculture industry. Activities include attending and/or presenting at conferences, Board meetings and symposiums as well as one-on-one informational meetings, to ensure rural entities understand and can navigate TWDB programs.

The TWDB will continue to make Board members and staff available for events statewide, as requested, and actively seek out opportunities to speak or attend events where TWDB's commitment to supporting water development in Texas can by purveyed to those that could potentially benefit from such assistance.

Plans to Increase Use and Efficiency of Financial Assistance Programs

During fall 2013, the financial assistance project implementation staff was reorganized into six geographical teams. Each team is led by a manager that serves as the point of contact for existing and potential customers. This change in structure, along with current and future procedural and process efficiencies, will reduce the application review timeframe and delivery of project funding. All processes are being reviewed to streamline and eliminate inefficiencies while ensuring the necessary level of review and accountability.

As an example of recent process improvements, the state funding programs' environmental review process has been modified to include a template of required information and supporting documentation requirements to assist applicants. Benefits of the new environmental data form include:

- Ensures the level of environmental analysis is commensurate with potential impacts,
- Decreases environmental review time for TWDB staff and regulatory agencies while maintaining rigor,
- Decreases document preparation time and cost for clients, and
- Clarifies requirements.

The TWDB has also initiated the development of an online loan application and project information form that is intended to facilitate the accurate and efficient completion of a funding application, while improving and shortening the timeframes to develop the annual Intended Use Plans for the State Revolving Fund programs.

The continuing drought in the state has intensified the need to deliver loan funding quickly. The TWDB is working to find more efficient and effective means to deliver funding to drought-stricken communities and for other emergency needs, in addition to evaluating current TWDB financial assistance programs while also investigating non-traditional financing instruments and sources.

Pursuit of Alternative Means of Funding

A substantial portion of the TWDB's operating costs are currently funded by accumulated surplus revenues of the Texas Water Resources Finance Authority (TWRFA). When faced with reductions of general revenue appropriations, the TWDB shifted certain costs to TWRFA, including the costs of over 20 full time equivalents. TWRFA is also currently used to fund a portion of the state match on the Drinking Water State Revolving Fund, research and planning grants, and portions of other agency administrative expenses. The surplus revenues of TWRFA, however, are a limited resource and are projected to be depleted in the near-term. TWDB recognizes that additional general revenue or other sustainable long-term funding sources will be required to properly fund and continue these TWDB operations into the future.

Conservation

The newly created Conservation & Innovative Water Technologies division of the TWDB has a number of new initiatives. Recognizing the importance of alternative water supplies in Texas, the 83rd Texas Legislature made available to the TWDB a $3 million grant to fund near-term alternative water supplies demonstration projects. These projects could include water reuse, aquifer storage and recovery, and other similar types of projects that would lead to an increase in regional water supplies within the next five years. The projects are expected to start in late 2014.

For agricultural water conservation, Senate Bill 1, 83rd Texas Legislature, appropriated $1.8 million each fiscal year for the purpose of providing grants to the Texas Alliance for Water Conservation Demonstration Project. Also appropriated in the bill was $1.5 million each fiscal year for the Agricultural Water Conservation Grant Program. These grants will be awarded to groundwater conservation districts that have promulgated rules requiring metering.

For municipal water conservation, the 83rd Texas Legislature appropriated a $1 million grant to the TWDB to fund projects that promote the benefits of water conservation through statewide education and outreach programs. These projects are expected to start in late 2014. During the same session, the legislature also appropriated $407,414 in fiscal year (FY) 2014 and $326,474 in FY 2015 for 4.8 full time equivalents to develop an online tool to consolidate reporting requirements for the Water Use Survey, annual water loss, and annual water conservation reports. The TWDB is also required to develop an online tool to quantify water conservation savings.

Lastly, with voter approval of Proposition 6 in November 2013, the state created two funds—SWIFT and the SWIRFT—that will help finance projects in the state water plan. As part of the SWIFT, at least 20 percent of funds are required to be set aside to support water conservation and reuse projects.

Despite the generous support and funding received from the legislature, there are several areas where more can be done to better serve our customers. As an example, data on water conservation efforts in urban areas is not as readily available or documented as it is for rural (agricultural) areas. Therefore, research in this area needs to be conducted and data and information gathered to help us make better and more informed decisions, and to formulate solutions.

Similarly, resources will be needed in the areas of education and outreach. Outreach and education are a major function of the Conservation & Innovative Water Technologies division. In the coming years, this function will become even more important if the ongoing drought and increasing demands on dwindling water resources continue.

Agency Overview

Key Organizational Events

Enabling Statutes and Legislation

TWDB History

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Agency Overview

Key Organizational Events

The TWDB was created by constitutional amendment in 1957 after many years of drought had devastated the Texas economy, leaving over 200 counties declared as disasters and many cities without water supplies. The 55th Legislature adopted a resolution supporting a constitutional amendment that became Article III, Section 49-c of the Constitution, approved by voters in a special election held on November 5, 1957. The amendment created the TWDB and the Texas Water Development Fund. The amendment also authorized the first $200 million in Texas Water Development bonds for the state to provide loans to its political subdivisions to assist in "the conservation and development of the water resources of this State, including the control, storing and preservation of its storm and flood waters and the waters of its rivers and streams, for all useful and lawful purposes by the acquisition, improvement, extension, or construction of dams, reservoirs and other water storage projects, including any system necessary for the transportation of water from storage to points of treatment and/or distribution, including facilities for transporting water therefrom to wholesale purchasers, or from any one or more of such purposes or methods."

In the First Called Special Session of the 55th Legislature, 1957, the Texas Water Planning Act was also passed and signed into law on December 2, 1957, authorizing a Water Resources Planning Division within the State Board of Water Engineers. One of the duties of the new division was to acquire conservation storage in reservoirs. A second amendment to the Constitution, adopted by the voters on November 6, 1962, expanded the authority of the TWDB to acquire and develop storage facilities in reservoirs using the Texas Water Development Fund. This same amendment also provided that the Fund could "not be used to finance any project which contemplates or results in the removal from the basin of origin of any surface water necessary to supply the reasonably foreseeable future water requirements for the next ensuing fifty-year period within the river basin of origin, except on a temporary, interim basis." This amendment formed the foundation of the current water planning period for the state.

The heritage of the TWDB is grounded in water resources planning, raising capital, and developing the water resources of the state through acquiring facilities and providing financial assistance. Since 1962, voters have continued to expand financing powers of the TWDB, increasing bonding authority, adding water quality enhancement and flood control to the list of authorized projects, and creating special funds in the state treasury for research and other water resource development projects. Retail distribution and economically distressed areas assistance through grants were added as well. In response to recent droughts, the Legislature has expanded funding programs for the TWDB to implement an aggressive subsidy program to assist water purveyors in financing projects that will withstand drought conditions.

With the Texas Legislature's passage of Senate Bills 1 (75th Legislature), 2 (77th Legislature), and 3 (80th Legislature), federal and state organizations, political subdivisions, and regional water planning groups have assumed increased responsibility for ensuring sufficient water supplies for the state. Notably, in recent sessions, flood control funding from federal sources has been combined with related state assistance programs.

In the 82nd legislative session, the Texas Natural Resources Information System (TNRIS), a division of the TWDB, was elevated in profile by Sunset Commission legislation. The director of TNRIS is now designated as the Geographic Information Officer of the state. Additional responsibilities given to the TWDB during the last legislative session include working with the Texas Commission on Environmental Quality and the Water Conservation Advisory Council to develop a consistent methodology for calculating water use and conservation, and to include an evaluation of progress made in future state water plans.

In the same session, Senate Joint Resolution (SJR)

4 was passed by the legislature and approved by voters as a constitutional amendment (Proposition 2). Proposition 2 authorized $6 billion in bonds as general obligation bonds on a continuous revolving basis. The TWDB now has the authority to issue bonds without repeated and costly constitutional amendments.

The 83rd Texas Legislature made significant changes to the TWDB in 2013. They passed HB 4 and HB 1025 authorizing a one-time, $2 billion investment from the Economic Stabilization Fund to the State Water Implementation Fund (SWIFT) and the State Water Implementation Revenue Fund (SWIRFT). SJR 1 required that this investment be voted on and approved by Texas voters. Proposition 6, passed on November 13, 2013.

As part of the structural changes in HB 4, the governance of the TWDB was changed from a part-time, six member board to a full-time three member board. The legislation also created a special advisory committee to oversee the SWIFT and SWIRFT.

Enabling Statutes and Legislation

Strategies	Descriptions	Statutory References
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.	Water Code §§ 11.02361, 11.02362, 11.1491, 15.4063, 16.012, 16.058
Strategy 01-01-02 **Water Resources Data**	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.	Water Code §§ 11.153, 11.155, 15.4063, Chapter 15 (Subchapter M), Chapter 16 (Subchapter B), § 16.059
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.	Water Code Chapter 16 (Subchapter B), §§ 36.1071, 36.1072, 36.1073, 36.159, 36.160, 36.161, 36.169 Education Code §88.503
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.	Water Code Chapter 16 (Subchapters B and C), §§ 16.012, 16.015, 16.019, 16.051, 16.053, 35.004, 35.007, 35.012, 35.013, 35.018, 36.015, 36.108, 36.120, 36.1071 through 36.1073. Local Gov't Code §§ 212.0101, 232.0032

Strategy 01-02-02 **Water Resource 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 initiates implementation of the state water plan, and 3) researching water resource problems and issues.	Water Code §§ 6.011, 6.012, 11.1271, 11.1272, 12.0151, Chapter 15 (Subchapters A, B, F and G), Chapter 16 (Subchapters B, C, D and I), National Flood Insurance Reform Act of 1994, 42 United States Code, Chapter 50, Subchapter III, §§ 4 001 through 4107; 44 CFR, Chapter I, Part 78, §§ 78.1 through 78.14
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.	Water Code §§ 5.701, 10.006, 11.1271, 13.146, 15.102, 15.103, 15.106, 15.208, 15.434, 15.607, 15.701, 15.708, 15.735, 15.910,15.975, 15.995, 16.012, 16.015, 16.0121, 16.022, 16.051, 16.053, 16.054, 16.055, Chapter 16, Subchapter K, 17.122, 17.125, 17.274, 17.277, 17.857, 17.927, and Chapter 17, Subchapter J.
Strategy 01-04-01 **Perform Community Assistance Pursuant to the National Flood Insurance Program**	Perform community assistance pursuant to the NFIP.	Water Code §§ 16.314, 16.316, 16.317.
Strategy 02-01-01 **State and Federal Financial Assistance Programs**	Provide financial assistance through state and federal programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.	Water Code §§ 6.011, 6.012, Chapter 15 (Subchapters A-G, J, M, N, O, Q, and R); 16.093, Chapter 16 (Subchapters E and F); Chapter 17 (except for subchapter M); §§ 36.159-.161, 36.371-374; 33 United States Code §§1251 et seq. (Federal Water Pollution Control Act); 42 United States Code §§ 300f-300j-26 (Safe Drinking Water Act); 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 and 50-d
Strategy 02-02-02 **Economically Distressed Areas Programs**	Provide economically distressed areas access and connections to adequate water supply and/or wastewater treatment systems and/or indoor plumbing improvements.	Texas Constitution Article III, §§ 49-c, 49-d-7, 49-d-8, 49-d-9, Water Code §§ 6.011, 6.012, 15.401, 15.407, Chapter 15 (Subchapters A, B, C, L, P and Q); Chapter 16 (Subchapter J); Chapter 17 (Subchapters K, M)

TWDB History

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.

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. Additionally, Chapter II of the Laws of the First Called Session of the 57th Legislature, titled, "the Texas Water Planning Act of 1957" created a Water Resources Planning Division within the State Board of Water Engineers.

The statewide drought of record that lasted almost eight years ended, resulting in 244 our of 254 Texas counties being declared disaster areas.

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. An additional constitutional amendment added powers to the TWDB regarding the acquisition and development of storage facilities in reservoirs using the Texas Water Development Fund.

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).

1970
President Richard Nixon established the U.S. Environmental Protection Agency (EPA).

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. Four constitutional amendments were passed that 1) added $980 million in bond authorization for water, water quality enhancement, and flood control projects; 2) gave authority for the TWDB to create special funds in the treasury; 3) created a bond insurance program; and 4) authorized the TWDB to provide financial assistance to nonprofit water supply corporations.

1987
Congress established the Clean Water State Revolving Fund through the Clean Water Act Amendments of 1987, creating a permanent, state-administered financial assistance program for water pollution abatement projects.

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.

1996

Congress established the Drinking Water State Revolving Fund through the Safe Drinking Water Act Amendments of 1996, creating a state-administered financial assistance program for drinking water infrastructure projects.

1997

The 1997 State Water Plan was adopted as a consensus effort by the TWDB, the Texas Parks and Wildlife Department (TPWD), and the Texas Natural Resources Conservation Commission (now the Texas Commission on Environmental Quality or TCEQ).

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.

With enactment of SB 1, the Strategic Mapping Initiative was developed and the Texas Geographic Information Council (TGIC) was formed.

Sunset review resulted in passage of SB 312, which preserved existence of TWDB for 12 more years and mandated program changes. The TWDB revised all forms and procedures and adopted all necessary rules required to implement program changes mandated in SB 312.

2001

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.

The 77th Texas Legislature passed Senate Bill 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: the Water Infrastructure Fund and the Rural Water Assistance Fund. Senate Bill 2 also created the Texas Water Advisory Council, a 13-member organization of which the TWDB is a member.

Voters approved $2 billion in bond authorization under the Texas Constitution Amendment 19, Article III, Section 49-d-9.

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 Economically Distressed Areas Program was changed from a border initiative to a statewide program, thus providing more money to the program and removing the moratorium on new projects.

In 2005, with Executive Order No. RP-50, Governor Rick Perry created the Environmental Flows Advisory Committee, whose charge is to develop recommendations to establish a process that will achieve a consensus-based, regional approach to integrate environmental flow protection into the water allocation process while ensuring that human water needs are satisfied. The committee, made up of the TWDB, TCEQ, and TPWD representatives, examines relevant issues and makes recommendations for action and legislation concerning flow allocation to meet human and environmental needs at all times, including during drought conditions.

The legislature passed House Bill 1763, which requires groundwater conservation districts within groundwater management areas to establish desired future conditions of their relevant aquifers.

2007

The TWDB published its 2007 State Water Plan.

Congress passed the Water Resources Development Act of 2007, which, as passed, included provisions

to facilitate federal assistance in planning and developing water supply projects in Texas. Most notably, the Act authorized $40 million for the Texas Environmental Infrastructure Program to support implementation of water supply strategies prioritized by the TWDB.

Senate Bill 3 was passed, and historic actions on water conservation, environmental flows, and reservoir site designation were made. Unprecedented funding to implement water management strategies and state water plan requests were included in the state's House Bill 1 budget. In addition, the TWDB received $30.6 million over and above the agency's baseline for agency programs and administration and authority and funding to issue Water Infrastructure Fund bonds.

The National Flood Insurance Program was transferred from the Texas Commission on Environmental Quality to the TWDB.

Proposition 16, passed by voters in November, gave the TWDB $250 million in bond authorization, providing funding for the Economically Distressed Areas Program.

2009

Congress passed the economic stimulus package titled the American Recovery and Reinvestment Act of 2009 (ARRA). EPA awarded over $160 million in ARRA funds to the TWDB to help state and local governments finance improvements to water projects. EPA also awarded over $179 million in ARRA funds to the TWDB to help state and local governments finance improvement to wastewater projects.

81st Legislative Session:

House Bill 2275 created the Task Force on Uniform County Subdivision Regulation to ensure that statutory provisions are consistent and clearly achieve the goals of promoting uniform subdivision standards in unincorporated counties near the international border and in economically distressed counties.

House Bill 2374, passed by the 81st Legislature, allowed political subdivisions to provide financial assistance to residents in economically distressed areas for the cost of connecting to a public water supply, connecting yard water service, installing indoor plumbing fixtures, or connecting to a sanitary sewer system.

House Bill 3861 directed the TWDB to exercise the discretion available under Texas Water Code 16.135(1) to include revenues from a political subdivision not currently under contract with the Angelina and Neches River Authority to participate in paying the costs of the site acquisition stage of the Lake Columbia Reservoir project; or a political subdivision not currently under contract to purchase a portion of the water to be supplied by the project.

House Bill 4110 granted the TWDB the authority to purchase and sell promotional items to further the purposes and programs of the agency.

Senate Bill 1371 removed the requirement in current law that a colonia must consist of 11 or more dwellings if the TWDB determines the project will be beneficial and cost effective, thus removing a limitation on the number of small communities that may benefit from the program. The bill also allowed for a greater pool of sponsors, including political subdivisions, to be eligible for the program. Finally, Senate Bill 1371 allowed for advance financing, not to exceed 10 percent of the total grant, on a determination that participating utilities are sufficiently committed to actually providing service upon completion of the project.

Senate Bill 2312 clarified that entities eligible for other programs administered by the TWDB are also eligible to apply for financial assistance through the Water Infrastructure Fund, including nonprofit water supply corporations. It also removed a reference to an obsolete statutory reference and redefined "eligible political subdivision" to include nonprofit water supply corporations created and operating under Chapter 67 of the Texas Water Code and certain categories of districts, such as freshwater supply districts, special utility districts, and municipal utility districts, that had been excluded under the prior definition.

2011

82nd Legislative Session:

The Sunset Advisory Commission's review of the TWDB passed under Senate Bill 660. Provisions in the review included the elevation of the director of

the Texas Natural Resources Information System to the position of Geographic Information Officer for the state, the addition of Groundwater Management Area representatives to the regional water planning process, and the inclusion of an evaluation of progress made in meeting future water needs in the state water plan.

House Bill 3090 amended the Water Code to require retail public utilities that provide potable water and receive financial assistance from the TWDB to file an annual water audit. If the utility does not receive financial assistance from the TWDB, they must file an audit every five years.

SJR 4 was passed by the legislature and approved by voters as a constitutional amendment (Proposition 2). Proposition 2 authorized $6 billion in bonds as general obligation bonds on a continuous revolving basis. The TWDB now has the authority to issue bonds without repeated and costly constitutional amendments.

2012

The TWDB published its 2012 State Water Plan.

2013

The 83rd Texas Legislature made significant changes to the structure and business of the Texas Water Development Board (TWDB) in 2013. Most significantly, the legislature passed House Bill (HB) 4 and HB 1025 authorizing a one-time, $2 billion investment from the Economic Stabilization Fund to the SWIFT and the SWIRFT. Senate Joint Resolution 1 required that this investment be voted on and approved by Texas voters. Proposition 6, passed on November 13, 2013, creates and constitutionally dedicates the two new funds.

As part of the structural changes in HB 4, the governance of the TWDB was changed from a part-time, six member board to a full-time three member board. The legislation also created a special advisory committee to oversee the SWIFT and SWIRFT.

HB 857, which became effective September 1, 2013, changes the requirements for water loss audits by retail public utilities providing potable water. Prior to HB 857, annual water loss audits were required only for those utilities that were receiving financial assistance from the TWDB, while all other utilities were required to perform a water loss audit every five years. Utilities with over 3,300 connections are now required to perform and file with the TWDB an annual water loss audit. Smaller utilities who are not receiving financial assistance from the TWDB are required to perform and file a water loss audit every five years.

2014

The agency began the rule-writing process for the SWIFT in early 2014. The Board held three public stakeholder meetings in Austin to solicit comments and input before drafting the SWIFT rules. The board also held four work sessions around the state—in Conroe, Harlingen, Lubbock, and El Paso—to provide opportunities for more Texans to weigh in on the SWIFT.

On June 1, the regional planning groups submitted their draft prioritized lists of projects in the regional plans. On June 17, the agency posted its draft rules for the SWIFT and began the final comment period for SWIFT rules.

External/Internal Assessment

Overview of Agency Scope and Functions

Organizational Aspects

Fiscal Aspects

Service Population Demographics

Technological Developments

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Impact of Federal Statutes and Regulations

Legislative Changes

Self-Evaluation and Opportunities for Improvement

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External/Internal Assessment

Overview of Agency Scope and Functions

The Texas Water Development Board (TWDB):

- 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. Also provides subsidized loans to implement projects in the state water plan.
- 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.
- 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. In addition, TNRIS houses the Geospatial Emergency Management Support System (GEMSS) and works in coordination with EPA, FEMA and the Governor's Division of Emergency Management.
- Coordinates the acquisition and use of high priority imagery and data sets.
- Establishes, supports, and disseminates authoritative statewide geographic data sets.
- Supports public access to state geographic data and resources.
- Coordinates the National Flood Insurance Program (NFIP) within the state of Texas acting as a liaison between the federal component of the program and the local communities.

Organizational Aspects

Size and Composition of Workforce

FULL-TIME EQUIVALENTS

As of April 2014, the TWDB had 271 full-time equivalent employees (FTE). 312.8 FTEs were appropriated for fiscal year (FY) 2014 and 325.1 were appropriated for FY 2015.

RACE/GENDER

Per the 2013 Equal Employment Opportunity Report for September 1, 2012 to August 31, 2013, the TWDB workforce is broken down in the table below.

It is the intent of the TWDB to provide equal employment opportunity for all persons regardless of race, color, age, gender, religion, national origin, disability or veteran's status. Physical disability or

	Officials	Professionals	Para Professionals	Administrative Support	Technicians	Total
Total Employees	33	246	17	9	1	306
Caucasian Males	15	103	0	0	1	119
Caucasian Females	10	63	11	0	0	84
African Males	0	9	0	0	0	9
African Females	2	5	1	5	0	13
Hispanic Males	4	27	1	0	0	32
Hispanic Females	1	18	4	4	0	27
Other Males	1	14	0	0	0	15
Other Females	0	7	0	0	0	7
Total Males	20	153	1	0	1	175
Total Females	13	93	16	9	0	131

condition is not considered a factor in employment unless the specific job so warrants. Equal Opportunity is provided for all persons in the areas of recruiting, hiring, transfers, promotions, training, compensation, benefits, layoffs, and terminations. Vacancies are filled in accordance with agency job descriptions, State Classification system guidelines and legislative appropriations.

The figures from the Civil Rights Division of the Texas Workforce Commission do not single out a professional profile related to a specific discipline such as engineering or accounting, rather it is a composite of varied professional positions as determined by the FLSA designation. The TWDB employs many natural science and engineering professionals. Although increasing slightly, females and some minority groups continue to enter the natural sciences and engineering fields in lower proportions than Caucasian males. This accounts for the underutilization of these groups when compared to professionals in other organizations.

Each year, the TWDB evaluates the effectiveness of its affirmative action plan to determine if any modifications or policy changes are required. By careful analysis of hiring and retention practices, the TWDB can determine what specific activities were successful. The Director of Human Resources has been delegated overall responsibility for developing, coordinating and implementing an Affirmative Action Program and Recruitment Plan.

MANAGEMENT-TO-STAFF RATIO

The 78th Texas Legislature directed 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. The management to staff ratio at the agency as of the FY 2014 first quarter (April 2014) Management to Staff Ratio Report was 1:8. A primary reason for this ratio is the recent reorganization. Specifically, the agency's implementation of the "team" approach with regard to addresses planning and infrastructure needs on a regional basis. The agency continues to re-evaluate its current structure in an effort to comply with the 1:11 ratio. Human Resources works with the agency's leadership to continually assess the current management to staff ratio.

HUMAN RESOURCES STRENGTHS AND WEAKNESSES

The Human Resources division of the TWDB is comprised of the Director and one Human Resources Generalist, the Business Continuity Planning Coordinator, and Records Management. In its effort to provide the best possible service to the agency and staff, the HR Division performs the following functions:

- Ensures that employees of the TWDB receive the best possible combination of employee benefits;
- Ensures the salaries paid to TWDB employees

are competitive in a relative job market;
- Provides TWDB employees opportunities for professional development through effective training programs available not only in-house but through the use of third-party providers and consultants;
- Maintains accurate and complete personnel records;
- Is responsive to questions and concerns of employees regarding all aspects of their employee/employer relationship;
- Strives to provide well-qualified applicant pools representing a broad cross section of the community from which the TWDB may assemble a high quality and diverse workforce;
- Ensures compliance with all internal and external human resource rules and regulations under which the TWDB is required to operate;
- Uses available technology to make services more responsive and accessible to TWDB employees.

The current Human Resources staff is trained and experienced with one staff member certified as a Professional in Human Resources (PHR).

The TWDB's turnover rates have fluctuated in the past decade. The TWDB turnover rate in 2011 was 22.5 percent compared to the statewide percentage of 16.8 percent. This was due primarily to a reduction in force that occurred in August 2011. Typically, rates have lagged behind the statewide average. TWDB's turnover rate in 2012 was 12.2 percent compared to a statewide average of 17.3 percent. For 2013, the turnover rate was 11.6 percent compared to a statewide average of 17.6 percent. As of May 2014, the agency has had a 16.2 percent turnover rate in FY 2014.

The recovery in economic conditions has contributed to TWDB's turnover rate for FY 2014. Comprised of highly trained and diverse staff, the TWDB workforce is often sought after by the private sector or other state agencies for recruitment.

Other factors such as loss of institutional knowledge due to attrition and an aging workforce continue to put the agency at risk for maintaining a qualified workforce for the future. Most difficult to recover is the loss of tacit knowledge, known to few workers and not available in procedures and training manuals.

Still, an aging workforce continues to be of great challenge to the TWDB. With expected retirements in the next few years, the TWDB has to ensure that remaining staff are quickly developed so that the agency will be able to continue running its operations.

As the workforce ages, it is important for the agency to develop a proactive approach with regard to staff development to ensure that critical skills are adequately replaced. With over 32 percent of TWDB staff eligible to retire in the next 5 years, the TWDB has to ensure that staff are quickly developed so that the agency will be able to continue administering its programs.

In anticipation of this, the agency has developed a succession planning program to enhance its existing retention efforts. The TWDB succession plan will prepare the agency for risks associated with the loss of knowledge that is critical to fulfilling the TWDB's mission. The implementation of this plan allows the agency to identify, develop, and transfer knowledge to employees who become highly qualified and capable of filling key positions or performing critical functions as individuals leave the agency. The succession plan document provides management with a tool to do so. The process for succession planning is put into action at the director and manager levels, through the agency's annual performance plan and appraisal process. By placing development elements in performance plans, managers can evaluate the performance of both the person in the key position as well as possible replacements. Managers can discuss advancement opportunities during annual evaluations and update plans to include development elements. Other new initiatives have been put in place to further the professional development of staff such as identifying career ladders, implementing effective training programs and promoting an Aspiring Leadership Program that recognizes emerging professionals and prepares them for management roles with the agency.

Additionally, the agency will also continue to host summer interns in conjunction with the Mickey Leland Environmental Internship Program, which

is administered by the Texas Commission on Environmental Quality. In 2014, the TWDB received 230 applications for 10 internship positions, the most the agency has ever received.

Organizational Structure

TEXAS WATER DEVELOPMENT BOARD MEMBERS

The TWDB is governed by a three-member full-time Board appointed to staggered terms by the Governor. The Board considers financial assistance applications from eligible applicants, award grants for water-related research and planning, sets agency policy, partakes in outreach and education activities around the state, and conducts other TWDB business.

AGENCY STRUCTURE

The agency is structured into executive administration and five separate program areas, each led by a Deputy Executive Administrator. The program areas and their respective divisions are as follows:

Internal Audit – Reports directly to the Board

Executive Administration
- Executive Administrator
- Office of General Counsel – Reports directly to the Board members and Executive Administrator

Finance
- Accounting
- Budget
- Debt and Portfolio Management

Governmental Relations and Agency Communications
- Governmental Relations
- Agency Communications and Outreach

Operations and Administration
- Human Resources
- Information Technology
- Support Services and Contract Administration
- Texas Natural Resources Information System

Water Science and Conservation
- Conservation and Innovative Water Technologies
- Surface Water Resources
- Groundwater Resources

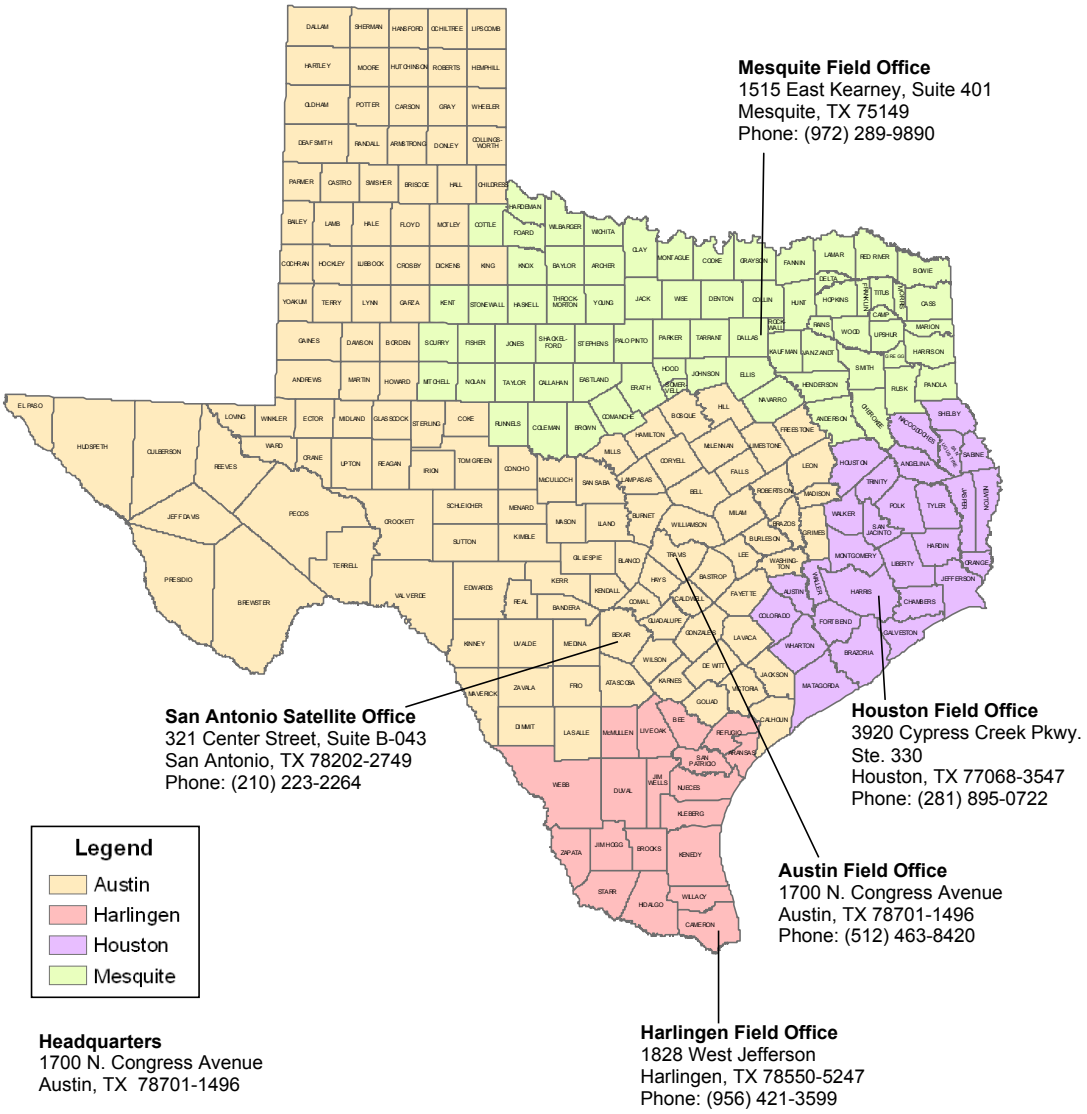
Water Supply and Infrastructure
- Regional Water Planning and Development
- Program Administration and Reporting
- Water Use, Projections, and Planning

Member Name	Term/Appointment Date	Qualifications
Carlos Rubinstein	9/1/13-2/1/17	Chairman
Bech Bruun	9/1/13-2/1/19	Member
Kathleen Jackson	3/18/14-2/1/15	Member

Geographic Location

The main office of the TWDB is located at 1700 N. Congress Ave., in the basement and on the fifth and sixth floors of the Stephen F. Austin Building. Although the majority of the TWDB's employees work at this location, they serve as points-of-contact to our stakeholders statewide and regularly attend meetings and speaking engagements outside of Austin.

In addition, the TWDB has field offices in Austin, Harlingen, Houston, Mesquite and San Antonio. Staff members in the field offices provide technical assistance and outreach for the construction site inspection program. There are 12 employees in agency field offices. TWDB will add one staff member to a new field office in Lubbock during July 2014 to provide technical assistance and outreach to West Texas and the Panhandle.



Locations of TWDB field offices as of June 2014.

Capital Assets

Capitalized assets are defined by the state as assets with an initial cost meeting the thresholds established by the Comptroller's office and with 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. The TWDB property manager is ultimately responsible for all agency assets. However, the agency assigns capital 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 capital assets are continuously tracked, updated, and reported through the State Property Accounting System. As of March 31, 2014, the Board has $33,814,250 in capitalized assets which have been depreciated by $20,529,712. Examples of capitalized assets at the TWDB are vehicles, boats, water meters, other equipment and software.

Historically Underutilized Businesses

A Historically Underutilized Business (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.

The state of Texas HUB program is designed to facilitate the participation of minority and women-owned businesses in state agency procurement opportunities. All state agencies are required to make a good-faith effort to include HUBs in their procurement opportunities. The program is composed of various initiatives designed to produce full and equal participation by minority and women-owned businesses in the state's procurement process.

HUB INITIATIVES

The TWDB fully understands the goals of the statewide HUB program and is committed to providing increased opportunities for HUB participation in all TWDB expenditures. In October 2013, the Board updated the agency's investment and debt management policies to reaffirm their commitment to making a good-faith effort in including HUB firm participation. The TWDB will strive to achieve its goal of at least 33 percent HUB participation in both investment activity and the establishment of the underwriting team.

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;
- Participation and attendance at Economic Opportunity Forums, where economically feasible;
- Collaboration and communication among the TWDB's staff involved with procurements and contract awards;
- Improvements to the TWDB's website to provide notification of current procurement opportunities and updated links to HUB search resources;
- Increasing the utilization of the HUB and Centralized Master Bidder's List in TWDB procurement activities;
- Emphasizing and increasing outreach and marketing efforts to educate current HUB vendors on specific TWDB procurement opportunities;
- Assisting interested HUB vendors with the state's HUB certification process.

It is notable that the TWDB forecasts a considerable increase in HUB expenditures for the professional services category for the remainder of Fiscal Year 2014 and future years going forward. The projected increase is the result of concerted efforts of the Board and the selection of new underwriter, bond counsel and financial advisory firms during the Spring of 2014 that are registered HUBs for the State of Texas.

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

HUB Goals

Goal	Historically Underutilized Businesses
	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.
First Objective	**To make a good faith effort to meet or exceed the statewide HUB goals in all applicable procurement categories.**
Strategy	**Implement good faith efforts to identify, solicit, and utilize qualified HUBs in all applicable TWDB procurement and contracting opportunities.**
Output Measure	1. Percent (%) of total combined dollar value of procurements, contracts, and subcontracts awarded to HUBs reflected in the semiannual and annual HUB reports.
Strategy	**Participate in economic opportunity forums and other outreach/educational efforts to inform the public about contracting opportunities with the TWDB.**
Output Measure	1. Number of forums attended and number of direct contacts made with HUBs.
Strategy	**Identify subcontracting opportunities in all TWDB procurements that meet the established criteria for requiring HUB subcontracting plans.**
Output Measure	1. Percent (%) of TWDB contracts that equal or exceed $100,000 that have documented compliance with the state's HUB subcontracting plan requirements.

HUB Activity

Fiscal Year	Total Board Expenditures	Total Expenditures with HUBs	HUB Expenditure Percentage
FY2012	$5,772,838	$473,973	8.21%
FY 2013	$4,688,291	$926,582	19.76%
FY 2014 (as of May 2014)	$3,483,421	$419,100	12.03%

Use and Anticipated Use of Consultants

The TWDB uses consulting services intermittently. These services are only used when there is a significant need and when agency staff or another agency is unable to perform the service. The TWDB has relied upon the use of consultants in the areas of human resources, finance, legal consultation, water resources analysis, information technology systems development and engineering design review.

As required by the state of Texas purchasing 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 uses 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.

Recent changes in organizational structure have allowed the TWDB to better serve many program areas that were relying on contractors, by providing permanent staff. However, the TWDB anticipates continued use of consulting services throughout 2015-2019 to help achieve our mission.

Fiscal Aspects

The 83rd Texas Legislature brought several significant changes to the operations of the TWDB. The Board went from six part-time volunteer members to three full-time paid members. The legislature authorized, with voter approval, the transfer of $2 billion from the Economic Stabilization Fund (also known as the Rainy Day Fund) to the newly-created SWIFT. The legislature also created a second fund called the SWIRFT.

For the 2014-2015 biennium, the TWDB was appropriated $2,128,356,592, which includes $2 billion from House Bill 1025. This supplemental appropriations bill authorized the transfer of $2 billion from the Economic Stabilization Fund to the SWIFT. The overall budget for fiscal year (FY) 2014 is $2,066,874,114 and for FY 2015 the budget is $61,482,428 as identified in the General Appropriations Act (GAA). The totals by method of finance for the biennium are $53,422,980 in general revenue, $55,668,500 in federal funds and $2,019,265,112 in other funds for a total of $2,128,356,592. The agency is authorized 325.1 full-time equivalents (FTE) for FY 2015.

As a result of legislative reductions, approximately 20 FTEs were moved from general revenue to Texas Water Resources Finance Authority (TWRFA) funding. The balance of the TWRFA fund is being depleted and is not a viable source of funds. Using the TWRFA account cannot be a long-term funding solution. The agency will need to find a more secure funding source in the future. If alternate funding is not provided, it will greatly impact the agency's ability to perform critical functions. Also, for the 2014-2015 biennium, TWRFA funds were used for match for federal grants.

The TWDB was appropriated funding for capital projects in the 2014-2015 General Appropriations Act. They are outlined in the following table.

Category/Project	2014 Appropriation	2015 Appropriation
Construction of Buildings and Facilities		
Office Space Retrofit	50,000	102,330
Acquisition of Information Resource Technologies		
PC and Server Purchase	68,127	76,677
Texas Water Information System Expansion (TxWISE)	156,160	156,160
Water Information Integration and Dissemination Project (WIID)	139,762	139,762
Online Loan Application System*	325,000	
Data Center Consolidation		
Data Center Consolidation*	1,611,140	2,075,590
Total	2,350,189	2,550,519

*A new capital project for the Online Loan Application System was created by reducing the Data Center Consolidation (DCC) project by $325,000 and moving the funds to the new project. The new capital project was created under Article IX Section 14.03. The TWDB anticipates transferring additional funds from the DCC project to the Online Loan Application System in 2015.

Service Population Demographics

AFFECTED POPULATIONS

In fulfilling its mission to provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas, the TWDB serves all citizens of Texas in addition to an array of customers throughout Texas including but not limited to:

- counties
- municipalities
- industries
- agriculture
- environmental interests
- small business
- higher education
- the energy sector
- river authorities
- regional water planning groups
- water districts
- groundwater management areas
- water utilities

Today, Texas remains one of the fastest growing states in the nation. Rapid growth, combined with the state's susceptibility to severe drought, makes managing current water supplies and planning for future water supplies a crucial endeavor. Without abundant and reliable water supplies, Texas could face serious social, economic, and environmental consequences, not only in our large metropolitan cities, but also in rural areas. As the state continues to grow, water providers and water resource managers are finding it increasingly difficult to meet growing water demands. As a result, water has emerged as a key issue in nearly every legislative session. With the implementation of the SWIFT and SWIRFT, focus in the near future will be on how well the TWDB can use this fund to serve all of its customers.

Recent legislation related to water has expanded the breadth and size of the TWDB's service populations. Keeping up with legislative mandates intended to ensure that Texas has the water it needs to remain as one of the nation's largest and most robust economies, and one of the most geographically and culturally diverse states in the nation has posed challenges for the agency. Despite budgetary limitations, the agency must continue to provide financial assistance, data, science, planning, administration and management to our expanding customer base.

Financial Assistance

The TWDB provides financial assistance to customers via grants and loans for water projects. The 2012 State Water Plan identified $53 billion in capital costs for the water supply projects recommended to meet the state's water needs over 50 years, with state financial assistance requested for projects costing $26.9 billion. The SWIFT was established to help meet those needs. In the near future, the TWDB customer base will be broadened, as new entities will be attracted to the new financial assistance offered through SWIFT.

Meeting the state's needs that fall outside the realm of water supply – water treatment and distribution, wastewater collection and treatment, and flood control – will also come at a significant cost, indicating continuing and potentially growing demand for other agency financial programs – the Clean and Drinking Water State Revolving Funds, Development Fund, Economically Distressed Areas Program, and Federal Emergency Management Agency funding, among others.

In recent years, legislative changes have changed the eligibility determination which expanded the scope of customers eligible for the TWDB's Economically Distressed Areas Program (EDAP). Historically, while other counties were eligible, the EDAP focused on counties and colonias along the Texas-Mexico border. However, the passage of House Bill 1875 (78th Texas Legislature) expanded the TWDB's ability to provide assistance to other disadvantaged communities, small, and rural communities throughout the entire state by removing county-wide requirements. As always, counties must adopt Model Subdivision Rules in order for an economically distressed area to qualify for EDAP funding.

State and Regional Water Planning

The Water Use, Projections, and Planning division of the TWDB provides planning, project management, contract management and technical assistance to the 16 Regional Water Planning Groups who formulate local water management strategies to ensure that Texas will have adequate water supplies in the future. In addition to providing technical and administrative assistance, planning has taken on a much greater role in data management and dissemination to its customers. To effectively manage and plan for the state's current and future water supplies, water providers and water resource managers need reliable, comprehensive and current data regarding all aspects of historical and projected water use in the state and historical and projected water availability.

The past two legislative sessions have seen new laws requiring more detailed reporting of water use by individual cities and utilities, as well as streamlined reporting contributing to multiple programs, which will result in more specific data that will benefit planning and water conservation programs. The TWDB is the state's lead agency for providing this type of information and continues to significantly improve the collection and dissemination of water data utilizing Internet information technology applications that will greatly facilitate the availability and exchange of water resources data in Texas.

Groundwater Resources

The Groundwater Resources division serves customers through three core services: monitoring of groundwater levels and water quality, groundwater technical services for groundwater conservation districts, and groundwater availability modeling of regional aquifers to support availability studies. These customers include managers and technicians of groundwater conservation districts, hydrologic consultants to regional water planning groups, districts and municipalities, groundwater resource developers, and private well owners.

Customers of the Groundwater Resources division will increase as water planners continue to evaluate groundwater resources to supplement future supplies and as more groundwater districts are created in the eastern, northeastern, and southern areas of the state. While recent legislative and judicial actions will result in increased interest in groundwater science, there will be a significant challenge to meet the increasing demands for the program.

Surface Water Resources

The Surface Water Division collects, analyzes, and provides the surface water-related data necessary to aid water resources planning and management efforts and 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, regulatory agencies, 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 surface water data, including lake hydrographic survey data, are published. As much of the data as possible are made available to TWDB's customers, partners, and other interested parties via the agency website. The 80th Texas Legislature placed considerable emphasis on water needs for the environment. One of its major accomplishments in this area was the establishment of a basis-by-basin stakeholder driven process to address in-stream flow requirements in rivers and streams. Scientists and managers who specialize in surface water resources at the TWDB are heavily involved in the process.

Water Conservation

Recent legislative sessions have seen new legislation that reflects the state's growing interest and need for water conservation and for the use of innovative water technologies. These have included measures requiring a greater emphasis on conservation strategies in regional water plans, legislation requiring water utilities to conduct water loss audits and later expanding the number of utilities subject to the audit requirement, educating Texans about the importance of conservation, and creating an advisory council to deal with statewide issues around water conservation.

Additional legislation required water utilities with more than 3,300 customers to submit water conservation plans to the TWDB. Lawmakers also authorized that the TWDB's water assistance fund can be used for grants for water conservation initiatives. Entities seeking funding from any of the TWDB's programs such as Development Fund or Drinking Water State Revolving Fund will be required to use loan proceeds to reduce water loss if above the acceptable water loss threshold. The agricultural water conservation program has also been expanded to allow increased funding for grants and loans. These legislative changes combined with an increasing awareness of water conservation on the part of the public, business and industry means that the TWDB may experience an increase in the number of municipal water suppliers and other public subdivisions requesting technical and financial assistance, and a greater demand from the general public (such as homeowners, farmers, teachers) for technical information on water conservation measures and programs.

HISTORIC AND CURRENT POPULATION CHARACTERISTICS

From the beginning, Texas has been a rapidly growing state. The Texas population has grown at a greater rate than the United States population in every decadal census since the Texas population was first counted in 1850. In the most recent decade (2000-2010), the Texas population grew by 20.6 percent, compared to 9.7 percent growth of the U.S. population. Today, approximately one of every 12 residents of the United States is a resident of Texas.

In the decade between 2000 and 2010, Texas became a "majority minority" state. Non-Hispanic whites were 45.3 percent of the Texas population in 2010, down from 52.4 percent in 2000. The state's Hispanic population grew to 37.6 percent of the total in 2010, and accounted for 65 percent of the state's population growth in the decade. Even more striking is the change in population of the under-18 age group. The non-Hispanic white population in this age group declined by 7.4 percent, and accounted for just over one-third of the total population under age 18. By contrast, the Hispanic under-18 population grew

by 39 percent and now accounts for nearly half of the state's under-18 population. Hispanics accounted for 95 percent of the growth in this age group between 2000 and 2010.

Overall the Texas population is generally younger than the U.S. population as a whole. 27.3 percent of the Texas population is age 18 or under, compared with 24 percent of the U.S., while only 10.3 percent of the Texas population is age 65 and over, compared with 13.1 percent of the U.S. population.

The educational attainment of the population is important because there is generally a close relationship between education, employment and earnings. While 26.4 percent of the Texas population age 25 and over has a Bachelor's degree or greater (which ranks 30th among the states), only 81.1 percent has a high school diploma or equivalency or greater, tied with California and Mississippi, ranking last among the states. Continued growth of the Texas economy, resulting in citizens with income levels sufficient to be willing to invest in water supply infrastructure, will depend heavily on the future educational attainment in the state.

FUTURE POPULATION TRENDS

If future migration rates are equivalent to those observed between 2000 and 2010, Hispanics will account for 70 percent of the state's population growth between 2010 and 2050, while whites would account for about 2.7 percent of the growth. At lower migration rates, the difference would be even more pronounced. If migration occurs at only half the rates of the 2000-2010 decade (an assumption generally recommended for long-term planning purposes and the basis for the state water plan population projections in a majority of the counties), the white population would decline slightly, while Hispanics would account for nearly 80 percent of the total population growth. And if there were no migration (meaning population change due to births and deaths alone), the white population would decline by 5.5 percent, or about 630,000 people. Hispanics would account for 97.4 percent of population growth.

Regardless of the migration scenario, the Texas population is expected to generally become somewhat older in the future. At migration rates equivalent to 2000-2010, the percent of Texans aged 65 and over would increase from 10.3 percent in 2010 to 15.8 percent in 2030 and 16.9 percent in 2050. The 18 and under population would decline, from 27.3 percent in 2010 to 24.9 percent in 2030 and 24 percent in 2050.

Technological Developments

The TWDB relies on information technology to facilitate customer service; disseminate comprehensive financial, water resources and water planning data; and streamline internal program operations. The ability of the TWDB to collect, manage and disseminate the most relevant data has a direct impact on the capacity of agency stakeholders to make effective decisions regarding economic development, infrastructure investment, water and natural resource management, and public health and safety.

The TWDB is significantly invested in the collection, integration and dissemination of water resources and planning data for the state. The agency collects and analyzes multiple, disparate water resources and planning data sets and presents that information via the web through reports and geospatial tools. Geospatial tools are integrated into several of the agency's water data and information portals, making it easier for customers to access and understand the extensive information maintained at the TWDB.

The agency also has a major stake in successfully developing and implementing Geographic Information System (GIS) technology. The state Geographic Information Officer resides at the agency and is responsible for guiding the planning, collaboration and implementation of a centralized, statewide geospatial processing and mapping platform for government data and maps. Agency staff continually develops GIS functionality to support the TWDB, other state agencies, federal agencies, local and regional governments, and the public.

Impact of Anticipated Technological Developments

Technological developments provide new opportunities to improve customer service, enhance data transparency and streamline internal processes. However, there are also challenges with these new developments including the expanded volume of data and the increased ability to access agency systems externally.

Moving forward, the TWDB will focus on implementing the "Top 10 Technology Priorities" outlined in the 2014-2018 State Strategic Plan for Information Resources Management published by the Texas Department of Information Resources for new and existing systems to ensure that technological advances have both a significant and positive impact on the agency and its customers.

Degree of Agency Automation

Automation is central to the information technology efforts of the TWDB. Several application development projects are currently underway to consolidate redundant agency systems, improve user experience and enhance the collection of mission-critical agency data through the use of automation. In addition to these projects, websites such as www.waterdatafortexas.org and www.texasstatewaterplan.org provide access to real-time and geospatial presentations of data, allowing the end user to customize what data they view. The Texas Natural Resources Information System division website, www.tnris.org, provides added customer value by automating such things as custom selection and downloading of digital data and ordering maps.

The TWDB continues to increase the delivery of agency data and information through its multiple websites. Another example of enhancing our customers' experience through automation is by our partnership with an outside vendor to transfer the management of the live-stream broadcasts of agency Board meetings. This vendor works with other state agencies and the partnership has streamlined the presentation of current and archived Board meeting videos on the web.

Anticipated Need for Automation

The TWDB's ability to maintain high-quality customer service is dependent upon new technological advancements and the agency's capacity to adopt these innovations. The expectations end users place on government response will only increase as the availability, access and relevance of information available through the Internet increases. The TWDB is committed to adopting relevant technological advancements to improve its customer service delivery.

Economic Variables

Demographic and Economic Growth

Demographic and economic growth is a fundamental driver of the agency's various programs. With growth comes greater demands for the state's natural resources, including water, and unlike some commodities, creating new water supplies is a capital-intensive effort that can take many years of planning and development.

Texas is one the nation's fastest growing states. From 1950 to 2010, population in the state grew from just under 8 million to more than 25 million. According to TWDB projections, the number of people living in Texas will reach 33 million by 2030 and 46 million by 2060. Most growth is expected to occur in the Rio Grande region and in large 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 and largest economies. With an annual gross state product valued at roughly $1.3 trillion, the state's economy is comparable in size to that of Mexico, Australia, and Spain. Over the next 30 years, Texas' economy is forecast to more than double.

Many important industries in the state rely heavily on water. For example, agriculture, which consumes about 60 percent of available water, remains a major consumer, as are many manufacturers such as petrochemical refineries and food processors. New industries have also flourished in Texas in recent decades, particularly computer manufacturers and biotechnology, both of which require large quantities

of high-quality water. Another critical component of the state's economy is the energy sector. Energy and water are connected in many ways. Power generation requires substantial amounts of water to disperse excess heat created during the thermoelectric generation processes that accounts for about 90 percent of Texas' electricity.

As Texas grows, electricity use will rise, and, thus, demands for cooling water will grow as well. Hydraulic fracturing, a major component in the recent growth of the Texas economy, uses only a small amount of water on a statewide basis (less than 1 percent of the state's total water use), but can represent a significant portion of the water used in some specific locations. Finding ways to balance the water needs of the energy sector with those of agriculture, industry, cities, rural areas, and the environment will become increasingly challenging, and TWDB data, research, and planning will be instrumental in this effort.

Rapid growth combined with Texas' susceptibility to drought makes water supply a crucial and ever-growing issue. One of the most pressing concerns of policy makers 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.

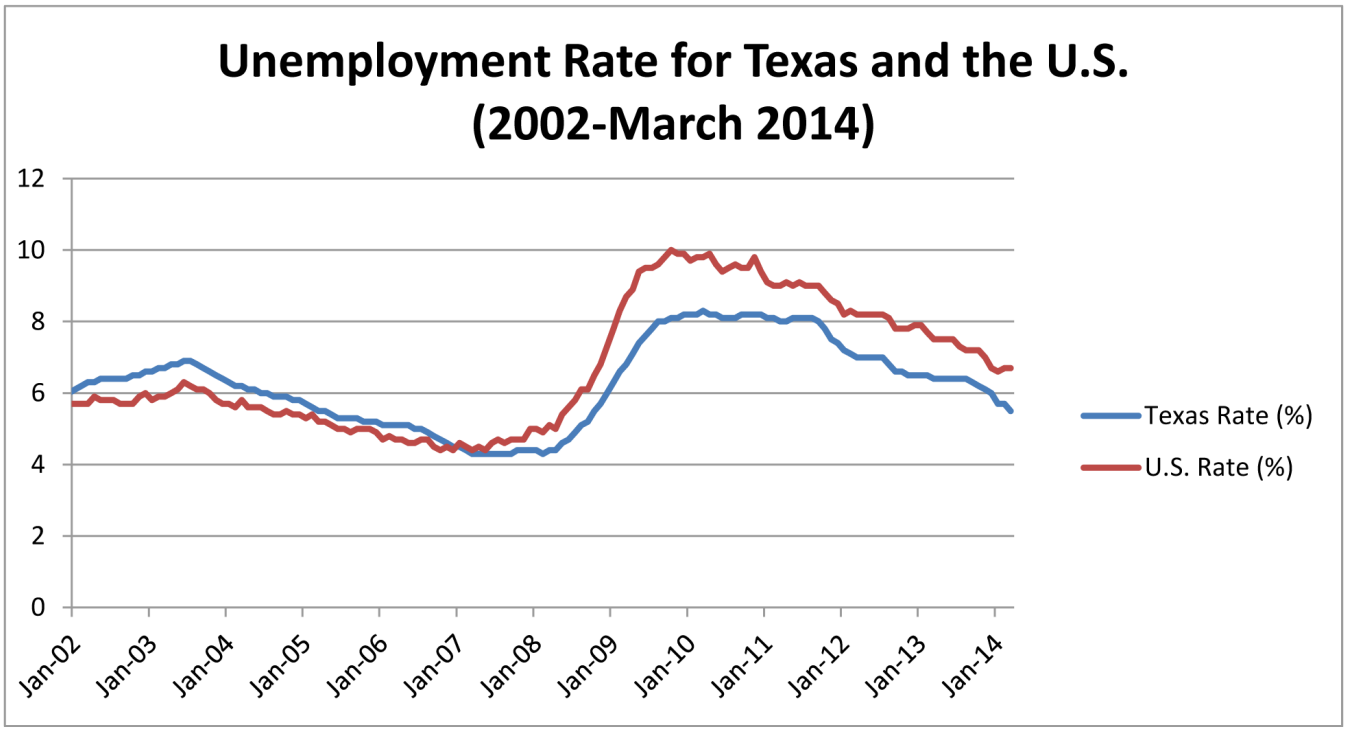
Impact of Global and National Economic Conditions on Agency Programs

Beginning in 2007, a sustained period of widespread financial instability hit the national and global economy and led to a major recession. For the country as a whole, it has been considered the most severe period of economic hardship since the Great Depression of the 1930s. During the ensuing years, the US economy experienced four consecutive quarters of contraction, rising levels of unemployment, a pronounced downturn in the stock market, and localized severe collapses in housing markets.

At the outset of the recession, Texas was not hit as hard as other parts of the country. The state was insulated by record high oil and gas prices and by strong growth in its export markets due to a weakened dollar. Eventually, however, the widespread global downturn depressed the demand for Texas oil and gas and other export products, and the state began to feel the effects. In 2010, unemployment in Texas rose to its highest level in 22 years, when it peaked at 8.2 percent. Growth also slowed considerably in the state, though not as severely as the national average. Since 2011, the state and national economies have slowly rebounded, and it appears as though a feared "double-dip" recession has been avoided. Both in Texas and nationally, unemployment is steadily declining and growth is moving in a positive direction.

The changes in the economy directly impacted agency programs. During the past few years, there was less interest in receiving financial assistance since many communities did not want to incur additional debt, or raise water rates to support debt with a slumped economy. If projects were not chosen to receive the very limited amount of grant or principal forgiveness funds the agency offered, then oftentimes communities would table their plans and try again for grant or principal forgiveness the next fiscal year. Additionally, many positions were lost in the agency in 2011 due to a reduction in force, therefore making it more difficult to accommodate all of the communities in need of technical and financial assistance in a timely and sufficient manner.

More recently, as the economy improved, the agency documented an increase in applications for financial assistance for multiple reasons. First, with a more positive economic outlook, communities are more willing to issue debt. Second, many communities are not willing or able to wait any longer to make necessary infrastructure upgrades or expansion due to the increase in population growth



and continuing drought. Population growth has led to the need to develop additional water sources to accommodate industry and residential population. The drought has reduced the sufficiency of existing sources and communities are looking for additional source water to serve their existing and expected future demand.

As the economy continues to strengthen, and Texas continues to experience a significant amount of growth, providing sufficient water and wastewater services will remain a top priority. Looking forward, the agency will work to address that priority by diligently working with the regional water planning groups to complete the State Water Plan; through implementation of SWIFT and other funding programs to offer significant funding opportunities to address infrastructure development, replacement, and growth; and by providing additional expertise in water science and technology through water conservation, reuse, desalination, groundwater, mapping, agriculture and flood.

Impact of Federal Statutes and Regulations

Historical Role

The TWDB continues to maintain a strong presence at the federal level, with a focus on proactive communication and coordination with federal agency partners and the Executive and Legislative branches of the federal government in regards to a broad range of water-related policy issues. The TWDB's interaction at the federal level is structured, proactive, and targeted in order to derive greater benefits for water resources management, planning and development in Texas.

Historically, the TWDB's primary interaction at the federal level was in regards to the State Revolving Funds. The Clean Water State Revolving Fund (CWSRF) was created in 1987 to establish a state-administered financial assistance program for water pollution abatement projects. The CWSRF is capitalized through annual grants from the U.S. Environmental Protection Agency (EPA) and

supplemented by state funds to provide low-interest loans to improve wastewater infrastructure systems throughout Texas. The TWDB was instrumental in developing a sustainable and effective program by collaborating with EPA on program structure, rules and policies.

Similarly, the Drinking Water State Revolving Fund (DWSRF) was created in 1996 to establish a state-administered financial assistance program for drinking water projects. The DWSRF is capitalized through annual grants from EPA, and also supplemented by state funds. The DWSRF provides low-interest loans and grants to ensure that drinking water systems comply with federal Safe Drinking Water Act requirements.

Federal financial assistance has helped to increase funding available under the SRFs, but during this period the volume and complexity of federal laws, rules and administrative requirements for developing water and wastewater projects also increased, in some instances disproportionately to the benefits of larger programs. Regulatory and permitting requirements increased the burden placed on state and local entities' ability to plan, design and construct water-related projects.

Current Federal Activities

The TWDB continues to actively participate in the deliberation of water policy issues at the federal level. Currently, the TWDB coordinates efforts on a broad range of issues with the following federal partners:

- U.S. Environmental Protection Agency
- U.S. Army Corps of Engineers (USACE)
- Federal Emergency Management Agency
- U.S. Department of Agriculture (USDA)-Natural Resources Conservation Service
- U.S. Department of Interior (DOI)-Bureau of Reclamation
- DOI-United States Geological Survey
- U.S. Army/Assistant Secretary of the Army for Civil Works
- USDA-Rural Development
- National Oceanographic and Atmospheric Agency
- North American Development Bank

The TWDB also works closely with offices of the Texas congressional delegation, as well as key congressional committees, to ensure that Texas' interests in water resources policy are thoroughly considered. Texas congressional offices often consult with the TWDB on water policy issues.

In addition, the TWDB co-sponsors Texas Water Day in collaboration with the Texas Water Conservation Association. Texas Water Day was created for Texas water professionals to brief the Texas congressional delegation on priority water policy issues. Held annually since 2005, Texas Water Day has grown considerably, and attracts over 150 Texas water professionals, federal agency leaders, and members of Congress and their staff members.

The TWDB participates in membership meetings, conferences and symposia of a variety of water organizations whose focus includes federal issues, including the Western States Water Council, Council of Infrastructure Financing Authorities, National Waterways Conference and the Alliance for Water Efficiency. The TWDB joins with these groups on advocacy efforts at the federal level, and also helps to plan and conduct national and regional conferences and workshops on key issues, such as groundwater management, water resources planning, flood mitigation, streamgaging, digital mapping and infrastructure financing.

The TWDB is developing relationships with other states to comment on issues of mutual interest. The TWDB partnered with the Association of California Water Agencies to submit comments to President Obama on the Administration's revision to federal water resources planning principles and guidelines. The TWDB has also collaborated with the Oklahoma Water Resources Board to protect the interests of the states in administering the SRF programs.

The TWDB has also partnered with the Western States Water Council to seek administrative, regulatory and statutory improvements in interacting with the U.S. Army Corps of Engineers civil works functions. The TWDB also meets periodically with the U.S. Army and Corps of Engineers leadership to discuss water supply issues.

The TWDB continues to monitor and communicate with federal partners and Congress on

a variety of other issues, including but not limited to the following:

- Improving processes and coordination on permitting for state water plan projects
- Making private activity bonds more accessible for financing of water and wastewater projects
- Protecting state primacy over water
- Obtaining financial and technical assistance on drought response and investigation of innovative water technologies and techniques

Finally, the TWDB is continuing its focused attention on the administration of the SRFs as Congress seeks to reduce the federal deficit by cutting federal expenditures. One potential target of Congressional cuts is the SRF capitalization grant funds that have not yet been expended, known as Unliquidated Obligations (ULOs). The ULO issue has caused a significant increase in EPA oversight of SRF management at a time when federal requirements for the programs have also increased. Administration of the SRFs has become much more complex and some of the new requirements have made it more difficult to achieve the mission of the program. The TWDB will continue to proactively manage the SRFs to minimize the impact and maximize the benefit to the citizens of Texas. As a demonstration of this effort, the Board held a work session meeting on January 13, 2014, that included leadership of the Environmental Protection Agency and the Texas Commission on Environmental Quality to discuss and agree to a formal strategy that addresses reduction of the Texas ULOs.

Impact to Agency and Service Populations

The continuing trend at the federal level points to more federal directives and greater federal control over various aspects of water resources planning, management and development. Anticipated federal actions could have very significant impacts on the TWDB, its stakeholders and the state of Texas. The TWDB is fully engaged at the federal level to ensure that Texas and the states have a strong voice on policy and legislative issues.

The Executive and Legislative branches of the federal government have produced legislation, rules and directives to shift control of water resources issues away from the states and towards federal agencies. The EPA and the USACE have proposed a federal rule intended to clarify which water bodies are subject to Clean Water Act (CWA) jurisdiction. Following the U.S. Supreme Court decision in Solid Waste Agency of Northern Cook County v. U.S. Army corps of Engineers, 2001, and United States v. Rapanos, 2006; there have been different views about jurisdiction under the CWA. In response, the EPA and USACE prepared the proposed rule, which is intended to re-define the phrase "waters of the United States" for purposes of determining jurisdiction under the CWA. The rule in fact seeks to expand the federal government's jurisdiction under the CWA. The rule was proposed on April 24, 2104, and the public comment period for it is expected to close during October 2014.

The Water Resources Development Act of 2007 requires the Secretary of the Army to revise the principles and guidelines used to formulate, evaluate and implement water resources projects carried out by the USACE. After an initial draft revision by the Secretary in 2008, the task of revising the principles and guidelines was taken over by the Council on Environmental Quality. The Council on Environmental Quality (CEQ) issued a draft revision (now called Principles and Requirements) for comment on December 3, 2009, which provide greater control over water resources projects to federal agencies, with a greater relative focus on environmental considerations (including non-monetary factors) over economic benefits and a preference for non-structural solutions. The CEQ released a final set of Principles and Requirements in March of 2013. This revised document expands the factors to be considered in planning and expands the number of federal agencies that must comply with the Principles and Requirements to include the CWSRF and DWSRF programs of the EPA.

In addition to the Principles & Requirements, the CEQ released new draft Guidelines. Once finalized, the Guidelines will lay out the detailed methodology for federal agencies to follow in conducting implementation studies under the new Principles and

Requirements. When the Guidelines are finalized, each agency will update its procedures as needed to apply the new Principles and Requirements to their agency-specific programs. As of May of 2014, the draft Guidelines had not been finalized and the EPA has not released its program specific revised procedures.

The Sacramento – San Joaquin Valley Water Reliability Act (H.R. 1837) would set aside Section 8 of the Reclamation Act of 1902 and preempt California state water law setting requirements for protection of the San Joaquin River. The bill sets a dangerous precedent in regards to state primacy over water resources. This weakening of the deference to state water law is a direct threat to water rights and water rights administration in all of the western states.

Other significant issues include the passage of the Water Resources Reform and Development Act of 2014 (WRDA) on May 22, 2014. WRDA authorizes water resource projects for the USACE. WRDA also amended the State Water Pollution Control Revolving Funds (CWSRF). The loan recipients will now have to evaluate the cost effectiveness of a project, and select an activity that maximizes the potential for efficient water use, reuse, recapture and conservation. Additionally, all projects that receive funding through the CWSRF will be required to complete a federal level environmental review, previously only projects in an amount equivalent to the annual capitalization grant were required to comply with this requirement. CWSRF funds may not be used for a project unless all of the iron and steel products used in the project are produced in the United States. WRDA also included the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA). WIFIA is a joint program of the U.S. Army Corps of Engineers and the EPA. Political subdivisions and private entities may apply for the funding. Eligible projects include: flood damage reduction, restoration of aquatic ecosystems, wastewater treatment works, desalination plants, and the acquisition of property for the construction of projects.

The TWDB is also working positively with the U.S. Army Corps of Engineers and other regulators to streamline permitting processes, and to improve understanding of mitigation requirements and methodologies. The discussions with the Corps and others will introduce greater certainty into the process of project development and will increase efficiencies in terms of data needs and coordination.

Finally, the operations of two international waters treaties between the United States and Mexico, the 1906 convention and the 1944 treaty, affect the water supplies available to Texas water users along the Rio Grande. Texas water users in this area rely on compliance with these agreements to be able to provide the critical water supplies for municipal, agricultural, industrial, mining, and other uses. Compliance with these agreements continues to be an ongoing issue. Mexico consistently fails to meet its Treaty obligations on the Rio Grande pursuant to the 1944 treaty.

Legislative Changes

Impact of Statutory Changes

The 83rd Texas Legislature made significant changes to the structure and business of the TWDB in 2013. Most significantly, the legislature passed House Bill (HB) 4 and House Bill 1025 authorizing a one-time, $2 billion investment from the Economic Stabilization Fund (also known as the Rainy Day Fund) to the SWIFT and the SWIRFT. Senate Joint Resolution (SJR) 1 required that this investment be voted on and approved by Texas voters. Proposition 6, passed on November 13, 2013, created and constitutionally dedicated the two new funds. HB 4 also outlines technical aspects of legislation, including rulemaking and reporting requirements, and provides TWDB governance changes by changing the Board members from six part-time members to three full-time members. The appointed board members are to reflect the diverse geographic regions of the state. One board member is required to have a background in engineering, another in finance and the final board member in law or business. The board members serve for staggered six-year terms and no board members can serve for more than two terms.

HB 4 creates a special advisory committee of the

legislature and the state comptroller. This committee will review, evaluate and make recommendations concerning the TWDB's administration of the SWIFT and SWIRFT, and will be supported by TWDB staff. HB 4 requires that the advisory committee submit comments and recommendations to the TWDB regarding the use of money in the fund. The recommendations will cover

- Prioritization of projects in the regional and state water plans
- Establishing standards for projects meeting criteria
- Evaluation of available programs providing financing for projects and guidelines for implementation of those programs
- TWDB lending practices and guidelines for lending standards
- Use of funds to support financial assistance
- Whether premium financing programs should be established
- Methods for encouraging procurement of Texas companies or companies with significant employees in Texas
- Overall operation, function and structure of fund
- Information posted on the TWDB's website
- Feasibility of owning, constructing or operating water supply projects, including reservoirs and major water supply conveyance infrastructure

Additionally, the passage of this bill created the SWIFT , which provides a source of revenue or security for programs and a cash flow mechanism to protect the SWIFT corpus, supports low-interest loans, longer repayment terms, incremental repurchase terms for projects with state ownership, interest and deferral of loan payments (no grants), and creates the SWIRFT for issuance of revenue bonds.

Under HB 4, water plan project prioritization is to occur on two levels: through the regional water planning groups and the TWDB.

Regional water planning groups criteria includes:

- Decade of need
- Feasibility of the project
- Viability of the project
- Sustainability
- Cost effectiveness

TWDB prioritization criteria includes:

- Highest consideration
- Serves a large population
- Assists a diverse urban and rural population
- Provides regionalization
- Meets high percentage of water user needs

Additional considerations will be:

- Local financial contribution
- Financial capacity of the applicant to repay
- Ability to leverage with local and federal funding
- Emergency need for project
- Readiness to proceed with project
- Effect on water conservation
- Priority given by regional water planning group

Other bills affecting the TWDB as passed by the 83rd Legislature include the following:

Water Conservation

In 2013, the 83rd Texas Legislature passed HB 857, amending Texas Water Code § 16.0121, effective September 1, 2013, regarding the water loss audit that is required of all retail public utilities providing potable water. Prior to HB 857, annual water loss audits were required only for those utilities that were receiving financial assistance from the TWDB, while all other utilities were required to perform a water loss audit every five years.

Following the passage of HB 857, all such utilities are required to perform and file with the TWDB an annual water loss audit, with the exception that those utilities that are providing service to 3,300 or fewer connections and are not receiving financial assistance from the TWDB (these utilities are required to perform and file with the TWDB a water loss audit every five years). The rulemaking implementing this provision went into effect in February 2014. The first annual water loss audit must be submitted to the TWDB by May 1, 2014.

The legislature passed HB 3604, relating to implementation of water conservation and drought contingency plans, as applicable, by certain entities. The legislature noted that when a state of disaster

due to drought conditions was declared, only a fraction of applicable entities in the disaster areas reported that they were implementing mandatory restrictions as part of their drought contingency plans. It was speculated that this lack of reporting could be due to entities choosing to implement their water conservation plans instead. Noting that water conservation plans are for long-term water use and efficiency and should always be implemented, while drought contingency plans are to address short-term need due to temporary conditions, the legislature clarified that a person or utility shall implement their water conservation plan and drought contingency plan, as applicable, upon receipt of state or local drought disaster notification.

HB 3604 allows the TWDB to notify the Texas Commission on Environmental Quality (TCEQ) if a person or entity has not implemented their required water conservation plan or drought contingency plan upon receipt of state or local drought disaster notification. The legislation further provides that a person's or utility's failure to implement the required conservation or contingency plan may be subject to TCEQ enforcement.

Financial Assistance

The TWDB collected water loss audits in fiscal years 2006 and 2011, and the response rate each time was slightly above 50 percent. Medium-sized and large-sized water utilities were required to submit water conservation plans using the best management practices established by the TWDB, but these plans were not required to include specific management practices nor were they evaluated by the TWDB.

HB 3605 requires a retail public utility applying for financial assistance from the TWDB to use a portion of that financial assistance to mitigate water losses if the amount of losses identified exceeds the threshold determined by Board rule. HB 3605 further requires that TWDB, when considering an application for financial assistance from a retail public utility that provides potable water to 3,300 or more connections, evaluate the applicant's water conservation plan for compliance with the TWDB's best management practices, and issue a report to the utility detailing the results of the evaluation. The TWDB is currently developing the rules and guidance required by HB 3605.

HB 3605 also requires that plans and specifications submitted to the TWDB in connection with an application for financial assistance be sealed by an engineer affirming that the specifications conform to industry standards. HB 3605 modified the statutory requirement from TWDB reviewing construction projects' completion in accordance with engineering principles and practices to reviewing project performance in accordance with the approved plans and specifications.

Groundwater

Prior to the passage of SB 1281, most groundwater management areas were facing desired future conditions submission deadlines during 2015. SB 1282 amends existing law relating to deadlines for proposals for adoption by certain districts or authorities of desired future conditions of relevant aquifers. Due to the additional complexity of the joint planning process required of groundwater conservation districts in groundwater management areas, the reduction of state resources to provide technical assistance, and significant ongoing effort to develop/update groundwater availability models for 14 major and minor aquifers, the need for an across-the-state extension to the deadlines for adopting desired future conditions was pursued in order for the groundwater management areas to have the best possible science to utilize during the adoption of desired future conditions. No rulemaking is required by the TWDB. However, notification of the revised deadline to May 1, 2016, has been provided by the TWDB to the affected groundwater management areas and groundwater conservation districts.

Rainwater Harvesting

The Texas Legislature passed HB 2781 amending numerous provisions relating to rainwater harvesting and other water conservation initiatives. The majority of these amendments address differences between public water supply and private water. Notably, HB 2781 amends the Local Government Code requiring training on rainwater harvesting for the permitting staff of each county and municipality

located in a priority groundwater management area or with a population of more than 10,000 rather than 100,000. Existing statute requires that the TWDB make this training available at least quarterly. With the change in HB 2781, the training will impact more permitting staff than before. The TWDB has updated its website and training materials accordingly.

Colonias

SB 1599 provides uniform standards for the development and regulation of subdivisions in the unincorporated areas of certain counties near the international border and in certain economically distressed counties, in areas described as colonias. SB 1599 provides those standards as they relate to county and municipal land development regulation by, among other provisions, requiring the preparation of plats by certain subdividers of land and ensuring compliance with the model rules adopted by the TWDB relating to minimum standards for safe and sanitary water supply and sewer services in residential areas.

Examples of Bills from the 83rd Legislature Affecting TWDB Operations

SB1 (Williams)
TWDB Appropriations for fiscal year 2014 and 2015.

HB 12 (Flynn)
Relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information.

HB 16 (Flynn)
Relating to a requirement that a state agency post its internal auditor's audit plan and audit report and other audit information to the agency's Internet website.

HB 194 (Farias)
Relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.

HB 480 (Alvarado)
Relating to the use of sick leave by state employees who are attending educational activities of their children.

HB 586 (Workman)
Relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

HB 912 (Gooden)
Relating to images captured by unmanned aircraft and other images and recordings; providing penalties.

HB 1461 (Aycock)
Relating to customer notification of significant water loss by a retail public utility.

HB 1487 (Harper-Brown)
Relating to the Internet posting of certain information regarding state grants.

HB 2020 (Crownover)
Relating to the adoption of wellness policies and programs by state agencies.

HB 3468 (Harper-Brown)
Relating to the award and performance of certain state contracts.

SB 59 (Nelson)
Relating to required reports and other documents prepared by state agencies and institutions of higher education.

SB 176 (Carona)
Relating to the distribution of certain consultants' reports.

SB 251 (West)
Relating to an unsworn declaration made by an employee of a state agency or political subdivision in the performance of the employee's job duties.

SB 279 (Watson)
Relating to certain information about high-value data

sets provided by state agencies to the Department of Information Resources.

SB 700 (Hegar)
Relating to energy and water management planning and reporting by state agencies.

SB 1297 (Watson)
Relating to written electronic communications between members of a governmental body.

SB 1368 (Davis)
Relating to public information pertaining to the official business of governmental bodies and to contracts by certain state governmental entities that involve the exchange or creation of public information.

SB 1681 (Zaffirini)
Relating to oversight and management of state contracts.

SB 1597 (Zaffirini)
Relating to the development of state agency information security plans.

Interim Charges with Potential Impact to the TWDB

Several legislative committees have interim committee charges studying issues that could result in recommendations for the 84th legislative session in 2015 and either statutory or appropriation changes that could have implications for the TWDB. Below is a list of these committees and several of the relevant interim charges.

SENATE NATURAL RESOURCES COMMITTEE

Study and make recommendations to encourage the use of brackish water including but not limited to aquifer storage and recovery (ASR) and desalination.

Study and make recommendations on what state and federal environmental regulations most affect implementation of water supply strategies in the state water plan, including recommendations to reduce state barriers.

Monitor implementation of legislation passed during the 83rd legislative session including monitoring implementation of HB 4, creating the SWIFT.

STATE AGRICULTURE, RURAL AFFAIRS, AND HOMELAND SECURITY COMMITTEE

Examine the role of state and local governments regarding recovery operations across the state in the event of disaster. Study and make recommendations to identify essential personnel and resources needed to increase existing response capabilities. Make recommendations on how state, local governments, and businesses can work together in order to assist with the rebuilding/recovery of affected jurisdictions in the event of disaster.

SENATE INTERGOVERNMENTAL RELATIONS COMMITTEE

Study and make recommendations to increase transparency in the authorization, issuance, and appropriation of debt at the local level. Make recommendations that will increase citizen awareness and understanding of a local government's fiscal state. Analyze reforms such as requiring local governments to move bond elections to a uniform date coinciding with state general elections, and requiring local governments to publicly post their annual budgets, annual financial reports, and check registers online. Survey other states' initiatives to increase transparency in the process of local governments incurring new debt obligations.

Examine the immediate and long-term fiscal impact that bonds and other types of obligations issued by local governments have on current and future generations of taxpayers. Specifically analyze whether local governments should be required to use ballot language that includes their current outstanding debt, existing per capita debt, current debt service, and any increase the ballot measure would have on property taxes. Make recommendations on additional ballot language that will better inform voters of their local governments' current and future fiscal states.

HOUSE COMMITTEE ON COUNTY AFFAIRS

Examine population growth in Texas counties and the impact the growth has had on housing, available land resources, businesses in Texas, as well as the impact of growth on the state's economy. Evaluate Texas's preparedness to respond to future growth and ensure economic stability.

HOUSE COMMITTEE ON ECONOMIC AND SMALL BUSINESS DEVELOPMENT

Review the statutes and state agency rules pertaining to public-private partnerships to ensure a fair, competitive, and transparent process that benefits all parties engaging in the partnership. Review how other states and countries utilize public-private partnerships and make recommendations on how to improve the process in Texas, specifically looking at whether there needs to be a single state entity responsible for administering the public private partnership program.

HOUSE COMMITTEE ON ENERGY RESOURCES

Study the impact of the expanding oil and gas exploration and production occurring across the state. Included in the study should be both the positive impacts of the exploration and production as well as the new challenges they are presenting. The study should encompass a review of the following issues:

- The effect on the state budget and the Economic Stabilization Fund
- The overall impact on the state economy
- The impact on property values and local taxes
- The effect on roads
- The impact on local school districts
- The complex relationship between land owners, royalty owners, and operators
- The impact on the environment, including emissions and injection well
- Projected water needs and how those fit with our state water plan
- The housing issues created by the number of workers needed in areas of shale plays

HOUSE COMMITTEE ON HOMELAND SECURITY AND PUBLIC SAFETY

Assess the level of preparedness among critical infrastructure entities, state and local emergency planning organizations, first response efforts, and overall coordination of jurisdictions across the state. Include a review of the state's role in preparing, resourcing, and coordinating with local emergency response, specifically in rural areas or areas that depend largely on volunteer response efforts.

HOUSE COMMITTEE ON INTERNATIONAL TRADE AND INTERGOVERNMENTAL AFFAIRS

Study options to improve the physical infrastructure that facilitates international trade, considering both state and local investment opportunities.

HOUSE JUDICIARY AND CIVIL JURISPRUDENCE COMMITTEE

Examine the public policy implications of litigation related to environmental contamination brought by local governments, in particular whether such litigation supports effective remediation.

HOUSE COMMITTEE ON LAND AND RESOURCE MANAGEMENT

Examine population growth in Texas cities and the impact the growth has had on housing, available land resources, city centers, businesses, and the state's economy. Evaluate Texas's preparedness to respond to future growth and ensure economic stability. (Joint charge with the House Committee on Urban Affairs)

Examine opportunities to improve the resiliency of the Texas coast to withstand tropical storms. Study strategies to incentivize and encourage hazard mitigation, and consider the current state of building codes and how they might more effectively protect property and reduce losses. Examine the proper role of insurance in protecting the Texas coast. Coordinate as necessary with the joint interim committee created by HB 3459 (83R). (Joint charge with the House Committee on Insurance)

HOUSE NATURAL RESOURCES COMMITTEE

Monitor the implementation of HB 4 (83R) and SJR 1 (83R) and the progress of the TWDB and other entities in implementing this legislation to provide a stable, long-term funding source for the state water plan.

Evaluate the availability, management, and development of groundwater in the state. Consider the economic, environmental, and social impacts of groundwater usage and production in the agricultural, municipal, and energy sectors. In particular, examine methods to facilitate further development of brackish groundwater resources and to improve the consistency and certainty of permitting by groundwater districts without undercutting reasonable regional and local regulation of groundwater.

Explore opportunities to encourage voluntary protection and stewardship of privately owned lands in support of the state's water supply and to protect environmental flow needs in Texas rivers. Examine methods in which state agencies, water rights holders, and non-governmental organizations can work together through programs like the Texas Farm and Ranch Lands Conservation Program and the Texas Water Trust.

Examine strategies to enhance the use of ASR projects, including a review of existing ASR facilities in Texas and elsewhere.

HOUSE COMMITTEE ON SPECIAL PURPOSE DISTRICTS

Conduct a comprehensive review of existing special purpose districts in the state. Study how special districts interact with other local governments and local taxpayers during and after their creation. Examine circumstances under which special districts are accountable to local taxpayers and make recommendations on ways to increase spending transparency among districts.

HOUSE COMMITTEE ON STATE AFFAIRS

Study the methods state agencies use for planning for investment in future infrastructure. Specifically, review how agencies determine what investments in infrastructure will be necessary to meet the state's demands and facilitate continued economic expansion. Review how agencies determine the costs and benefits associated with future infrastructure investment to ensure that the citizens of the state are receiving the best value and what other factors agencies use to make investment decisions.

Study the different financial assurance options used by state agencies to ensure compliance with environmental clean-up or remediation costs. Determine whether the methods utilized by state agencies are appropriate to ensure sufficient funds will be available when called upon.

HOUSE COMMITTEE ON TRANSPORTATION

Examine county authority to utilize tax increment financing and transportation reinvestment zones to fund transportation projects.

HOUSE COMMITTEE ON URBAN AFFAIRS

Examine population growth in Texas cities and the impact the growth has had on housing, available land resources, city centers, businesses, and the state's economy. Evaluate Texas' preparedness to respond to future growth and ensure economic stability. (Joint charge with the House Committee on Land and Resource Management)

OTHER

In addition, there are several committees charged with reviewing funding, overlapping jurisdiction, technology in state government, Public Information Act and Open Meetings Act, Administrative Procedure Act, reporting, state contracting and other interim charges pertaining to all state agencies. These deliberations could impact the statutory authority and appropriations levels of the TWDB.

Significant Court Cases

TEXAS V. NEW MEXICO AND COLORADO, CASE NO. 141, UNITED STATES SUPREME COURT

Texas is a party to five interstate compacts: the Canadian, Pecos, Red, Rio Grande, and Sabine rivers. Interstate compacts provide a legal foundation for the equitable division of the water of an interstate stream with the intent of settling each state's claim to the water. Extremely significant issues have arisen regarding New Mexico's water use associated with the Rio Grande Compact. The state of New Mexico has filed litigation in the U.S. District Court of New Mexico, which if upheld would affect Texas' water supplies under the compact. Compact violations are resolved at the U.S. Supreme Court level. In January 2013, Texas filed litigation in the U.S. Supreme Court to protect its rights under the Rio Grande Compact. Upon Texas filing the lawsuit in the Supreme Court, the U. S. District Court in New Mexico stayed New Mexico's lawsuit. Texas' action in the Supreme Court is the result of New Mexico's actions (increased water use) that are depleting Texas' water supplies provided by the Rio Grande Compact.

Subsequent to Texas filing, the Supreme Court asked the United States to express its views on Texas' filing. In December 2013, the United States responded with a brief very favorable to Texas. In January 2014, the Supreme Court accepted the case. In March 2014, the Court granted the United States' motion to intervene in the case to join Texas as a plaintiff. Texas continues to prepare historical, technical, and legal documents to support our case. As it has before, Texas will protect our water rights and entitlements under the compacts.

Self-Evaluation and Opportunities for Improvement

Internal Audit

The Internal Audit office reports directly to the agency's three-member Board. The key functions of Internal Audit are outlined below.

- Assists members of management and the Board in the effective discharge of their responsibilities by furnishing them with analyses, recommendations, counsel, and information concerning the activities reviewed
- Performs audits of the TWDB and its practices
- Performs follow-up reviews to determine what corrective action was taken and whether or not it is achieving the desired results
- Performs assurance services to parties outside of the TWDB, such as contractors or other state agencies
- Acts as a liaison with external auditors reviewing TWDB activities or programs
- Has primary responsibility for the investigation of all suspected fraudulent acts and for coordinating investigative activities

Executive Administration

The Executive Administrator is the agency's chief executive officer, reporting directly to the Board. The Executive Office delegates authority for specific program areas to the Deputy Executive Administrators and the General Counsel.

The Executive Office consists of two main areas:

- Office of the Executive Administrator
- Office of General Counsel

Key functions of the areas within the Executive Offices include:

OFFICE OF THE EXECUTIVE ADMINISTRATOR

- Reports directly to the Board
- Implements Board policies and directives
- Accountable for the functions and operations of the agency
- Manages agency priorities and budgets
- Directs and oversees agency initiatives
- Responsible for prudent management of Board assets

OFFICE OF GENERAL COUNSEL

- Provides legal advice and representation to TWDB Board members, Executive

Administrator, and staff in the areas of financial assistance, water planning, water policy, natural resources, environmental and regulatory compliance, legislation, tort claims, human resources, contracting and purchasing, real estate, ethics, open records, open meetings, and rulemaking
- Prepares and reviews documents
- Works with local governments on matters involving the adoption and enforcement of model subdivision rules
- Researches and prepares formal and informal legal opinions
- Represents the agency on interagency working groups
- Drafts and reviews regulations and policies
- Works with the Office of the Attorney General regarding agency litigation
- Provides ethics training to agency staff and management

The Executive Office is responsible, through the efforts of the Executive Administrator, for ensuring all areas of the TWDB operate as effectively, efficiently and strategically as possible. It coordinates activities with the legislature, ensuring prompt and adequate response to inquiries from the legislature, customers, and stakeholders. The Executive Office also coordinates agenda items for Board meetings, Board correspondence, and Board member communications.

Executive staff will boost coordination and outreach to stakeholders through education of TWDB technical and financial assistance opportunities. An increased effort will be made to establish new relationships with potential customers that may not have considered the benefits of TWDB assistance. The agency's November 2013 reorganization, as well as its addition of a Rural Texas Ombudsman, will allow the agency to have a greater reach and impact on communities throughout the state.

Executive staff are often called to provide specific input on draft legislation and appropriations related to water resources policy and funding. Continual dialog with policy makers on the state and federal level allows the TWDB to both promote the agency's mission and become aware of policy and funding issues. With the passing of the SWIFT and SWIRFT, the TWDB now has the opportunity to assist in funding state water plan projects across Texas.

General Counsel staff works with entities seeking loans and grants from the TWDB, and supports the agency in water science and conservation and water planning issues, as well as groundwater matters involving hearings on desired future conditions for the state's aquifers. This includes interacting with local governments, special and local districts, regional water planning groups that have been designated by the TWDB, and groundwater management areas designated by the TWDB.

Finance

The Office of Finance consists of the following divisions:
- Budget
- Accounting
- Debt and Portfolio Management

Finance continues to be effective in meeting legal and audit requirements. The Finance office was reorganized as part of an agency-wide effort to streamline and the current organization of the office is more focused. Because Finance requires a high degree of coordination with all areas of the agency, staff maintain an effective external customer service focus in the monitoring of outstanding loan portfolio for compliance. Finance staff look for opportunities to improve and take proactive steps to implement changes in response to recommendations made by executive management, internal audit and the State Auditor's Office as appropriate.

The TWDB's loan and debt portfolio is subject to risks and challenges due to the dynamic market environment and economy. A continued high level of diligence and oversight is required and expected of the Finance office in managing these risks. Management and staff will maintain flexibility and responsiveness in the issuance of debt, management of debt and oversight of existing borrowers who are also operating in the dynamic market environment. Risks are managed by internal controls and

procedures that ensure potential issues are identified in a timely manner. Such issues are then prioritized to ensure they will be addressed appropriately and as quickly as possible.

Finance is reviewing initial debt structures to provide the greatest benefit to both the state and financial assistance recipients. Staff is also monitoring prepayments to be able to take advantage of market opportunities related to repayment and refunding debt. In fulfilling the function of financial compliance of existing borrowers, Finance staff must continue to increase awareness through tone and message. Appropriate fiscal prudence requires ongoing coordination with oversight agencies, state and federal funding agencies, federal grantors, borrowers and grantees, and internal staff to ensure the timely issuance of debt, the timely disbursement of loan and grant funds, and the monitoring of the use of public funds. The office has built and sustained relationships with the Comptroller, Legislative Budget Board, State Auditor's Office and the Bond Review Board.

Governmental Relations and Agency Communications

Governmental Relations and Agency Communications (GRAC) is a newly-created area of the agency that consolidates existing functions as well as new responsibilities:

GOVERNMENTAL RELATIONS

- Coordinates agency interaction with the state legislature and interest groups
- Assists Finance with the development of the Legislative Appropriations Request and leads development of action plan for legislative session
- Advises the Executive Administrator and Board on legislative and policy initiatives
- Briefs the Board and Executive Administrator on status of legislative activity
- Promptly responds to inquiries from state legislators, legislative oversight agencies, and other state agencies
- Coordinates the development and review of legislatively required reports
- Tracks and reports on the implementation of legislation

COMMUNICATIONS AND OUTREACH

- Coordinates responses to media requests
- Prepares talking points and presentation materials for Board members and executive staff
- Prepares press releases, media statements, web feature stories, and outreach materials
- Compiles daily newsclips for agency staff
- Coordinates agency social media activities
- Oversees agency external events calendar and speaker requests
- Coordinates agency outreach team
- Writes, edits, and coordinates various agency publications

GRAC also includes the newly created Rural Texas Ombudsman, with the following responsibilities:

- Acts as liaison between the TWDB and agricultural and rural local governments, communities, business, and citizens.
- Partners with entities to promote awareness of TWDB financial assistance programs, educate rural and agricultural Texans on the State Water Plan, and to encourage participation in the regional water planning process.
- Provides advice and perspective in development of TWDB rules, policies, and procedures.
- Provides guidance/assistance to rural communities and customers and agricultural interests in applying for financial assistance or meeting obligations related to receiving financial assistance.

GRAC has taken on a number of new tasks and responsibilities that were not previously conducted by agency staff, so limited program evaluation has been conducted to date. New initiatives include:

- In the first four full months in this position, the Rural Texas Ombudsman has traveled from around 1,500 miles to over 3,000 miles per month and has given numerous presentations at conferences, meetings, and other events, with several covered by local media. He has helped initiate potential projects with rural communities and has worked with regional water planning groups to ensure that agricultural projects are structured so that they will be eligible for TWDB financial assistance.

- TWDB's social media program, initiated in 2012, has expanded to include regular participation by many areas of the agency and all three Board members. Staff regularly promote Board member, agency, and Ombudsman activities and other external groups that use social media. Social media impressions from November 2012 (when the platforms were initiated) to early May 2014 were 2.2 million.
- TWDB Communications was one of the three founding agencies for the Texas Government Social Media Alliance. The group meets quarterly to discuss issues and solutions for social media pertaining to Texas government.
- Communications also initiated and coordinated the online "What Does Your Texas Drought Look Like?" photo campaign, a collaborative effort of the TWDB, Texas Parks and Wildlife Department and Texas Department of Agriculture, during the summer of 2013. The campaign was also covered by local media and featured a weeklong display at the Texas Capitol.
- The newly formed TWDB Outreach Committee, composed of members from across the agency, is working to coordinate and promote Board and staff participation at marketing and outreach events, groundbreaking ceremonies, speaking engagements, and award ceremonies.
- Governmental Relations has hosted three forums for external stakeholders at the request of Senator Fraser to discuss current programs, the path forward for the agency, and the timeline for the development of SWIFT rules. GR has also coordinated and facilitated two public hearings related to an interregional conflict between two of the state's planning regions; assisted with SWIFT stakeholder meetings and rule development; promoted participation by the public and elected officials at Board work sessions held outside of Austin; and scheduled dozens of meetings between Board members and elected officials around the state, including Director Bruun's regional water planning group tour.

Some of these efforts have already achieved recognition. The creation of the Ombudsman position has received a considerable amount of praise from TWDB external stakeholders, and TWDB received the prestigious Merit Award from the Soil and Water Conservation Society for TWDB's drought photo campaign.

The rapidly changing digital environment for communications presents challenges for staff in researching, determining, and managing the most viable digital platforms for the agency. Digital platforms, such as Facebook, continually change their services, requiring ongoing education and experimentation for staff. GRAC will continue agency efforts to work toward a more strategic approach to it media, communications, and outreach efforts, including the development of key messages and strategies for deploying them.

GRAC staff will work closely TWDB staff, municipalities, water districts, river authorities, state and federal agencies, and local, state, and federal government entities to market and promote implementation of SWIFT and agency customer service improvements, such as streamlining of the financial assistance application review and approval processes. Continued dialog with policy makers on the state and federal level will allow us to both promote the agency's mission and become aware of policy and funding issues. GR plans to host regular educational water forum on various topics, including topics to be addressed by House and Senate interim charges, during the summer of 2014 at the Capitol for legislative staff.

Operations and Administration

The Operations and Administration (O&A) office encompasses the following areas of responsibility:

- Strategic Planning and Business Continuity
- Human Resources and Records Management
- Information Technology
- Support Services and Contract Administration
- Texas Natural Resources Information System

STRATEGIC PLANNING AND BUSINESS CONTINUITY

- Develops the agency strategic plan
- Develops the agency business continuity plan and conducts related training

HUMAN RESOURCES AND RECORDS MANAGEMENT

- Advises supervisors and managers in personnel matters
- Maintains a position classification system to evaluate jobs
- Provides recruitment programs
- Establishes training programs
- Administers employee benefits
- Processes employee grievances
- Announces job vacancies and screens applicants
- Provides policies, procedures, support and training to all divisions of the agency to ensure the efficient and economical management and preservation of records and information
- Ensures compliance with all applicable state and federal records laws and provides centralized records disposition
- Operates a file room and maintains project files for the agency

INFORMATION TECHNOLOGY

- Provides program management organization
- Provides application services
- Provides IT systems and project coordination
- Responsible for IT security and infrastructure
- Maintains service desk assistance and support to agency staff and customers
- Responsible for Web development

SUPPORT SERVICES, CONTRACT ADMINISTRATION, AND FLOOD MITIGATION PLANNING

- Provides facility management (building maintenance and associated repairs, space management, lease management)
- Provides staff support (telecommunications, fleet management, mail services, supplies)
- Conducts annual inventory, safety management and cost-savings initiatives
- Develops and administers contracts
- Procures goods and services
- Coordinates contract payments
- Assists with the production of agency publications
- Administers the National Flood Insurance Program (NFIP), providing community assistance and training
- Manages the state flood protection planning grant program and the federal flood mitigation assistance and severe repetitive loss grant programs

TEXAS NATURAL RESOURCES INFORMATION SYSTEM (TNRIS)

- Serves as the clearinghouse for geographic information, including socioeconomic and emergency management related data
- Maintains authoritative sources of geographic data that serve as the universal base map for managing the state's resources
- Provides a source of public access to historical and current maps, photography, and data
- Director of TNRIS serves as the state's Geographic Information Office

O&A is focused on meeting its requirements in human resources, information technology and infrastructure, systems security, collecting, analyzing and disseminating water-related data, application development, contracting and purchasing, and flood mitigation planning.

In 2013, the Texas Workforce Commission Civil Rights Division conducted a review of the agency's personnel policies and procedures related to hiring and promotion, performance evaluations, disciplinary actions, workplace accommodations for qualified individuals with disabilities and equal employment opportunity training (including sexual harassment prevention). The conclusion of this audit confirmed that the agency was in complete compliance with the Texas Labor Code and its policies were certified accordingly.

Support Services, Contract Administration and Flood Mitigation Planning provides physical custody and security over all of the agency's contractual documents; ensures consistent and compliant coordination; tracks and administers all contract and purchasing activities; provides guidance and training to contract and program managers; and ensures contractual compliance with the agency financial assistance programs. All agency procurement

transactions are administered by this division to ensure compliance with the Comptroller of Public Accounts purchasing guidelines. In 2014, the Comptroller's Office performed a post-payment audit of purchasing and grant transactions and the agency was in complete compliance. The Support Services division continues to demonstrate effectiveness and efficiency through its management of the agency fleet, which is operating at an estimated $0.25 per mile while the state reimbursement rate is $0.56. This area also continues to identify cost savings by renegotiating copier leases, cellular device services, and other cross-agency support costs.

The Flood Mitigation Planning area assists communities by providing federal funds for cost-effective measures to reduce or eliminate the long-term risk of flood damage to severe repetitive loss, repetitive loss, and other insured structures under the NFIP through long-term comprehensive mitigation planning or mitigation projects. Staff in this area provides technical assistance to communities through community assistance contacts and visits and provides training to local communities to help them study and analyze flooding hazards within their jurisdiction and to develop technically feasible and cost-effective flood mitigation measures to address those hazards.

Meeting the demands for political subdivisions seeking to develop watershed-based flood protection plans has been difficult. In 2011, the budget for the Flood Protection Planning Grant program was reduced from $1 million per year to $900,000 per year. Over the past four years, the agency has received an average of $1.2 million in funding requests per year. In addition, community assistance and outreach to local communities to assist with flood mitigation education and technical assistance was impacted by budget reductions to the NFIP.

Restoration of funding for the NFIP back to pre-2011 levels would allow the agency to re-establish field offices throughout the state to ensure the citizens and their properties are better protected against flood hazards. The state of Texas currently has 1,235 communities participating in the NFIP and has historically led the nation in flood-related deaths and is in the top three in flood related damages. The restoration of this program would support a large number of communities with technical assistance, outreach and training to help reduce flood-related deaths and damages. Due to the state's large geographic area, it would greatly benefit Texas communities to place proposed FTEs in field offices throughout Texas in order to become subject matter experts in multiple areas (coastal, valley, plains, mountainous and metropolitan) to offer a quicker response time to issues that will arise. In addition, the implementation of Biggert-Waters 2012 (BW-12) provisions will require additional resources as many structures will fall under new conditions not previously applicable, which in turn will increase homeowner insurance costs. In order to assist those homeowners, many communities have indicated they will apply for a Community Rating System score, resulting in additional assistance by TWDB staff.

The Texas Natural Resources Information System (TNRIS) is a centralized information system incorporating all Texas natural resource data, socioeconomic data related to natural resources, and indexes related to that data that are collected by state agencies or other entities. The director of TNRIS serves as the state's Geographic Information Officer (GIO). TNRIS achieves effectiveness and efficiencies through its GIO responsibilities for coordinating the acquisition and use of high priority imagery and data sets; establishing supporting and disseminating authoritative statewide geographic data sets; supporting geographic data needs in emergency management responders during emergencies; monitoring trends in geographic information technology; and supporting public access to state geographic data and resources. TNRIS data are accessible to the public and can be easily accessed online. O&A continues to explore strategies for making data more accessible to customers through application development and enhancement.

The efficiency and effectiveness of TNRIS is further demonstrated through its management of the High Priority Imagery and Data Sets contract for the state. This contract establishes a pool of qualified commercial geographic information systems (GIS) data providers who compete for mapping and data development projects. Through this contract the

state saves money as the acquisition of GIS data is centralized which helps minimize agencies from purchasing the same data. Data can be purchased once and shared amongst the agencies that need to utilize it. The agency continues to improve access to reliable, current and comprehensive data to help with the planning and management of the state's current and future water supplies.

Through the development and enhancement of digital systems and applications, IT will have the biggest impact on assisting the agency in carrying out its responsibilities moving forward. The continuing implementation of the Texas Water Information System Enhancement (TxWISE) system is an opportunity for the agency to improve its overall management of its financial assistance programs. The completion of this project will web-enable financial assistance project information, providing staff with more efficient access to data resulting in enhanced program and project management.

The TWDB is working to develop an online financial assistance application for our customers in FY 2015 to streamline the process and drive operational efficiencies. This type of system would allow customers to complete project information forms and financial assistance applications online. The application will integrate with the TxWISE system so that staff would no longer be required to enter data into that system manually. Such an automated system would ultimately provide more time for staff to review and process applications and expedite for Board reviews and approvals.

The enhancement of the Water Information Integration and Dissemination (WIID) project is a multi-year initiative and will upgrade the statewide water resource data collection and dissemination network, making groundwater data more readily available. The Regional Water Planning DB17 Project will be the system for collecting regional water planning data from the 16 regional water planning groups to support the development of the 2017 State Water Plan. The Water Data Consolidation project will enhance customer reporting requirements for the Water Use Survey, the annual Water Loss Audit, and the Annual Conservation Report, providing an online tool to quantify water conservation savings and creating a dashboard that allows the public to view these reports online.

Water Science and Conservation

Water Science & Conservation (WSC) supports the development and implementation of the state water plan and provides technical assistance and information to various internal and external customers.

WSC is organized into three divisions:

- Surface Water Resources
- Groundwater Resources
- Conservation & Innovative Water Technologies

SURFACE WATER RESOURCES

- Monitors the state's surface water resources
- Researches and evaluates instream flows and flow requirements for the state's bays and estuaries
- Supports the environmental flows process
- Runs water availability models to support water planning
- Measures sedimentation rates in reservoirs

GROUNDWATER RESOURCES

- Monitors the state's groundwater resources
- Develops and runs groundwater availability models
- Provides technical assistance to citizens, cities, groundwater conservation districts, and regional water planning groups
- Researches groundwater resources
- Supports the joint planning process in groundwater management areas
- Provides modeled available groundwater numbers to groundwater conservation districts and regional water planning groups

CONSERVATION AND INNOVATIVE WATER TECHNOLOGIES

- Develops and distributes literature on water conservation
- Estimates agricultural water use
- Administers agricultural water conservation demonstration projects
- Reviews water conservation plans and water loss

audits
- Provides technical assistance on water conservation
- Researches and promotes new methods for enhancing the state's water resources including seawater and groundwater desalination, rainwater harvesting, water reuse, and aquifer storage and recovery

WSC is focused on meeting its legislative requirements on data collection, technical assistance, model development, and program implementation. Staff efforts have been recognized by national and international entities. For example, the National Ground Water Association has recognized WSC's numerical groundwater modeling program with a technology award and Global Water Intelligence has recognized efforts on desalination.

Gaps in monitoring exist for surface water (reservoirs and rivers), groundwater, evaporation, and evapotranspiration. Greater resources in the Groundwater Resources division would enable the agency to heighten technical assistance for groundwater availability modeling, to decrease the risk of conflict between the agency and the districts on desired future conditions and the associated managed available groundwater, and to respond to petitions challenging the reasonableness of desired future conditions when districts have the final say.

The environmental flows process put into place by Senate Bill 3 in 2007 requires continued funding to ensure progress by the Science Advisory Committee and the various bay and basin area stakeholder committees and bay and basin expert science teams. Funds are not available for the Science Advisory Committee and the stakeholder committees to finish their work.

WSC is statutorily charged with advancing the development of seawater desalination supplies in Texas. An obstacle in taking a demonstration project to a water supply project is the cost of desalting water compared to other sources of water. Funding to support research and planning studies to further advance seawater desalination in Texas ended in 2005. Funding for advancing brackish groundwater desalination was terminated in 2011.

One opportunity WSC has is to leverage state resources to the maximum extent possible. To leverage resources with federal resources, staff monitors a variety of activities at the federal level and pursues appropriate opportunities. The drought has increased the proposals for innovative technology to help solve Texas' water problems. These new technologies create opportunities for the TWDB to evaluate the most promising proposals and seek places to test them.

Water Supply and Infrastructure

The Water Supply and Infrastructure (WSI) office consists of three divisions:
- Regional Water Planning and Development (RWPD)
- Program Administration and Reporting (PAR)
- Water Use, Projections, and Planning (WUPP)

REGIONAL WATER PLANNING AND DEVELOPMENT

RWPD is responsible for working with communities as they develop their projects from early conception through the procurement of funding and ultimately through the completion of construction. In November 2013, the agency restructured this division into six planning and development teams by geographical area to improve customer service and efficiency. Each team consists of a team manager, engineers, environmental reviewer, financial analyst, and administrative support. An attorney and a regional planner also work closely with each team. These teams guide applicants through the multiple steps of the financial assistance process to ensure effective and timely funding to meet water-related infrastructure needs. Additional improvements for staff and TWDB customers are expected when streamlining the environmental review process for all funding programs is completed by the end of summer 2014.

The major services provided by RWPD include:
- Developing relationships and providing outreach to existing and potential TWDB customers within each team area
- Meeting with cities, water supply corporations, districts, and authorities regarding funding

options from the conceptual stage, through funding commitment and closing, planning, design, and construction
- Conducting pre-application meetings to ensure applicants are fully informed on all application and programmatic requirements
- Conducting a financial, engineering, environmental, and legal assessment of an applicant for financial assistance and the proposed project
- Preparing comprehensive written recommendations that are submitted to the Board for funding consideration
- Coordinating the closing and delivery of funds (loan, grant, loan forgiveness, or combination) which require interaction with multiple parties internally and externally
- Engineering and environmental reviews and approvals during the development of the project ensuring compliance with programmatic requirements and Texas Commission on Environmental Quality (TCEQ) design requirements
- Authorizing the release of project funds
- Overseeing project construction and providing technical assistance to project owners from the pre-construction phase through construction and project closeout
- Maintaining Texas Water Information System Enhancement (TxWISE) with current and historical project information

Following the agency's biennial customer service survey, RWPD is reviewing comments from agency stakeholders to identify processes or requirements that can be improved. The agency restructuring has also encouraged staff to review all current processes to determine if each is based on statutory requirements and if there is a more efficient way to complete that process. Improvements have been made to reduce time for staff reviews and development of work products. Streamlining the environmental review process and development of an online application has also been initiated.

Implementation of the SWIFT and SWIRFT will likely result in an increase in the number of applications submitted to the TWDB and projects being reviewed and monitored by RWPD. Even with the efficiencies that staff is realizing from ongoing process improvements, additional RWPD staff will likely be needed to ensure timely reviews. RWPD is also reaching out to the regulatory agencies such as Texas Parks and Wildlife Department (TPWD), United States Army Corps of Engineers (USACE), and United States Fish and Wildlife Service (USFWS) as part of streamlining the environmental review process. This coordination will help develop a process that will allow the reviews by the regulatory agencies to be conducted more efficiently.

PROGRAM ADMINISTRATION AND REPORTING

The PAR division consists of three sections: Program Administration, Outlays & Escrows, and Reporting. The major services provided by PAR include:

- Management and coordination of all state and federal financial assistance programs
- State Revolving Fund (SRF) Intended Use Plans (IUP)
- Project Information Forms (PIFs)
- SRF Grant management
- Outreach & presentations
- Financial assistance disbursements through outlays and escrow
- Outlay processing
- Escrow releases for state and federal programs
- First closings coordination assistance
- SRF state match allocations and tracking financial assistance reporting for state and federal programs
- Performance measures
- Federal reporting
- Disadvantaged Business Enterprise
- Clean Water Benefits Reporting
- Drinking Water Project and Benefits Reporting
- National Information Management System
- Federal Funding Accountability and Transparency Act
- Annual Reports for the U.S. Environmental Protection Agency (EPA)
- Ad-hoc reports

Program Administration staff maintains relationships with multiple state and federal agencies in order to promote and manage our financial assistance programs. In January 2014, the Board joined with EPA and TCEQ at a formal work session to agree to strategies to enhance the success of our Drinking Water State Revolving Fund. PAR staff also participates in the Texas Water Infrastructure Coordination Committee (TWICC) which is comprised of federal and state infrastructure funders, technical assistance providers, and regulatory agencies that discuss program coordination. These organizations reach out to water and wastewater systems to discuss funding and technical assistance opportunities. Efforts by the new Board, the executive administration and staff are continuing to strengthen relationships at all levels with local, state and federal entities which will increase efficiencies and expedite delivery of funding to meet the goals of the programs.

WATER USE, PROJECTIONS, AND PLANNING

WUPP is responsible for the regional and state water planning activities of the agency. Since the inception of the regional planning process in Texas in 1997, the highest priorities of the division are to:

- Support the development of the 16 regional water plans every five years
- Prepare the state water plan, a comprehensive guide to the state's water resources, every five years
- Develop projections of population and water demand for each of the state's water user groups, including municipal, industrial, and agricultural water users
- Work with state, federal, and local partners to implement water management strategies recommended in the planning process
- Compile annual municipal, industrial, mining, and electric power generation water use data and information regarding water sales and purchases among users and suppliers
- Develop estimates of non-surveyed agricultural and mining water use
- Carry out the federally mandated Drinking Water and Clean Watersheds needs surveys for Texas to assess drinking water and wastewater infrastructure needs required to meet federal water quality and public health goals

WUPP administers the regional water planning process, which is guided by 16 planning groups that represent key water supply stakeholders in the state—agriculture, industry, public, environment, river authorities, municipalities, counties, business, water districts, water utilities, power generation, and groundwater management areas. The division supports the work of these groups with technical and administrative assistance, and also responds to requests from the public, the legislature, and others for historical and projected water use information and other planning-related data. In 2010, WUPP staff completed timely review and comment of the 16 regional water plans, which were approved by the Board during the fall of 2010. WUPP staff subsequently developed the 2012 State Water Plan, which was adopted by the Board in December 2011 and submitted to the Governor, Lieutenant Governor, and the Texas Legislature on the statutory deadline of January 5, 2012.

The TWDB's water planning program continues to receive recognition as one of the leading water planning programs in the nation. The 2007 State Water Plan, Water for Texas, won praise from the American Planning Association, a professional organization focused on city planning and community development. In October 2007, the Texas chapter of the Association presented the TWDB with the 2007 Long Range Planning Award, "given to an outstanding plan that concentrates on a single long-range planning element." The 2007 State Water Plan also received one of the Association's four Letters of Commendation from the Awards Jury for its nomination for the Planning Excellence Award for Best Practice. This recognition has led to WUPP management receiving regular invitations to speak at conferences, meetings, and events across the country.

In 2011, WUPP developed an online application to facilitate the annual water use survey that has accelerated the survey process, improve response rates, and reduced the effort required by external

responders and WUPP staff. In 2014, WUPP developed and oversaw the launch of a new interactive website that makes 2012 State Water Plan data easily viewable. This first-of-its-kind online application lets water users statewide view details behind the 2012 State Water Plan in a geographic format. The website increases the transparency of the state water plan and will be expanded during 2014 to include most of the basic data categories on which the 2012 plan is based.

WUPP has strengthened data requirements of the upcoming 2016 regional water plans and has provided support for these requirements in the form of an improved, online state water planning database. This database will process and produce significant portions of the data presentations that will be required in each of the 16 regional water plans. As a result, WUPP staff anticipates that the current cycle of regional planning will see a significant increase in regional water plan and state water plan data quality, a shorter draft plan review time, and stronger reviews of regional water plans by agency staff. This new database will also be much more flexible and facilitate additional uses of the information, including for prioritization of water plan projects required by House Bill 4 (HB 4). In 2013 and 2014, WUPP staff successfully facilitated the HB 4 stakeholder committee's work to develop uniform standards that are currently being used by regional water planning groups to prioritize the projects in the 2011 regional water plans and that are due to TWDB as final by September 1, 2014.

WUPP will continue to work with stakeholders and state and federal agencies during revisions to regional and state water planning rules and work with them on the implementation of the new rules. WUPP will also work with the Texas State Data Center in coordination with TCEQ, TPWD, Texas Department of Agriculture, and the regional water planning groups to develop population and water demand projections for inclusion in each regional water planning cycle and associated state water plan and for review of the draft regional water plans.

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Agency Goals

Objectives and Outcome Measures

Strategies and Output, Efficiency, and Explanatory Measures

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Agency Goals and Strategies

Agency Goal 1	**Water Resources 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.
First Objective	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 Measures	1. Percent of information available to adequately monitor the state's water supplies.
Strategy	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 Measures	1. Number of bay, estuary, and instream study elements completed.
Strategy	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 Measures	1. Number of data units collected/processed by TWDB staff.
Strategy	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 Measures	1. Number of person-hours in training classes and conferences sponsored by TNRIS. 2. Number of strategic mapping pool.
Explanatory Measures	1. Number of responses to requests for TNRIS-related information that are filled.
Second Objective	Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment, and flood protection.
Outcome Measures	1. Percent of key regional and statewide water planning activities completed.
Strategy	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 Measures	1. Number of responses to requests for water resources information that are filled.

Strategy	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 initiates implementation of the state water plan, and 3) researching water resource problems and issues.
Output Measures	1. Number of active grants for regional water, wastewater, flood, and research studies funded from the Research and Planning Fund.
Third Objective	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 Measures	1. Percent of communities receiving technical and/or financial assistance. 2. Percent of water saved with financial assistance.
Strategy	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 Measures	1. Number of responses to requests for water conservation information, literature, data, technical assistance, and educational activities provided by TWDB staff.
Fourth Objective	Administer the National Flood Insurance Program (NFIP).
Strategy	Perform community assistance pursuant to NFIP.
Output Measures	1. Number of communities assisted through Community Assistance Contacts (CACs) and Community Assistance Visits (CAVs).

Agency 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.

First Objective	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 Measures	1. Dollars committed as a percent of total financial assistance dollars. 2. Dollars saved from TWDB assistance.

Strategy	Provide financial assistance through state and federal programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.
Output Measures	1. Number of state participation projects receiving financial assistance.
	2. Total dollars committed to projects to implement the state water plan.
	3. Number of commitments to state water plan projects.
	4. Number of financial assistance commitments made.
	5. Number of commitments to small, rural, or disadvantaged community projects.
	6. Total dollars of financial assistance committed.
	7. Sum of project costs receiving SWIRFT funding commitments.
	8. Total dollars committed to small, rural, or disadvantaged community projects through agency programs targeting such communities.
	9. Number of communities with active financial assistance agreements.
	10. Number of construction contracts managed.
	11. Number of non-EDAP financial assistance agreements closed/executed.
	12. Number of commitments for projects receiving SWIRFT funding.
Explanatory Measures	1. Number receiving water or wastewater service from state ownership investment.
	2. Dollars invested by the state in water/wastewater service through state participation.
	3. Dollars of financial assistance made available.
	4. Number of applications for state water plan projects received for prioritization for SWIRFT funding.
	5. Sum of state water plan project cost for SWIRFT funding prioritization.
Efficiency Measures	1. Administrative cost per active financial assistance agreement.
	2. Financial assistance dollars managed per full-time equivalent.
Strategy	Provide economically distressed areas access and connections to adequate water supply and/or wastewater treatment systems and/or indoor plumbing improvements.
Output Measures	1. Number of economically distressed areas project loans and grants closed.
	2. Number of economically distressed areas projects that have completed all construction.
	3. Construction in progress for economically distressed areas projects.
	4. Number of economically distressed areas projects that have complete non-construction activities in planning, acquisition or design.
Explanatory Measures	1. Economically distressed area residents provided adequate water supplies or wastewater systems.

Agency Goal 3	Indirect Administration
Strategy	Central Administration
Strategy	Information Resources
Strategy	Other Support Services

Technology Resources Planning

Technology Initiative Assessment and Alignment

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Technology Resources Planning

The following assessment details the current policies and technology priorities at the TWDB that align with the "Top 10 Technology Priorities" outlined in the 2014 – 2018 State Strategic Plan for Information Resources Management by DIR. The "Top 10 Technology Priorities" include Security and Privacy, Cloud Services, Legacy Modernization, Business Continuity, Enterprise Planning and Collaboration, IT Workforce, Virtualization, Data Management, Mobility and Network.

PRIORITY 1: SECURITY AND PRIVACY

Develop governance, policies and guidelines to secure the technology infrastructure, ensure the integrity of online services and protect the private information collected from citizens and businesses. IT Workforce, Virtualization, Data Management, Mobility and Network.

- To reduce vulnerability to malicious attacks, the TWDB maintains multilayered computer security. This includes firewalls, an intrusion-detection and prevention system, an email gateway that provides effective spam and malware control, and desktop virus control.
- The TWDB participates in DIR's annual vulnerability assessment through controlled penetration testing. These tests assist the agency in its efforts to mitigate security risks.
- The TWDB also participated in a DIR-sponsored security risk assessment conducted by an outside contractor. This risk assessment provided mitigation recommendations that the agency will use to further secure its information technology resources.
- The TWDB is developing its biennial cyber security plan to be delivered to DIR in October of 2014.
- Agency databases that may contain personally-identifiable information or information that is otherwise confidential include appropriate controls for access.
- The agency is implementing a framework and guidelines to ensure that all new web applications meet the most current information technology security standards and protocols.

PRIORITY 2: CLOUD SERVICES

Consider and adopt as appropriate, cloud-based software, platform and infrastructure services to drive cost-effective and efficient operations.

- Microsoft O365, hosted by Microsoft in a cloud implementation, is the TWDB's electronic mail solution.
- The agency will research and implement where appropriate additional Microsoft O365 tools, such as SharePoint and SkyDrive.
- The agency is currently using a cloud-based solution for its web application and GIS servers managed by the Information Technology and TNRIS divisions.

PRIORITY 3: LEGACY MODERNIZATION

Identify existing mission-critical legacy applications and prioritize their replacement or modernization.

- The TWDB is participating in the Legacy Systems Study being conducted by DIR as a result of House Bill 2738 enacted by the 83rd Texas Legislature. The findings of this study will be published in a report from DIR to state leadership.
- The four major application development projects currently in the execution phase by the Information Technology Division include upgrades to mission-critical legacy applications. These projects are Texas Water Information System Expansion (TxWISE), Regional Water Planning Application (DB17), Water Loss, Use and Conservation Data Consolidation (LUC), and Water Information Integration and Dissemination (WIID).
- All other legacy applications are relatively small in size and will be grouped into a final project called Legacy System Modernization. This project is slated to begin in fiscal year 2015.

- The TWDB recently created a Technical Architect position to establish a framework and guide the development of agency systems to minimize maintenance overhead and ensure the long-term viability of new systems.

PRIORITY 4: BUSINESS CONTINUITY

Ensure that critical government information technology services continue in the event of a disaster or a disruption of normal operations.

- The TWDB has designated a business continuity coordinator for the agency. The business continuity coordinator is completing the agency's continuity crosswalk and developing the continuity of operations plan.
- The TWDB is participating in the Data Center Services transformation. Disaster recovery is part of this transformation project and appropriate replication and back-ups are being negotiated with the vendor when servers are moved into the Austin and San Angelo data centers.
- The TWDB is transitioning its web application and GIS servers into a cloud-based solution. Disaster recovery is part of these solutions and appropriate replication and back-ups have been negotiated with the vendors.
- At the conclusion of the Data Center Services transformation and the migration of the web application and GIS servers into the cloud, the majority of the agency's server infrastructure will be off-site with appropriate disaster recovery protocols to ensure continuity of operations in the event of a disaster.

PRIORITY 5: ENTERPRISE PLANNING AND COLLABORATION

Enhance statewide efficiencies through improved planning and collaboration among and within agencies.

- The TWDB is participating in the Data Center Services transformation, an enterprise initiative to consolidate the server resources of multiple state agencies into the Austin and San Angelo data centers.
- The state GIO at the TWDB guides the planning, collaboration and implementation of a centralized statewide geospatial processing and mapping platform for government data and maps.
- The WIID tool is a collaborative project to consolidated water data reporting of multiple, disparate data sets from various divisions across the agency. As this tool is developed, opportunities for collaboration and data sharing with other state agencies will be evaluated.
- The TWDB uses project management to facilitate cross-division collaboration within the agency.
- The TWDB is revising its governance structure, policies and guidelines to facilitate planning and collaboration on information technology projects at the agency.
- The TWDB is researching enterprise content management to enable online collaboration both internally and externally to the agency.

PRIORITY 6: IT WORKFORCE

Develop and implement strategies to recruit, retain and manage a fully trained and qualified IT workforce to meet current and future mission objectives.

- The TWDB supports flexible workplace arrangements such as flextime and compressed work weeks.
- The TWDB provides detailed job vacancy notices to highlight current information technology projects.
- The TWDB plans and financially supports personalized training and development opportunities. Employees are encouraged and financially supported in pursuing professional credentialing.
- Information Technology staff at the TWDB work in collaborative, multi-disciplinary teams to develop a holistic understanding of the agency's functions.
- Both monetary and non-monetary methods of rewards and recognition are provided to employees at the TWDB. Money is set aside annually for management to reward employees with merits, one-time merits and promotions. In addition, employees are recognized for their work contributions through means such as administrative leave and team celebrations.

- The Information Technology division has established the Special Thanks and Recognition (STAR) program to recognize significant work contributions by staff. The governing committee of the program includes both management and staff. Recognition is awarded quarterly in the Information Technology division and Operations and Administration office meetings.

PRIORITY 7: VIRTUALIZATION

Virtualize existing server and desktop environments to reduce operational costs and improve service delivery.

- The TWDB uses virtualized server environments as part of its Data Center Services transformation and cloud-based solutions.

PRIORITY 8: DATA MANAGEMENT

Implement sound data management principles to support good business practices, meet regulatory requirements and reduce costs.

- The TWDB is researching enterprise content management to address multiple issues such as records management, business process management, collaboration and public information.
- The TWDB is revising its external and internal websites and will implement a web content management solution as part of the revisions.
- The TWDB recently consolidated its information technology resources into one division and will be developing an internal data governance structure to guide agency-wide data decisions and policies.
- The WIID project is being re-scoped to not only include upgrading the current application, but also to design a consolidated data reporting tool that includes multiple, disparate data sets and applications. By creating a single point of entry, critical water data sets will be more readily available and transparent to the public.
- The TWDB is evaluating current and future databases as applications are developed to identify opportunities for data consolidation.

PRIORITY 9: MOBILITY

Support the needs of an increasingly mobile citizen and workforce population.

- Rider 14 of Senate Bill 1, 83rd legislature, directed DIR to conduct a study determining whether the use of tablets instead of personal computers is more efficient and cost effective for the state of Texas. The TWDB participated in this study. The report was delivered to state leadership on March 1, 2014.
- The TWDB currently supports the use of agency-owned mobile devices. The agency is evaluating and will implement a mobile device management system, updating its policies and guidelines for mobile device usage, and selecting agency standards for mobile device operating systems.
- The TWDB is implementing an application development framework that enables applications to be designed for accessibility on mobile devices.
- The TWDB is using social media, such as Facebook and Twitter, to provide real-time communications to the public.
- The TWDB is revising its external website. The new version will be accessible to mobile devices.

PRIORITY 10: NETWORK

Provide innovative network services to allow agencies to improve efficiency and successfully deliver citizen services.

- The TWDB currently provides unsecured public wireless accessibility.
- The TWDB is evaluating the feasibility and cost of implementing a secured wireless network solution.
- The TWDB is located in the Capitol Complex. DIR manages most of the agency's network resources, including its voice communications network and Internet services. The agency will be an active participant in any new network initiatives in the Capitol Complex.

Technology Initiative Assessment and Alignment

The following assessment strategically aligns the technology initiatives at the TWDB with the state and agency business priorities, goals and objectives. Strategic alignment is demonstrated by identifying and describing current and planned technology initiatives as they relate to state and agency priorities, goals and objectives.

1. Initiative Name:

Data Collection, Integration and Dissemination System

2. Initiative Description:

Guide and implement a water resources data collection, integration and dissemination system to gather, transform and display water resources data through a centralized web portal, including the geospatial display of data.

The Water Information, Integration and Dissemination (WIID) project is the primary project that supports this initiative. All other projects support this initiative indirectly by improving the collection and transformation of individual water resources data sets.

§16.012 Texas Water Code, Subsection (b), directs the TWDB to "lead a statewide effort, in coordination with federal, state and local governments, institutions of higher education and other interested parties, to develop a network for collecting and disseminating water resource-related information that is sufficient to support assessment of ambient water conditions statewide" and to "make recommendations for optimizing the efficiency and effectiveness of water resource data collection and dissemination as necessary to ensure that basic water resource data are maintained and available for Texas."

3. Associated Project(s):

Name	Status
Water Information, Integration and Dissemination (WIID)	Under Development
Water Loss, Use and Conservation Data Consolidation (LUC)	Under Development
Regional Water Planning Application (DB17)	Under Development
waterdatafortexas.org	Under Development
Interactive State Water Plan (texasstatewaterplan.org)	Under Development

4. Agency Objective(s):

Agency Objective 1.1: 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.

Agency Objective 1.2: Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment and flood protection.

Agency Objective 1.3: 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.

5. Statewide Technology Priority(ies):

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

6. Anticipated Benefit(s):

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

7. Capabilities or Barriers:

Capabilities:

- The centralization of information technology resources at the TWDB fosters a collaborative team environment in support of this initiative.
- Efforts by the Information Technology and TNRIS divisions on other agency initiatives can be shared by this initiative.
- Appropriate project oversight through the use of project management best practices and organized project governance.

Barriers:

- The continued availability of funding to support this initiative.
- Reassignment of resources allocated to current projects to address other agency initiatives. This includes business area staff for initiatives not information technology related.

1. Initiative Name:

Texas Geospatial Data Visualization and Access System

2. Initiative Description:

Guide and implement a centralized statewide geospatial processing and mapping platform for government data and maps. The system consists of:

- Data Services (i.e. imagery, geoprocessing and analysis)
- Indexed Data Cataloguing
- Application Development
- Web Mapping Resources
- Cloud Hosting

The platform includes commercial and open source information technology resources and aligns with federal spatial data infrastructure technology initiatives to promote interoperability. This activity is in support of the GIO.

§16.021 Texas Water Code, Subsection (c), establishes the GIO and directs the GIO to "coordinate the acquisition and use of high-priority imagery and data sets; establish, support and disseminate authoritative statewide geographic data sets; support geographic data needs of emergency management responders during emergencies; monitor trends in geographic information technology; and support public access to state geographic data and resources."

3. Associated Project(s):

Name	Status
Geospatial Emergency Management Support System (GEMSS)	Under Development
Interactive State Water Plan (texasstatewaterplan.org)	Under Development
TNRIS Website (tnris.org)	Under Development
Water Information Integration and Dissemination System (WIID)	Under Development

4. Agency Objective(s):

Agency Objective 1.1: 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.

Agency Objective 1.2: Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment and flood protection.

Agency Objective 1.3: 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.

5. Statewide Technology Priority(ies):

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

6. Anticipated Benefit(s):

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

7. Capabilities or Barriers:

Capabilities:

- Strong stakeholder engagement process organized to develop costs and requirements for implementation of this initiative.
- Existing archives and systems are being designed for future platform deployment.
- Coordination responsibilities for outreach and engagement for multiple agencies (federal, state and local).

Barriers:

- The continued availability of funding to support this initiative.
- Reassignment of resources allocated to current projects to address other agency initiatives. This includes business area staff for initiatives not information technology related.

1. Initiative Name:

Legacy System Modernization

2. Initiative Description:

Modernize current legacy applications through replacement or extending compatibility with new systems.

3. Associated Project(s):

Name	Status
Texas Water Information System Expansion (TxWISE): Phase 3	Under Development
Water Loss, Use and Conservation Data Consolidation (LUC)	Under Development
Regional Water Planning Data Entry Application (DB17)	Under Development
Water Information, Integration and Dissemination (WIID)	Under Development
Interactive State Water Plan (texasstatewaterplan.org)	Under Development

waterdatafortexas.org	Under Development
Legacy System Modernization	Not Started

4. Agency Objective(s):

All Agency Objectives

5. Statewide Technology Priority(ies):

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

6. Anticipated Benefit(s):

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements

7. Capabilities or Barriers:

Capabilities:

- The centralization of information technology resources at the TWDB fosters a collaborative team environment in support of this initiative.
- Efforts by the Information Technology and TNRIS Divisions on other agency initiatives can be shared by this initiative.
- Appropriate project oversight through the use of project management best practices and organized project governance.

Barriers:

- The continued availability of funding to support this initiative.
- Reassignment of resources allocated to current projects to address other agency initiatives. This includes business area staff for initiatives not information technology related.

1. Initiative Name:

Server Infrastructure Modernization and Consolidation

2. Initiative Description:

Modernize and consolidate current agency server infrastructure through transformation to the Texas Department of Information Resources Data Center and a separate cloud solution.

3. Associated Project(s):

Name	Status
Data Center Services Transformation (DCS)	Under Development
Texas Water Information System Expansion (TxWISE): Phase 3	Under Development
Water Loss, Use and Conservation Data Consolidation (LUC)	Under Development
Regional Water Planning Data Entry Application (DB17)	Under Development
Water Information, Integration and Dissemination (WIID)	Under Development
Interactive State Water Plan (texasstatewaterplan.org)	Under Development
waterdatafortexas.org	Under Development
Legacy System Modernization	Not Started

4. Agency Objective(s):

All Agency Objectives

5. Statewide Technology Priority(ies):

- Security and Privacy
- Cloud Services
- Legacy Applications
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

6. Anticipated Benefit(s):

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

7. Capabilities or Barriers:

Capabilities:

- Current collaborative partnership with the contracted Data Center Services vendor.
- The centralization of information technology resources at the TWDB fosters a collaborative team environment in support of this initiative.
- Efforts by the Information Technology and TNRIS Divisions on other agency initiatives can be shared by this initiative.
- Appropriate internal project oversight through the use of project management best practices and organized project governance.

Barriers:

- Additional costs not yet identified.
- The continued availability of funding to support this initiative.
- Workload of already limited agency staff will increase as more agency servers are transformed to the cloud solution.
- Reassignment of resources allocated to current projects to address other agency initiatives. This includes business area staff for initiatives not information technology related.

1. Initiative Name:

Strategic and Floodplain Mapping Program

2. Initiative Description:

Strategic mapping of statewide geospatial base data. Acquire, develop, maintain and disseminate statewide geospatial data through collaboration with local, state, federal and private sector entities.

This includes agency responsibilities for the preservation of historical photography archive, development of floodplain mapping data and alignment with state standards defined in the High Priority Imagery and Data Sets contract.

The StratMap project that supports this initiative uses the High Priority Imagery and Datasets Contract to acquire data, including imagery and Lidar acquisitions.

The Floodplain Mapping Program that supports this initiative sets floodplain mapping priorities and increases local awareness and ownership of flood hazard maps.

This initiative supports Texas Water Code §16.017, Subsection (b); §16.021; and §16.316, Subsection (c), Subdivisions (4), (5), and (6).

3. Associated Project(s):

Name	Status
StratMap	Under Development
Floodplain Mapping Program	Under Development

4. Agency Objective(s):

Agency Objective 1.1: 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.

Agency Objective 1.2: Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment and flood protection.

Agency Objective 1.4: Administer the National Flood Insurance Program

5. Statewide Technology Priority(ies):

- Security and Privacy
- Cloud Services
- Business Continuity
- Enterprise Planning and Collaboration
- IT Workforce
- Virtualization
- Data Management
- Mobility
- Network

6. Anticipated Benefit(s):

- Operational efficiencies (time, cost, productivity)
- Citizen/customer satisfaction (service delivery quality, cycle time)
- Security improvements
- Foundation for future operational improvements
- Compliance (required by State/Federal laws or regulations)

7. Capabilities or Barriers:

Capabilities:

- Coordination responsibilities for outreach and engagement for multiple agencies (Federal, State and Local).

Barriers:

- There is no funding for the StratMap statewide data initiative. This is a barrier because the agency cannot leverage other state and federal dollars to reduce costs. This will prevent the ability to acquire appropriate data sets.

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Appendix

Description of Agency's Planning Process

Current Organizational Chart

Five-Year Projections for Outcomes

Performance Measure Definitions

Workforce Plan

Survey of Employee Engagement

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Appendix A

Description of Agency's Planning Process

The agency's 2015-2019 Strategic Planning process began with planning team meetings in early 2014. The team, consisting of representatives from all offices, met regularly to discuss and lay out where they wanted to agency to go over the next five years.

Team members conducted a strengths, weaknesses, opportunities and threats (SWOT) analysis to determine what the agency is good at, and where more energy needs to be focused. As a group, they also drafted revisions to the agency's mission statement and core values for review and approval by the Executive Administrator and Board.

The agency conducted its biennial customer service survey to garner feedback from TWDB stakeholders. Responses were forwarded to appropriate agency staff to handle, and the overall results were used to formulate each office's self-evaluation portion of the plan. Answers were well aligned with what the TWDB is currently focused on, for both the present and future planning.

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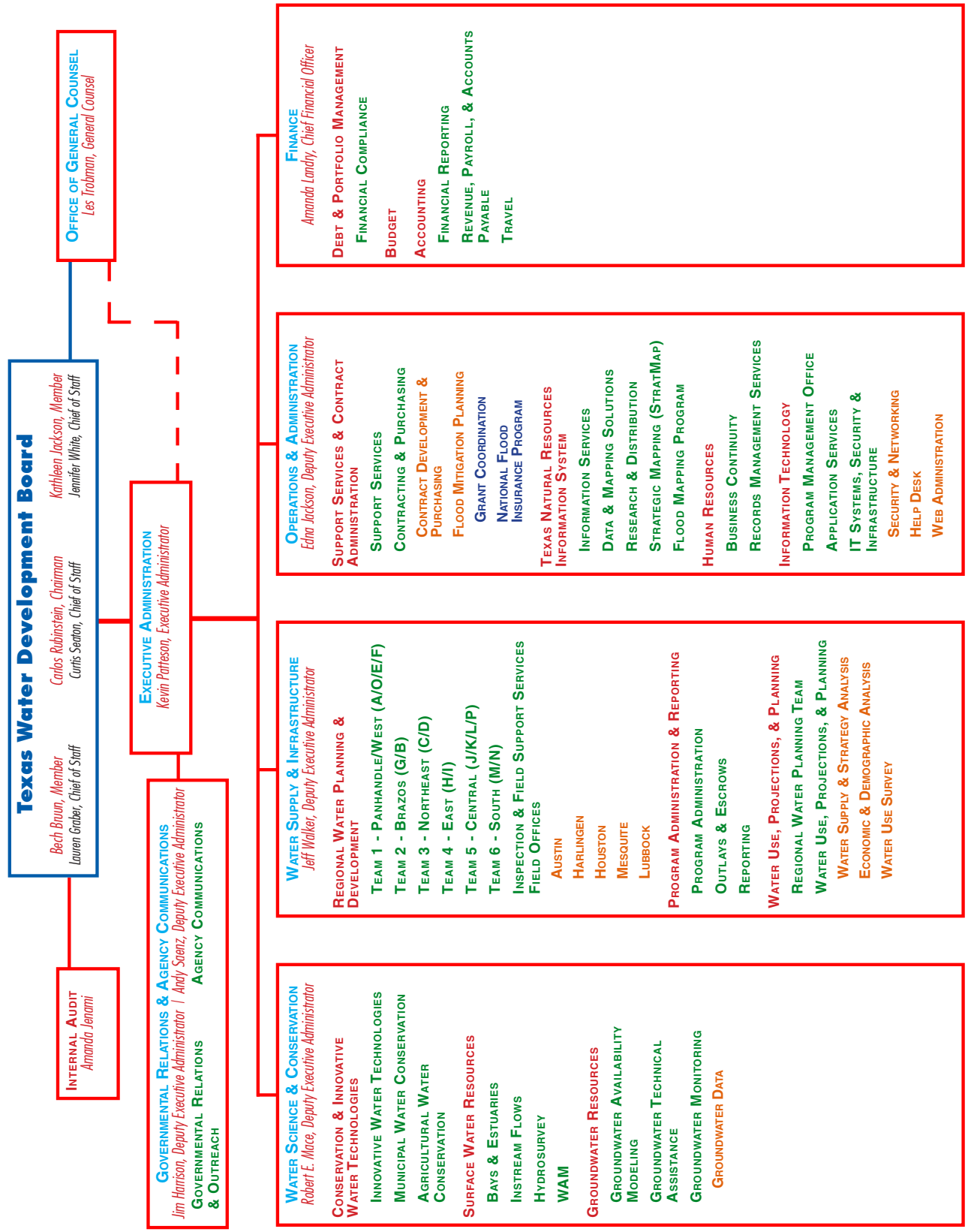
Appendix B

Current Organizational Chart



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Appendix C

Five Year Projections for Outcome Measures

Outcome	2015	2016	2017	2018	2019
Percent of information available to adequately monitor the state's water supplies	66.6%	66.6%	66.6%	66.6%	66.6%
Percent of key regional and statewide water planning activities completed	90%	90%	90%	90%	90%
Percent of communities receiving technical and/or financial assistance	8.7%	8.7%	8.7%	8.7%	8.7%
Percent of water saved with financial assistance	7%	7%	7%	7%	7%
Dollars committed as a percent of total financial assistance dollars	80%	80%	80%	80%	80%
Dollars saved from TWDB assistance	$165,985,860	$165,985,860	$165,985,860	$165,985,860	$165,985,860

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Appendix D

Performance Measure Definitions

AGENCY GOAL 1		WATER RESOURCES PLANNING
FIRST OBJECTIVE		**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 Measure:		**Percent of information available to adequately monitor the state's water supplies**
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:		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 Water Science and Conservation'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		ENVIRONMENTAL IMPACT INFORMATION
Output Measure:		**Number of bay, estuary, and instream study elements completed**
Short Definition:		Number of bay, estuary, and instream study elements completed.
Purpose/Importance:		This measure quantifies the number of bay and estuary inflow and instream flow study elements completed annually in accordance with statutes governing these programs (Texas Water Code §16.012, §16.058, §16.059, §11.02362, §11.1491, and §11.147 and by Texas Natural Resources Code §33.065). The measure also provides data on the progress of environmental flow needs studies, which are used for planning, management, and availability modeling of the state's surface water as defined in Texas Water Code §11.021.
Source/Collection:		A study element is considered complete when designated staff has approved a study element. The number of study elements completed is maintained by designated staff in a spreadsheet according to the Water Science and Conservation's Performance Measure Procedures document.
Method of Calculation:		The number of study elements completed annually is calculated by adding the number of bay systems for which hydrodynamic and salinity models, hydrology (freshwater inflow estimates), water quality data collection, and tide monitoring has been completed. These elements then are added 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 and on the availability of funding to support monitoring activities. 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		WATER RESOURCES DATA
Output Measure:		**Number of data units collected/processed by TWDB staff**
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:		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; 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 Water Science and Conservation'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		AUTOMATED INFORMATION COLLECTION, MAINTENANCE AND DISSEMINATION
Output Measure:		**Number of person-hours in training classes and conferences sponsored by TNRIS**
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:		TNRIS training classes include meetings, 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 Measure:		**Number of strategic mapping units**
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 Texas Geographic Information Council (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:		The measure information will be collected by the Texas Natural Resources Information System (TNRIS) division of the Texas Water Development Board (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 Measure:		**Number of responses to requests for TNRIS-related information that are filled**
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:		• 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 and then provide a monthly paper summary of their data request. These are tallied by request, not by volume. • Data Delivery: A) Internet: The Google Analytics web tracking software tracks individual clicks on data download hyperlinks on the TNRIS website, as well as individual visits. B) Sales: TNRIS 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: 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: 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.

SECOND OBJECTIVE		Conduct water planning and financial assistance activities to ensure adequate long-term water supplies, wastewater treatment, and flood protection.
Outcome Measure:		**Percent of key regional and statewide water planning activities completed**
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:		Measure annually assesses three activities that are consistently required each year throughout the cycle: 1. Contract Management: Annual assessment is based on the number 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 number of all scheduled Planning Group meetings that are supported by the presence and participation of a TWDB representative. 3. Database Management and Technical Assistance: Assessment based on the number of total requests for database information or assistance with database use that are fulfilled within the agreed period.
Method of Calculation:		Annually, numbers of payment requests, database requests, and Planning Group meetings are collected. These numerical data are converted to a percentage for the activities as described above. The individual activities completed 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) Database management (60/75) = (58+32+60)/(64+44+75) = 150/183 = 82.0%
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		TECHNICAL ASSISTANCE AND MODELING
Output Measure:		**Number of responses to requests for water resources information that are filled**
Short Definition:		This measure reports the number of requests for groundwater information.
Purpose/Importance:		This measure quantifies the role that the Groundwater Resources Division plays in the dissemination of valuable groundwater resource data to governmental and private concerns.
Source/Collection:		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		WATER RESOURCES PLANNING
Output Measure:		**Number of active grants for regional water, wastewater, flood, and research studies funded from the Research and Planning Fund**
Short Definition:		Number of active grants for regional water, wastewater, flood, and research studies funded from the Research and Planning Fund.
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.
Source/Collection:		Information for this measure is maintained by designated staff in a database according to the Office of Planning's Performance Measure Procedures document.
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.

THIRD OBJECTIVE		**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 Measure:		**Percent of communities receiving technical and/or financial assistance**
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:		The total number of Texas communities eligible for assistance is contained in Water Science and Conservation'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 annually 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 Measure:		**Percent of water saved with financial assistance**
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:		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 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 Water Science and Conservation'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		WATER CONSERVATION EDUCATION AND ASSISTANCE
Output Measure:		**Number of responses to requests for water conservation information, literature, data, technical assistance, and educational activities provided by TWDB staff**
Short Definition:		This measure reports the number of requests from public and private entities and individuals for water conservation information, literature, data, technical assistance, and educational activities provided by TWDB staff.
Purpose/Importance:		This measure is calculated by summing the number of responses to requests for information and assistance such as conservation information, literature, data, technical assistance, professional services, training, or equipment loans that is provided by TWDB Conservation staff.
Source/Collection:		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.

FOURTH OBJECTIVE		Administer the National Flood Insurance Program (NFIP)
STRATEGY		**COMMUNITY ASSISTANCE PURSUANT TO NFIP**
Output Measure:		**Number of communities assisted through community assistance contacts (CACs) and community assistance visits (CAVs)**
Short Definition:		This measure reports the number of community assistance contacts made and the number of community assistance visits conducted. Community Assistance Contacts provide an opportunity to establish or re-establish contact with an NFIP participating community for the purpose of determining if any problems or issues exist and to offer assistance if necessary. Community Assistance Contacts may include telephone or personal contact with a community. Community Assistance Visits are on-site assessments of a participating community's compliance with federal regulations, including a comprehensive assessment of the community's floodplain management program and its knowledge and understanding of the floodplain management requirements of the NFIP.
Purpose/Importance:		The measure reflects the combined workload of agency staff associated with ensuring that communities that participate in the National Flood Insurance Program receive sufficient technical assistance and are compliant with federal floodplain management regulations. Failure to be compliant would result in the community being suspended from the program and its citizens losing the ability to obtain federal flood insurance.
Source/Collection:		The source of information is the Federal Emergency Management Agency's (FEMA) Community Information System (CIS) database and Risk Prioritization Tool provided by FEMA and the numbers of communities assisted through CACs and CAVs are entered by NFIP staff into the FEMA CIS database after completion of a contact or visit.
Method of Calculation:		The number of communities assessed is tracked by NFIP staff by running a report in the FEMA CIS database.
Data Limitations:		No known data limitations.
Calculation Type:		Cumulative
New Measure:		No.
Target Attainment:		Desired performance would be reflected by meeting or exceeding targeted results.

AGENCY GOAL 2		WATER PROJECT FINANCING
FIRST OBJECTIVE		**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 Measure:		**Dollars committed as a percent of total financial assistance dollars**
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 and providing technical assistance; and measure our effectiveness at committing funds to cost-effective water related projects.
Source/Collection:		The source of the numerator ("Total dollars committed") will come from the Board's Financial Information System (FIS) or subsequent database system. 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 Board-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.
Data Limitations:		The denominator is set at the time of the benchmark and should not change. However, if federal grants or state appropriations change during the year, then this could have effects on the target
Calculation Type:		Non-cumulative.
New Measure:		No.
Target Attainment:		Higher than target.
Outcome Measure:		**Dollars saved from TWDB assistance**
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:		A spreadsheet is used to calculate this measure. Current Year "Commitment Amounts" from the FIS or subsequent Board database system is the source of the numerator for the calculation.

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: Sum (Loans/type * Gross Int-saved Factor/type) + Sum (Grants/type) +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		**STATE AND FEDERAL FINANCIAL ASSISTANCE PROGRAMS**
Output Measure:		**Number of state participation projects receiving financial assistance**
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:		This measure reflects the number of commitments provided 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:		This information will come from FIS or a subsequent Board database 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.

Output Measure:		**Total dollars committed to projects to implement the State Water Plan**
Short Definition:		Sum of 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 the Board action.
Purpose/Importance:		This measure reflects the Board's financial 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 those funded through the Board, to prepare the state to meet future water needs and for drought.
Source/Collection:		Dollars of financial assistance commitments to SWP projects will come from the Board's TxWISE database system.
Method of Calculation:		The measure is calculated by summing the amount of financial assistance committed for the recording period and year to date.
Data Limitations:		Recipients may withdraw from the financial assistance commitments without taking any funds. The dollar amount committed is not adjusted for such withdrawals.
Calculation Type:		Cumulative.
New Measure:		No.
Target Attainment:		Higher than target.
Output Measure:		**Number of commitments to State Water Plan projects**
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 the Board action. Board actions to increase the amount of grant and loan will also be counted as a commitment.
Purpose/Importance:		This measure reflects the Board's financial 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.
Source/Collection:		The number of the Board's financial assistance commitments to SWP projects will come from the Board's TxWISE or subsequent database system.
Method of Calculation:		Count the number of commitments made each month from the data supplied by the Board's TxWISE database system.
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 Measure:		**Number of financial assistance commitments made**
Short Definition:		Provide financial assistance through SRF Programs and other Federal and State programs to save money for Texas communities for water supply, water quality protection, and other water-related projects.
Purpose/Importance:		This data is important because it represents the number of cost-effective financial assistance commitments provided to communities by TWDB.
Source/Collection:		This information is provided in the FIS or subsequent Board database system.
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 Measure:		**Number of commitments to small, rural, or disadvantaged community projects**
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:		The performance data will be based on Board commitments recorded in the database or subsequent Board database system.
Method of Calculation:		Query the FIS or subsequent Board database system to identify the commitments made during the reporting period. 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. Rural is defined as a communities of less than 5,000 in population and in a county not included in a MSA. Small communities are those with populations of less than 5,000. This information is captured in population data from Water Resources Planning and Information (WRPI) and the IUPs. Disadvantaged is defined as those communities receiving funding from any of the programs identified in this measure.
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 Measure:		**Total dollars of financial assistance committed**
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:		This information is provided in the FIS or subsequent Board database system.
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 Measure		**Sum of project costs receiving SWIRFT funding commitments**
Short Definition:		Sum of total dollars of Board commitments for financial assistance to projects funded through the State Water Implementation Revenue Fund for Texas (SWIRFT) during the reporting period.
Purpose/Importance:		This measure reflects the sum of financial assistance commitment dollar amounts provided by TWDB through SWIFT.
Source/Collection:		Quarterly report information will be obtained through a TxWISE query.
Method of Calculation:		The measure is calculated by totaling the number of financial assistance commitment amounts made by TWDB during the reporting period.
Data Limitations:		Financial Assistance Recipients may withdraw from the financial assitance commitments without taking any funds. The amount is not adjusted for such withdrawals.
Calculation Type:		Non-cumulative.
New Measure:		Yes.
Target Attainment:		Higher than target.

Output Measure:		**Total dollars committed to small, rural, or disadvantaged community projects through agency programs targeting such communities**
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.
Purpose/Importance:		The performance data will be based on Board commitments recorded in the FIS or subsequent Board database system.
Source/Collection:		Query the FIS database or subsequent Board database system to identify and sum the dollar value of commitments made during the reporting period from TWDB programs.
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 Measure:		**Number of communities with active financial assistance agreements**
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:		This information is provided in the FIS or subsequent Board database 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 Measure:		**Number of construction contracts managed**
Short Definition:		Construction contracts in progress are construction contracts that 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 ensure 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:		This information is provided in the Board TxWISE database system. The Inspection & Field Support Services Offices monitor the progress of construction contracts for all of the entities that have a commitment with the TWDB.
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 Measure:		**Number of non-EDAP financial assistance agreements closed/executed**
Short Definition:		This measure accounts for the number of non-EDAP financial assistance agreements closings processed per reporting period.
Purpose/Importance:		This measure quantifies the number of non-EDAP financial assistance agreements closed during the reporting period. This measure allows the TWDB to track the number of non-EDAP financial assistance agreements closed.
Source/Collection:		This information is provided in the Board TxWISE database system.
Method of Calculation:		This measure is calculated each quarter by totaling the number of non-EDAP financial assistance agreements closed during the reporting period.
Data Limitations:		No data limitations.
Calculation Type:		Cumulative.
New Measure:		No.
Target Attainment:		Higher than target.

Output Measure:		**Number of commitments for projects receiving SWIRFT funding**
Short Definition:		Count of Board commitments of financial assistance to projects to be funded through the State Water Implementation Revenue Fund for Texas (SWIRFT) during the reporting period.
Purpose/Importance:		This measure reflects the number of cost-effective financial assistance commitments provided by TWDB through SWIRFT.
Source/Collection:		Quarterly report information will be obtained through a TxWISE query.
Method of Calculation:		The measure is calculated by totaling the number of financial assistance commitments made by TWDB during the reporting period.
Data Limitations:		Financial Assistance Recipients may withdraw fromthe financial assistance commitments without taking any funds. The count is not adjusted for such withdrawals.
Calculation Type:		Cumulative.
New Measures:		Yes.
Target Attainment:		Higher than target.
Explanatory Measure		**Number receiving water or wastewater service from state ownership investment**
Short Definition:		This measure indicates TWDB number of projects funded for water or wastewater service with state ownership investment.
Purpose/Importance:		This measure identifies the number of projects funded from TWDB state participation.
Source/Collection:		The information that is used to generate the quarterly performance for this measure is maintained in the Board's TxWISE database system.
Method of Calculation:		The measure is calculated each quarter by totaling the number of projects funded from TWDB state participation funds.
Data Limitations:		No data limitations.
Calculation Type:		Cumulative.
New Measure:		No.
Target Attainment:		Higher than target.

Explanatory Measure		**Dollars invested by the state in water/wastewater service through state participation**
Short Definition:		This measure indicates total dollars funded through TWDB state participation.
Purpose/Importance:		This measure demonstrates the amount of financial assistance provided through state participation.
Source/Collection:		The information that is used to generate the quarterly performance for this measure is maintained in the Board's TxWISE database system.
Method of Calculation:		This measure is calculated each quarter by totaling the amount of financial assistance provided through state participation.
Data Limitations:		No data limitations.
Calculation Type:		Cumulative.
New Measure:		Yes.
Target Attainment:		Higher than target.
Explanatory Measure		**Dollars of financial assistance made available**
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 Board 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:		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 the 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), program fund balances, pending bond issues, 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 a benchmark for evaluating our performance and should not change after the amounts available fore 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 Measure:		**Number of applications for State Water Plan projects received for prioritization for SWIRFT funding**
Short Definition:		Number of applications received for prioritization for funding through the State Water Implementation Revenue Fund for Texas (SWIRFT) during the reporting period.
Purpose/Importance:		This measure reflects the number of financial assistance applications submitted to TWDB requesting prioritization for SWIRFT funding.
Source/Collection		Quarterly report information will be obtained through a TxWISE query.
Method of Calculation		The measure is calculated by totaling the number of financial assistance applications for prioritization received by TWDB during the reporting period
Data Limitations		No data limitations.
Calculation Type		Non-cumulative.
New Measure		Yes.
Target Attainment		Higher than target.
Explanatory Measure		**Sum of State Water Plan Project Cost for SWIRFT funding prioritization**
Short Definition		Sum of the total dollar amount for the applications received for prioritization for funding through the State Water Implementation Revenue Fund for Texas (SWIRFT) during the reporting period.
Purpose/Importance		This measure reflects the total dollars of financial assistance applications submitted to TWDB requesting prioritization for SWIFT funding.
Source/Collection		Quarterly report information will be obtained through a TxWISE query.
Method of Calculation		The measure is calculated by totaling the dollar amount of financial assistance applications for prioritization received by TWDB during the reporting period.
Data Limitations		No data limitations.
Calculation Type		Non-cumulative.
New Measure		Yes.
Target Attainment		Higher than target.

Efficiency Measure:		**Administrative cost per active financial assistance agreement**
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:		The financial assistance information is provided in the FIS or subsequent Board database system. The administration cost information is maintained in the agency's MIP system or subsequent Board database 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 Measure:		**Financial assistance dollars managed per FTE**
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:		Data on the loan dollars managed is provided in the FIS or subsequent Board database system. The FTE information is maintained in the agency's Labor system.
Method of Calculation:		Data for the Financial Assistance dollars managed per FTE is provided by TWDB's Labor system for the FTEs per strategy and TWDB's internal accounting system (MIP) for quarterly program costs. Equation: Program costs divided by FTEs per strategy.
Data Limitations:		No data limitations.
Calculation Type:		Non-cumulative.
New Measure:		No.
Target Attainment:		Higher than target.

STRATEGY		ECONOMICALLY DISTRESSED AREAS PROGRAM
Output Measure:		**Number of economically distressed areas project loans and grants closed**
Short Definition:		This measure indicates TWDB workload activity associated with economically distressed areas. The number of loans closed and grants executed, which are 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:		The information for loans and grants closed or subsequent Board database system.
Method of Calculation:		The measure is calculated each quarter by totaling the number of economically distressed areas loans closed and grants executed.
Data Limitations:		No limitations.
Calculation Type:		Cumulative.
New Measure:		No.
Target Attainment:		Higher than target.
Output Measure:		**Number of economically distressed areas projects that have completed all construction**
Short Definition:		This measure indicates the number of projects for which the TWDB has determined construction is complete.
Purpose/Importance:		This measure demonstrates the progress of the EDAP by counting the number of completed projects.
Source/Collection:		This information is provided in the Board TxWISE/IFSS database system. The Inspection & Field Support Services Field Offices monitor the progress of construction contracts for all of the entities that have a commitment with the TWDB.
Method of Calculation:		The measure is calculated by totaling the number of completed economically distressed areas construction projects contracts.
Data Limitations:		No limitations.
Calculation Type:		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 Measure:		**Construction in progress for economically distressed areas projects**
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 ensure completion of projects.
Source/Collection:		The information used to generate the quarterly performance for this measure is maintained in the Board's TxWISE/IFSS database system. The Inspection & Field Support Services Field Offices monitor the progress of construction contracts for all of the entities that have a commitment with the TWDB.
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.

Output Measure:		**Number of economically distressed areas projects that have completed non-construction activities in planning, acquisition or design.**
Short Definition:		This measure indicates the number of projects for which the TWDB has determined is complete for Planning or Acquisition or Design, or a combination thereof, as determined by the grant agreement.
Purpose/Importance:		This measure demonstrates the progress of the EDAP by counting the number of completed projects.
Source/Collection:		Quarterly report information will be obtained through a TxWISE query.
Method of Calculation:		The measure is calculated by totaling the number of completed economically distressed areas, non-construction related projects.
Data Limitations:		No data limitations.
Calculation Type:		Cumulative.
New Measure:		No.
Target Attainment:		Higher than target.
Explanatory Measure:		**Economically distressed area residents provided adequate water supplies or wastewater systems**
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:		The number of residents that can be served by a completed construction project is reported in the Board write-up, engineering feasibility data, or survey conducted by the applicant. WSI will obtain the total number of EDAP residents in need from the most current Secretary of State (SOS) Colonia Initiatives Program quarterly report. The SOS Colonia Initiatives Program report provides specific details on the state and federal funding of projects making improvements to the state's identified colonias.
Method of Calculation:		The total number of economically distressed areas residents will be divided by the total estimated residents in need and expressed as a percentage.
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

Overview of Operations

AGENCY VISION AND MISSION

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 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 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.

Agency Vision

Sustainable and affordable water for Texas.

Agency Mission

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

BUSINESS FUNCTIONS AND AREA MISSIONS

The following is an account of the core business functions and missions of each area in the agency.

Executive Administration

Executive Administration houses the Office of the Executive Administrator of the TWDB and the Office of General Counsel.

The Executive Administrator is responsible for carrying out policies set by the Board. Staff in this office oversee TWDB programs and daily operations, communicate with legislators and other officials regarding TWDB initiatives, and act as the public face of the agency.

The Office of General Counsel is composed of the agency's General Counsel, seven staff attorneys, two program specialists, and one executive assistant. The General Counsel represents the agency in all hearings and negotiations. The Office of General Counsel is responsible for providing legal advice and representation to the agency Board members and staff in the areas of financial assistance, water planning, water policy, natural resources, environmental compliance, legislation, tort claims, human resources, contracting and purchasing, real estate, ethics, open records, open meetings, and rulemaking. This includes, but is not limited to, preparing and reviewing documents, researching and preparing formal and informal legal opinions, representing the agency on interagency working groups, drafting and reviewing regulations and policies, and working with the Office of the Attorney General regarding agency litigation and contested matters.

Governmental Relations and Agency Communications

The TWDB Governmental Relations and Agency Communications office works with state governmental entities and representatives to help carry out the mission of the agency. Before each legislative session, the office compiles a biennial report to the legislature that details activities of the Board and its recommendations for necessary and desirable legislation. At the conclusion of the session, Governmental Relations staff prepares a legislative wrap-up report that details specific legislation relative to the TWDB. The Agency Communications and Outreach division is the agency's direct contact with the media and public.

Internal Audit

The division of Internal Audit is a function required by the Texas Internal Auditing Act (Chapter 2102) of the Texas Government Code. Internal auditors are governed by Government Auditing Standards and Standards for Professional Practice of Internal Auditing of the Institute of Internal Auditors. In the TWDB organizational structure, this function reports directly to the Board. The objectives of this division are to assist TWDB management and Board members in the effective discharge of responsibilities, present to management the determinations of adequacy/effectiveness of internal controls, and provide objective reports. The Internal Audit division consists of the director and two staff auditors.

Operations and Administration

Operations and Administration strives to provide professional, constructive, and formidable support to all areas in the agency in order to ensure delivery of an effective and efficient system of services for the employees and stakeholders of the TWDB.

Operations and Administration has four separate divisions: Support Services and Contract Administration; Human Resources, Information Technology and Texas Natural Resources Information System.

The Support Services division of Operations and Administration provides mail services, fleet management, staff support, and facility support such as office space management, lease management, building safety, telecommunications, and other support functions of the agency as needed. The division also provides Board meeting coordination and Board member transportation during special events and at regular Board meetings. Within this division, Contract Administration provides contract development, contract compliance, contract monitoring, and related payment authorization. Contracting also provides procurement functions to acquire materials, equipment, and services in accordance with state and federal rules and regulations. The Flood Mitigation Planning section manages state grants to political subdivisions to conduct flood protection planning studies and administers the federal Flood Mitigation Assistance and Severe Repetitive Loss grant programs. This area is also responsible for the National Flood Insurance Program (NFIP) and conducts State Coordinating Agency functions for the NFIP, assists communities in enrolling in the NFIP, conducts training related to floodplain management, and provides technical assistance and compliance reviews for participating communities with ordinance, floodplain management, and other NFIP issues.

The Human Resources division is an essential and indispensable force in facilitating the accomplishment of the TWDB's mission by providing services and administering benefits that promote the security and well-being of the TWDB's most important resource: its employees. This division is committed to providing administrative services to the employees of the TWDB in the areas employee benefits, salary administration, human resources development, personnel records, employment, and employee relations. The Records Management section provides record management services on all TWDB loans and grants and assists General Counsel staff with open records requests.

Information Technology (IT) serves as the Information Resources Liaison to Executive Management, Department of Information Resources, the Legislative Budget Board, and the State Auditor's Office. IT oversees the implementation of new technology for the TWDB, manages the agency's Data Center Services contract, trains new employees on agency PC procedures, ensures technology standards are published and followed, and resolves user requests and reported computer problems. Within IT, various sections help to support all functions of the agency. IT staff maintain agency systems, databases, and applications, manage the Water Information, Integration, and Dissemination web portal, serve as the project manager for the systems integration process with the Environmental Protection Agency (EPA) known as TxWISE (Texas Water Information System Expansion), maintain the online Regional Water Planning Data Submission System (DB12), and create specialized maps requested frequently by the Texas Legislature and other various political entities and the public. The Web Administration section administers the

TWDB's Internet and Intranet websites, ensuring the public effective and quick access to the latest TWDB information.

The Texas Natural Resources Information System (TNRIS) was established to serve Texas agencies and citizens as a centralized clearinghouse and referral center for natural resource data, census data, data related to emergency management, and other socioeconomic data. TNRIS continues data maintenance and upgrades for the National Hydrography Dataset (NHD), transportation, political boundaries, and Digital Orthoimagery; increases participation of local and federal partners in the National Map of Texas; and coordinates data production efforts among governmental entities. TNRIS also administers StratMap and the Texas/Mexico Borderlands information system.

Finance

The mission of Finance is to provide internal and external customers with centralized, timely, meaningful, and high-quality financial services and to ensure fiscal integrity by investing and protecting the Board's assets. The primary responsibilities of Finance are to oversee day-to-day financial activities, provide support to the agency through the timely and accurate processing of payroll and financial transactions, formulate and monitor the agency budget, report financial and budget information, coordinate all activities related to issuance of bonds, invest funds in compliance with the Public Funds Investment Act, prepare cash flow and loan analyses and interest rate calculations, and provide financial stability reviews of borrowers. Finance comprises three areas: Accounting, Budget, and Debt and Portfolio Management.

Accounting maintains the general ledger, prepares timely and accurate financial reports for internal and external recipients, processes all payments to vendors, loan recipients, grantees, and employees, processes all receipts and loan repayments, and processes employee payroll.

Budget manages the development, preparation, and maintenance of the TWDB's operating budget and position control, prepares budget-related financial data and reports for the Board, staff, and oversight agencies, prepares the Legislative Appropriation Request, and prepares fiscal notes, briefing documents, and responses to budget-related issues during the legislative session.

Debt and Portfolio Management provides comprehensive financial analysis for the management of the Board's portfolio, issues bonds to obtain money at the most economical cost to the Board to fund loan and grant programs, prepares cash flow analyses, loan analyses, and interest rate calculations, and invests funds in compliance with the Public Funds Investment Act. This division also monitors the loan portfolio to ensure the prevention of loan defaults through financial stability reviews of its borrowers, and monitors financial assistance program requirements to ensure finance-related and contractual compliance by borrowers and grantees.

Water Science and Conservation

Water Science and Conservation is composed of the Conservation & Innovative Water Technologies division, Surface Water Resources and Groundwater Resources.

The TWDB's Water Conservation staff assist cities, utilities, and districts in establishing effective water-wise conservation programs. They lend out and provide training for leak detection and meter testing equipment, and assist with water audits and provide water conservation brochures and educational materials for schools for free or minimal cost to utilities and government entities. This area also provides grants to political subdivisions to implement conservation programs, and by utilizing either local districts or local lending institutions to provide loans for individual farmers to install more efficient irrigation equipment. The Water Conservation section provides irrigation water use estimates by county or regional planning groups, and provides agricultural water conservation educational activities to agricultural trade shows and other related events. The Innovative Water Technologies section works to extend the state's water resources through desalination, rainwater harvesting, and water reuse. The mission of this division is to explore potential sources of water supply outside of the traditional areas of surface water and groundwater that could be

made available for use within the state.

The Surface Water Resources division administers the Instream Flows program and works in cooperation with the Texas Commission on Environmental Quality and the Texas Parks and Wildlife Department as mandated by the legislature. This division also administers the Bays and Estuaries program, the Lake Hydrographic Survey program, and all state surface water monitoring.

The mission of the TWDB's Groundwater Resources division is to collect, interpret, and provide accurate, objective information on the groundwater resources of Texas. The Groundwater Resources division is responsible for all aspects of groundwater studies in the state. The division monitors water levels and quality in the state's aquifers, conducts regional-scale aquifer modeling, and houses and maintains water well records. This division also approves groundwater districts' management plans and provides groundwater information to Texas citizens and lawmakers.

Water Supply and Infrastructure

The mission of the Water Supply and Infrastructure program is to provide assistance and support in developing water projects through collecting, analyzing and disseminating water-related data necessary to aid in planning and managing the state's water resources.

Administration supports the mission and functions by providing leadership, strategic planning, and administrative support, and developing policies and procedures to assist staff with their duties.

Regional Water Planning and Development (RWPD) is responsible for working with communities as they develop their projects from early conception through the procurement of funding and ultimately through the completion of construction. This is accomplished through a director, six teams divided by geographical area, and an inspection and field support section. The six geographical teams consist of a team manager, engineer, environmental reviewer, financial analyst, and administrative support. An attorney and a regional planner also work closely with each team.

The Inspection and Field Support section includes the TWDB's four field offices (Austin, Harlingen, Mesquite, and Houston) and one satellite office (San Antonio). The division provides on-site assistance and guidance to the project owners during the pre-construction, construction, and post-construction phases. Staff provide information on construction status to the Regional Water Planning & Development division and to the loan recipients.

Program Administration and Reporting is a department within this newly created division. The department consists of three sections: Program Administration, Outlays & Escrows, and Reporting. This division develops policies to facilitate the management of the financial assistance programs. Division staff monitors and ensures agency compliance with state and federal laws, policies, and standards as it relates to administering the TWDB financial assistance programs.

Water Use, Projections & Planning provides ongoing technical assistance and administrative support to 16 regional water planning groups to assist in updating regional water plans and conducting regional water and wastewater facility planning feasibility studies. Staff in this division also prepare the state water plan every five years and provide economic and demographic technical support to regional and state water planning processes. They develop water demand projections for municipal, manufacturing, mining, steam-electric power generation, irrigation, and livestock water users, conduct water and wastewater needs assessments and projections for two federally funded programs, and handle all annual and interim reports.

Current Workforce Profile-Supply Analysis

FULL-TIME EQUIVALENTS

As of fiscal year (FY) 2014 first quarter (December 2013), the agency had 275 full-time-equivalent employees (FTE). For FY 2014, 312.8 FTEs were appropriated.

MANAGEMENT-TO-STAFF RATIO

The management to staff ratio at the agency (as of the FY 2014 first quarter [December 2013] Management to Staff Ratio Report) was 1:7. The agency continues to evaluate its current structure to ensure maximum efficiency regarding staff and management alignment.

RACE/GENDER

Per the 2013 Equal Employment Opportunity (EEO) Report for September 1, 2012, to August 31, 2013, the state agency workforce was composed of the groups shown in the table below (data was extrapolated from the 2013 Equal Employment Opportunity Report).

In determining statistically under-represented EEO groups, the TWDB uses the Equal Employment Opportunity Commission's (EEOC) Rule of 80. Using this rule, an under-represented group is considered statistically significant when the percentage of representation within the agency's workforce is below 80 percent of that in the civilian workforce.

Using statistical data of the TWDB's workforce as of August 31, 2013, it has been determined that the following EEO categories were under-represented when compared to the civilian workforce. The percentages listed represent the percentage increase that must be accomplished to bring the targeted groups within EEOC's Rule of 80.

Overall in the agency:

- African Americans were underutilized by 10.1% (FY12: 10.4%)
- Hispanic Americans were underutilized by 2.1% (FY12: .3%)
- Females were underutilized by 13.8% (FY12: 13.4%)
- Other Americans were underutilized by 1.8% (FY12: 2.7%)

Only the African American and Other American categories showed improvement for FY 2013. The TWDB continues to experience an agency-wide underutilization of all represented categories compared to the available population in Texas. Since there is an underutilization in two out of three minority groups as well as the female category, a continued effort will be maintained in minority and female recruitment so that the agency reflects the population it serves.

In order for TWDB to decrease the underutilization, the agency continues to monitor and modify its recruitment plan to target specific population groups at university and other minority recruitment fairs. With some success already demonstrated, the TWDB will continue to focus future recruitment plans towards these target areas to increase the recruitment and selection of African-Americans, Hispanic-Americans, other Americans and females.

	Officials	Professionals	Para Professionals	Administrative Support	Technicians	Total
Total Employees	33	246	17	9	1	306
Caucasian Males	15	103	0	0	1	119
Caucasian Females	10	63	11	0	0	84
African Males	0	9	0	0	0	9
African Females	2	5	1	5	0	13
Hispanic Males	4	27	1	0	0	32
Hispanic Females	1	18	4	4	0	27
Other Males	1	14	0	0	0	15
Other Females	0	7	0	0	0	7
Total Males	20	153	1	0	1	175
Total Females	13	93	16	9	0	131

Employee Turnover at the TWDB during Fiscal Year 2013	
Involuntary Separations	5
Involuntary Turnover Rate	1.3%
Voluntary Separations	19
Voluntary Turnover Rate	6.7%
Retirements	9
Retirement Turnover Rate	3.2%
Average Annual Headcount	284
Total Separations	33
2013 TWDB Total Turnover Rate	11.6%
2013 State of Texas Annual Turnover Rate	17.6%

Data compiled from the State Auditor's Office Annual Report on Classified Employee Turnover for FY 2013. Report includes interagency transfers.

TURNOVER RATE

According to the State Auditor's Office, the statewide turnover rate for full- and part-time classified employees at state agencies in FY 2013 was 17.6 percent, based on a total of voluntary and involuntary separations, excluding interagency transfers. The 17.6 percent turnover rate is an increase from that of FY 2012 (17.3 percent). Excluding involuntary separations and retirements, the statewide turnover rate increased by .3 percent. This rate is often considered a true turnover rate because it reflects preventable turnover. Employee turnover can be both negative and positive. Negatives include the associated costs of turnover, such as training and orientation of new employees, recruitment and selection of new employees, leave payout to departing employees, and lower productivity in the workplace during the time that a position is vacant and during the time that a new employee is learning the job.

Some turnover will always occur and is normal for any organization. Turnover can create positive outcomes for employers, because they can replace low-performing employees with high-performing employees. There is often a financial benefit gained as a result of the difference in the salary paid to an experienced employee who separates from an agency versus the salary paid to a new employee who takes the departing employee's position. However, when organizations start losing their high-performing, highly skilled, and experienced employees, turnover may begin to negatively affect the organization's business operations. This holds true for many of the professional positions held in the agency. In the workforce plan, the agency will go into further detail regarding how the salary schedule for professionals working for the state is causing us to be a training ground for employees to learn the necessary skills to succeed in the private sector.

Staff and Workforce Skills

EXECUTIVE ADMINISTRATION

Staff and workforce skills critical to the mission and goals of Executive Administration include, but are not limited to, the following:

- An Executive Administrator with extensive institutional knowledge of complex state and federal financial programs, knowledge of planning activities, managerial skills, and the ability to work with the Texas Legislature and bring their requests and visions to fruition
- A General Counsel that possesses recognized legal expertise in water resources, including water rights, water resources planning, and the TWDB's financial programs
- Staff attorneys with core skills through continuing education, institutional knowledge in planning and program activities, human

resources, contracts, and open records matters

The active involvement and professional familiarity with the complexity of the TWDB's public financing programs provides the members of the governing Board with the judgment necessary to assess the specialized professional skills necessary and appropriate for the Executive Administrator position and the salary necessary to attract and retain qualified individuals. The Board needs to be provided the ability to set the Executive Administrator's annual salary as appropriate.

GOVERNMENTAL RELATIONS AND AGENCY COMMUNICATIONS

Staff and workforce skills critical to the mission and goals of Governmental Relations and Agency Communications (GRAC) include, but are not limited to:

- GRAC staff with the ability to maintain effective relationships and who possess excellent project management skills and the ability to analyze, interpret, and react to information in an efficient and effective manner

A familiarity with all of the TWDB's programs, active involvement in traditional and social media, and an active involvement with the members of all levels of government is critical to the success of GRAC.

OPERATIONS AND ADMINISTRATION

Staff and workforce skills critical to the mission and goals of Operations and Administration include, but are not limited to, the following:

- Human Resources personnel familiar with the state of Texas' rules, regulations, and benefits including recruitment, retention, compensation, classification, and one or more certified as Professionals in Human Resources
- Certified State of Texas Purchasers
- Qualified Contract Administrator to effectively maintain all reporting requirements for state and federal programs
- Staff with performance measurement, strategic planning experience, and management system analysis skills to review and implement policies and procedures to increase efficiency and effectiveness of workload flow
- Project Managers with experience in IT 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, web development tools, and deployment of web services
- Network administration and security professionals with knowledge of local and wide area network administration, security protocols and threat protection, identity management, standard computer hardware, software support and troubleshooting
- Programmers with multiple-level web architect skills that can initiate 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
- Records management specialists with knowledge of the State Records Retention Schedule, Texas State Libraries and Archives Commission rules and regulations, and working knowledge of electronic document management systems.

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

FINANCE

Staff critical to the mission and goals of Finance include, but are not limited to, the following:

- Accountants familiar with governmental accounting, as well as bond debt accounting
- Budget Analysts familiar with complex funding

structures and state governmental budgeting practices
- Investment and Portfolio Analysts familiar with state requirements for investments and with spreadsheet and database functions for preparing cash flow modeling

These skill sets have remained constant; however, maintaining staff with these skill sets is a challenge. Retaining experienced and skilled staff is imperative to supporting the needs of the agency. Critical functions of the Finance office include the ability to provide sound accounting advice and opinions to Board members and staff, accurate and timely financial reporting, and maintenance of sound accounting records, municipal bond knowledge, negotiation skills, portfolio management knowledge, advanced spreadsheet and database skills, and agency program knowledge. The development and maintenance of staff in the financial areas are imperative.

WATER SUPPLY AND INFRASTRUCTURE

The large amount of state water plan funding through the various financial programs is supported by Water Supply and Infrastructure (WSI) staff. Existing programs pose challenges, such as decreases in federal appropriations for the State Revolving Fund programs, balancing U.S. Environmental Protection Agency requests for information and reporting requirements with other workload requirements, unliquidated obligations, potential project delays due to approval backlogs at the U.S. Army Corps of Engineers, and the challenges associated with the continued growth of the financial assets owned and managed by the TWDB. WSI is often called on to provide input on draft legislation and appropriations related to water resources policy and funding.

Staff and workforce skills critical to the mission and goals of Water Supply and Infrastructure include, but are not limited to, the following:

- Financial analysts with significant experience in TWDB financial assistance programs
- Licensed professional engineers with experience in planning and design of water and wastewater projects and experience with the requirements of TWDB financial assistance programs
- Administrative assistants with experience in TWDB financial assistance programs and Board procedures
- Division directors with significant experience in TWDB financial assistance programs and policy development
- Managers with significant experience in TWDB financial assistance programs
- Staff with performance measurement, planning, and management system analysis skills to review and implement policies and procedures to increase efficiency and effectiveness of workload flow

The increasing complexity and number of the TWDB's financing programs have been aggravated by the loss of several senior staff that have retired. Retiring staff are being replaced; however, retention and training continue to be an important need and challenge.

The workforce skill needs should not change significantly in the future, through retaining staff with appropriate skills is key to the successful management of the large number of complex financial assistance programs.

WATER SCIENCE AND CONSERVATION

Staff and workforce skills critical to the mission and goals of Water Science and Conservation (WSC) include, but are not limited to, the following:

- 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, and biology
- 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 assistants with experience in TWDB programs and Board procedures
- Division directors with significant TWDB program and policy development expertise

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 TWDB will need to retain staff having the same or similar work skills that are currently present, and be able to provide training to set new employees up for success.

Because of the evolving nature of the Texas legislature, the agency must ensure that staff continue to have strong interpersonal skills, project management skills, legislative process knowledge, and policy development skills. As state water resource issues become more political and complex, it is important that staff continue to be able to interact with individuals who represent the political and socioeconomic diversity of the state of Texas.

Water Use, Projections and Planning is constantly affected by the population growth of the state of Texas. In regional water planning and the NFIP, population growth leads to greater demand on the few knowledgeable regional water planners in the state. Additional training and expertise will be needed in the coming years. With regard to TNRIS, the need for staff with diverse GIS and IT backgrounds and improved knowledge of business processes and relationships will become more important, along with external customer service.

The anticipated workload brought on by legislative changes and state water plan projects will require WSC to maintain and enhance its current level of skills and provide training of both new and existing staff to stay ahead of the competition for scientists and engineers from the private sector. Staff will need to continue to expand their expertise in specific technical knowledge, project management skills, writing abilities, new technology knowledge, and verbal communication skills.

The rapidly changing technology industry affects the office of Operations and Administration's efforts to facilitate data dissemination. While current staffing levels are projected to essentially remain unchanged, the office workforce profile will continue to evolve, especially in light of the Data Center Services consolidation effort being undergone by all agencies as part of the governor's initiative. 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 with this evolution.

Contract Administration and Records Management will be greatly affected by the implementation of new technology and an electronic document management system, and these areas will face an extreme workload, in addition to the ever-increasing burden that is inevitable as the agency continues to grow. Future needs in these areas are highly trained staff in records management with institutional knowledge of the state records retention schedule and procedures, and contracting and state-certified procurement specialists that are trained in the state of Texas' rules and regulations.

Future workforce needs in the Operations and Administration office include building strong overall knowledge in Human Resources, including compensation skills, and becoming a more effective change agent for the agency.

The appropriations of state water plan funding through three financial assistance programs will continue to impact WSI's current workforce. The additional program funding will not create demands for new skills but may require a level of effort that exceeds the current capacity.

Gap Analysis

If the economy continues to recover and becomes more competitive, the agency will face greater challenges, given the salaries available in the private

sector. The potential retirement of employees in all areas of the TWDB in the immediate future can have the effect of creating a shortage of expertise.

In the office of Operations and Administration, there is currently a need for additional IT staff. In addition, the office is at risk of the potential simultaneous retirement of multiple persons with vast institutional knowledge, thus creating a shortage of expertise in support services and facilities planning areas, network services and records management.

If the economy continues its recovery, the Finance office may face difficulties in finding qualified staff to work in certain professions. High-level accountants are currently at a premium.

There may be a shortage of staff in some areas over the next five years owing to the increased workload associated with increased financial assistance opportunities, asset volume, and complexity. As in other program areas, if the economy continues to pick up, this area may face difficulties in finding qualified staff to work in certain professions. Each of these offices must continue to maintain its current level of skills and provide training to both new and existing staff to limit the negative impacts of staff turnover.

The pool of GIS professionals interested in state employment will continue to dwindle. 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 significantly behind in salary scale compared with the private sector. Specialty areas such as GIS are even more difficult environments in which to hire and retain staff, creating a much longer recruitment and hiring process. The quality and quantity of job applications for TWDB vacancies in these areas have dwindled remarkably, even when the agency has done extensive recruitment and advertising.

Although WSC 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, and surface water hydrologists. WSC is faced with hiring staff at entry- to mid-level positions and providing these individuals with extensive training and development (internally and externally), only to see these scientists and engineers routinely recruited away by private enterprise who can afford to pay them 30 to 50 percent more than the state salary schedule allows. In effect, WSC serves as a training ground. The TWDB is often unable to fill key positions for two primary reasons: first is simply a matter of competition with the private sector, where greater salaries may be available; second, because of the tremendous increase in the demand for water resources needed to sustain the Texas economy, the demand for water resource expertise in science and engineering is simply not being met by higher education.

Strategic Development

STRATEGIC DEVELOPMENT

The workplace has always consisted of many generations working at one time. However, today's age-diverse workforce is working past retirement age, which has led to a generation gap of more than 40 years between the oldest and youngest workers. As a result, a one-size-fits-all approach is not appropriate in an age-diverse workforce that may have four generations of workers at one time. The TWDB must be prepared to work with the communication styles of each generation and determine what motivates each generation in order to bridge the generation gap. This approach is key in developing both succession planning and knowledge transfer for future generations. Furthermore, as society in general becomes more diverse, the TWDB workforce must mirror this diversity, thereby meeting both the needs and the expectations of the population it serves.

The TWDB must continue to work with universities and professional organizations to ensure that we have a varied and diverse workforce. In addition to the diversity and composition of the future TWDB workforce, fair pay will continue to impact recruitment and retention. The TWDB and state agencies, in general, currently cannot compete with other organizations in terms of compensating its employees. Many existing staff continue to serve the agency because they value its mission or enjoy the work-life balance that may be lacking in a for-profit company or firm. The TWDB must continue to foster an environment that offers not only fair

compensation but also other incentives that attract and retain staff. Understanding the importance of the state's most precious resource is the first step in ensuring that the agency continues its role in serving the water needs of Texas.

LEADERSHIP DEVELOPMENT

The TWDB Human Resources division continues to conduct training modules throughout the year focused specifically on management as well as staff in general. Training programs such as Effective Performance Management - Supervisor/Employee Partnership, Managing for Success (A Guide to Progressive Discipline), New Hire Training for Managers, FMLA, and Other Leave Guidelines are part of a continued process for staff development. These interactive learning modules focus on defining clear job responsibilities, performance plans and appraisals; discussing performance issues on an ongoing basis; the need for regular documentation; and the role of the supervisor in the development of staff. In addition to "in-house" training, TWDB Human Resources works with outside vendors and consultants to provide customized training on topics such as public speaking, dealing with the press/media and providing effective presentations.

Additionally, for FY 2014, the TWDB has developed a succession planning process in order to maintain an effective workforce. Succession planning prepares the agency for the risks associated with the loss of knowledge that is critical to achieve its mission. The agency must identify, develop, and transfer knowledge to employees who become highly qualified and capable of filling key positions or performing crucial functions as individuals leave the agency.

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Appendix F

Survey of Employee Engagement Results and Utilization Plan

Survey

The Institute for Organizational Excellence at the University of Texas at Austin administered the TWDB's internal assessment, the Survey of Organizational Excellence, in March and April of 2014. The survey assessed workplace dimensions capturing the total work environment. Each dimension consists of survey constructs designed to profile organizational areas of strength and concern so that interventions are target appropriately.

SURVEY DIMENSIONS AND CONSTRUCTS:

Dimension I Work Group	**Dimension II** Accommodations	**Dimension III** Organization	**Dimension IV** Information	**Dimension V** Personal
Supervision	Pay	Strategic	Information Systems	Employee Engagement
Team	Benefits	Diversity	Internal Communication	Employee Development
Quality	Physical Environment		External Communication	Job Satisfaction

Results

Out of the 277 employees who were invited to take the survey, 220 responded. As a general rule, rates higher than 50 percent suggest soundness, whereas rates lower than 30 percent may indicate problems. At 79 percent, our response is considered high.

Scores above 350 suggest that employees perceive the issue more positively than negatively, and scores of 375 or higher indicate areas of substantial strength. Conversely, scores below 350 indicate issues are viewed less positively by employees, and scores below 325 should be a significant source of concern for the organization and should receive immediate attention.

The following constructs are considered the relative strengths of the TWDB:

STRATEGIC

Score: 398

The Strategic construct reflects employees' thinking about how the organization responds to external influences that should play a role in defining the organization's mission, vision, services, and products. Implied in this construct is the ability of the organization to seek out and work with relevant external entities.

PHYSICAL ENVIRONMENT

Score: 398

Physical Environment construct captures employees' perceptions of the total work atmosphere and the degree to which employees believe that it is a 'safe' working environment. This construct addresses the 'feel' of the workplace as perceived by the employee.

SUPERVISION

Score: 396

The Supervision construct provides insight into the nature of supervisory relationships within the organization, including aspects of leadership, the communication of expectations, and the sense of

fairness that employees perceive between supervisors and themselves.

The following constructs are considered to be areas of concern for the agency:

PAY

Score: 239
The Pay construct addresses perceptions of the overall compensation package offered by the organization. It describes how well the compensation package 'holds up' when employees compare it to similar jobs in other organizations.

INTERNAL COMMUNICATION

Score: 328
The Internal Communication construct captures the organization's communications flow from the top-down, bottom-up, and across divisions/departments. It addresses the extent to which communication exchanges are open, candid, and move the organization toward its goals.

DIVERSITY

Score: 340
The Diversity construct addresses the extent to which employees feel personal differences, such as ethnicity, social class or lifestyle, may result in alienation from the larger organization and missed opportunities for learning or advancement. It examines how the organization understands and uses creativity coming from individual differences to improve organizational effectiveness.

Action Plan

TWDB leadership has met will continue to discuss the agency's lowest scoring constructs and put together a plan of action to address them.