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AGENDA ITEM MEMO

BOARD MEETING DATE: June 25, 2026

TO: Board Members

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

FROM: Jessica Paz, Manager, Municipal Water Conservation
Erika Mancha, Director, Conservation and Innovative Water Technologies

SUBJECT: Contract Authorization for Enhanced Technical Assistance with Water Loss Audits

ACTION REQUESTED

Consider authorizing the Executive Administrator to negotiate and execute an interagency contract with the University of Texas at Arlington for an amount not to exceed \$407,000 to provide enhanced technical assistance with water loss audits to utilities.

BACKGROUND

The Texas Water Code (TWC) §16.0121(k) directs the Texas Water Development Board (TWDB) to adopt rules establishing a program to provide technical assistance to qualifying retail public utilities in (1) conducting water loss audits required by TWC §16.0121 and (2) applying for financial assistance from the TWDB to mitigate the utility system's water loss. The TWDB is also required to prioritize technical assistance offered to qualifying retail public utilities based on submitted water loss audits, the population served by the utility, and the integrity of the utility's system. The TWDB may contract or partner with other entities to help implement any aspect of the program as established by rule in 31 Texas Administrative Code (TAC) § 358.6. The TWDB adopted rules, §358.6(h), on November 9, 2023.

KEY ISSUES

To establish enhanced technical assistance in the water loss program and provide the assistance required by SB 28, the TWDB contracted with the University of Texas at Arlington (UTA) via an interagency agreement, as approved by the Board on October 17,

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2024. The enhanced technical assistance program is included as one of the TWDB special program initiatives in the Fiscal Year 2025 and 2026 DWSRF Intended Use Plans.

The interagency contract was executed on April 28, 2025, and is expected to conclude on August 31, 2026. During the initial two months, the TWDB onboarded contractors, hosted a kickoff meeting, and provided training. Overall, UTA provided technical assistance to a total of 504 retail public utilities between July 2025 and May 2026, assisting utilities with data issues, contacting non-submittal utilities, and addressing incoming water loss inquiries via phone and email.

- From July to December 2025, TWDB provided a list of 240 utilities with data issues in their 2024 water loss audit. UTA staff reviewed audits for 240 utilities and resolved the data issues for 140 utilities. The remaining 100 utilities were provided with technical assistance via water loss audit validation.
- From January to March 2026, TWDB provided a list of 144 utilities that did not submit a 2024 water loss audit. UTA staff contacted all 144 utilities to encourage them to submit in 2026 and offered technical assistance on its water loss audit and water use survey as applicable.
- From March to May 2026, TWDB provided an initial list of 39 utilities with data issues in its 2025 water loss audit. UTA staff reviewed audits and contacted all utilities.
- In May 2026, UTA answered the water loss phone line and responded to voicemails from 81 utilities.

For the remaining three months (June to August 2026) of the current contract, UTA staff will continue to assist 206 utilities with data issues in the 2025 water loss audits. Additionally, two UTA staff members will attend a three-day course and become certified water loss validators.

The TWDB plans to renew the interagency contract with UTA and continue offering enhanced technical assistance in water loss. Under the renewed contract, UTA will continue to provide enhanced technical assistance to qualifying utilities, including addressing inquiries via phone, assisting utilities with completing water loss audits, and validating water loss audits.

RECOMMENDATION

The Executive Administrator concludes that providing enhanced water loss audit technical assistance to utilities pursuant to SB 28 statutory charges will improve the accuracy of water loss data in the state and contribute to the conservation of existing water resources. The Executive Administrator recommends approval of this request.