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## AGENDA ITEM MEMO

**BOARD MEETING DATE:** September 12, 2024

**TO:** Board Members

**THROUGH:** Bryan McMath, Interim Executive Administrator  
Ashley Harden, General Counsel  
Rebecca Trevino, Chief Financial Officer  
John T. Dupnik, P.G., Deputy Executive Administrator, Water Science & Conservation

**FROM:** John Sutton, Manager, Municipal Conservation  
Erika Mancha, Director, Conservation and Innovative Technologies

**SUBJECT:** Information Technology Services for Water Loss Audit Application

### **ACTION REQUESTED**

Consider authorizing the Executive Administrator to purchase Information Technology (IT) services from approved vendors through the Department of Information Resources (DIR) for an amount not to exceed \$561,800 to conduct enhancements to the agency's Water Loss Audit Application.

### **BACKGROUND**

On October 5, 2022, the Board approved the Drinking Water State Revolving Fund Intended Use Plan (IUP). The plan included \$1,905,000 for a three-year (Fiscal Years 2023 – 2025) pilot water loss audit validation initiative to be conducted using accumulated SRF fees and included in the general activities of the IUP. Of the funding available, \$975,000 was allocated for professional services to contract with vendors (1) knowledgeable in water loss audit methodology, validation procedures, and control programs and projects that can assist utilities and Texas Water Development Board (TWDB) staff in implementing the initiative effectively, (2) for water loss training and certification, and (3) to enhance the online reporting Water Loss Audit Application. To date, \$413,200 of professional services have been used for both training (\$10,000) and application enhancement (\$403,200).

The TWDB contracted with DIR-approved vendors to hire a software developer for \$249,950 in June 2023 and a business analyst for \$153,250 in July 2024. These contractors are currently working on updating features in the Water Loss Audit Application to be

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Leading the state's efforts  
in ensuring a secure  
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#### **Board Members**

Brooke T. Paup, Chairwoman | L'Oreal Stepney, P.E., Board Member  
Bryan McMath, Interim Executive Administrator

consistent with the American Water Works Association's (AWWA) water loss audit methodologies, which were updated in 2021 and are the industry standard for calculating and reporting water loss. The TWDB and AWWA worked together and signed an agreement to allow the agency to use their information and integrate it in our application. These enhancements, once completed, will streamline the self-assessment of water loss data input by utilities and provide a guide for cost-effective water loss control and revenue recovery. The enhancements include a new interactive data assessment feature that will step the utility through a series of questions to provide a truer assessment value of the data reported; benefit the utilities and our understanding of the utility's data; and provide further insight into reported water loss. Also included will be a performance indicator dashboard and system-specific performance benchmarking. Water Loss Audit Application enhancements are planned to be released by January 2026.

### **KEY ISSUES**

Additional contractor support is needed to complete enhancements to the Water Loss Audit Application. This Board approval will allow us to use the remaining professional services funds of \$561,800 and exceed the \$250,000 contract amount.

### **RECOMMENDATION**

The Executive Administrator concludes that enhancements to the agency's Water Loss Audit Application supports collection of more accurate water loss data and conservation of existing state water resources and recommends approval of this request.