

# VII Agency Performance Evaluation

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## A. What are the agency's most significant accomplishments?

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**The Texas Water Development Board selected a number of significant achievements. A list of these achievements is provided below. A brief description of each achievement is outlined on the proceeding pages.**

- Adopted the 1997 State Water Plan as a consensus effort among the Texas Water Development Board (TWDB), the Texas Natural Resource Conservation Commission (TNRCC), and the Texas Parks and Wildlife Department (TPWD); coordination has continued since the plan was approved in August 1997;
- Successfully launched Texas' revolutionary regional water planning initiative, using extensive public participation;
- Successfully led the effort to make environmental needs assessments, such as bays and estuaries research, a more prominent part of natural resources planning;
- Successfully led the effort to make water conservation an accepted part of utility operations; raised the profile of non-conventional water resources management practices to an equal footing with conventional surface water and groundwater development;
- Implemented groundwater districts management plan certification program and certified 37 plans;
- Provided significant contributions to the state's drought management efforts;
- Played an instrumental role in the development of critical regional water supply projects;
- Expanded interagency and public sector coordination;

- Led interagency coordination efforts to improve effectiveness and efficiency of Texas government and provide the best available information to the public;
- Initiated and managed initial phases of the StratMap program which serves as a national model for collaborative state-based mapping efforts;
- Developed the Borderlands Information Center;
- Led the creation of the Texas Border Infrastructure Group and the Border Activity Tracker;
- Enhanced financial assistance services;
- Created the Texas Water Resources Finance Authority, making available additional funds for projects;
- Implemented numerous customer service improvements in financial assistance programs which have helped the financial programs achieve significant growth without the necessity of staffing increases;
- Created multi-disciplined teams with a regional focus in order to provide one-stop shopping for project financing;
- Achieved a perfect track record on loans;
- Participated in funding the state's first international wastewater project (Nuevo Laredo Project);
- Increased Historically Underutilized Business (HUB) utilization and participation; and,
- The TWDB continues to provide outstanding dollar savings to Texas communities through its innovative financial assistance programs.

**Adopted the 1997 State Water Plan as a consensus effort among the Texas Water Development Board (TWDB), the Texas Natural Resource Conservation Commission (TNRCC), and the Texas Parks and Wildlife Department (TPWD); coordination has continued since the plan was approved in August, 1997**

This was the first time these agencies had participated in the development of the State Water Plan. Additional support and input was obtained from technical advisory committees, focus group workshops, interviews with community and professional leaders, and more than 20 public meetings.

This consensus effort also produced a legislative summary of key findings titled, **Water for Texas Today and Tomorrow, Legislative Summary of the 1996 Consensus-based Update of the State Water Plan, January 1997**. Many of the findings in this summary were incorporated into law by Senate Bill 1, 75th Texas Legislature. The TWDB continues to lead the process and collaborate with TNRCC and TPWD staff to consider and determine changes to population and water use projections for regional water planning efforts. These projections are the basis for water plan development by Regional Water Planning Groups (RWPGs), and utilizing a consensus-based approach ensures that the plans are developed to meet realistic targets for the state's future water needs.

**Successfully launched Texas' revolutionary regional water planning initiative, using extensive public participation**

The TWDB adopted rules for Senate Bill 1 state and regional water planning and designated 16 regional water planning areas six months ahead of statutory deadlines. This accomplishment provided additional time for the RWPGs to form and develop their regional water plans that will be incorporated into the 2002 State Water Plan. This achievement is particularly remarkable considering the substantial amount of public participation in the process. Input was received during four public comment periods, 27 public meetings, and one public hearing, all of which occurred between July 1997 and the TWDB's adoption of final rules and areas in February 1998.

## **Successfully led the effort to make environmental needs assessments, such as bays and estuaries research, a more prominent part of natural resources planning**

In cooperation with other state natural resources agencies, the TWDB has successfully championed the considerations of environmental needs as a more standard part of natural resources planning. One of the avenues the agency has used to further integrate the assessment of environmental needs into natural resources planning is in the development of the State Water Plan.

In the 1997 State Water Plan, the TWDB recommended future water projects, based on multiple criteria. The 1997 State Water Plan highlighted the widespread acceptance of the evaluation of human and environmental water needs when planning for new water projects. This agreed-upon method proved to be a valuable tool as it was later used by the TNRCC to assess changes in the operational plans of several Texas water providers.

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## **Successfully led the effort to make water conservation an accepted part of utility operations; raised the profile of non-conventional water resources management practices to an equal footing with conventional surface water and groundwater development**

The TWDB's efforts to educate water service providers regarding the importance of water conservation have contributed to the acceptance of conservation practices as a standard part of water utility operations. The agency's initiatives have contributed to the following:

- Per capita municipal water use in 1997 was the lowest since 1980;
- Manufacturing and agricultural water use has not increased since 1980, yet output has risen significantly;
- Water reuse in Texas has increased from under 20,000 acre-feet per year to over 160,000 acre-feet per year; and,
- The use of desalinated water has grown from 1,000 acre-feet of capacity in 1980 to nearly 15,000 acre-feet per year in 1999.

Additionally, the TWDB's requirement that applicants for state loan funds maintain water conservation plans has resulted in a 21 percent decrease in per capita water use rates for cities of 250,000 population or above. By contrast, those cities in the same population category that do not have a TWDB approved conservation plan show a slight increase in water use over the same period of time.

### **Implemented groundwater districts management plan certification program and certified 37 plans**

Senate Bill 1 included a provision charging local groundwater conservation districts with developing district management plans and certifying the plans' compliance with statutory requirements through the TWDB. This provision was not popular with the groundwater districts. The controversial nature of this provision required the TWDB to be exceptionally careful about the process the agency would follow to certify management plans.

While the TWDB was not required to develop rules to govern the process of certifying the district management plans, the agency developed rules to ensure that the process would be effective and efficient for all involved entities. Additionally, the agency provided extensive customer assistance in implementing this program including performing 291 separate "consultation calls" or technical assists to these districts.

### **Provided significant contributions to the state's drought management efforts**

The TWDB staff contribute to the state's drought monitoring and response efforts by participating in the state's Drought Preparedness Council, including chairing two of the council's subcommittees. The TWDB constantly monitors drought indicators including reservoir storage, and provides such information through the TWDB Internet web page, giving state and local water providers instant access to the most up-to-date information needed to manage their water supplies under drought conditions. In addition, the TWDB staff assist in state drought response efforts by providing workshops for the development of local drought response plans, awarding emergency financial assistance, promoting the Water Smart Campaign, conducting special studies and investigations, and providing technical assistance to other agencies and individuals. These drought response efforts help to ensure the existence of adequate water supplies during times of drought.

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## **Played an instrumental role in the development of critical regional water supply projects**

The TWDB's regional planning grants encourage the development of regional projects. These studies have resulted in major solutions to meeting the state's water supply needs for certain parts of the state. Examples of projects implemented as a result of the TWDB's planning grant program include the following:

- A pipeline from Lake Texana to Corpus Christi which will provide up to 41,840 acre-feet of water each year to meet the region's water supply needs until approximately 2030;
- The sale of raw water by the Lower Colorado River Authority to Williamson County water providers;
- A pipeline from Stillhouse Hollow Lake providing water to the cities of Round Rock and Georgetown; and,
- The diversions of treated wastewater to provide for the water needs of the Corpus Christi bay and estuary.

## **Expanded interagency and public sector coordination**

The TWDB has long valued coordination and collaboration with other governmental entities as a means to increase the effectiveness and efficiency of the TWDB and state government in general. During the last biennium (fiscal years 1998 and 1999), the TWDB continued to provide leadership in this arena through its sponsorship and chairing of the Texas Geographic Information Council, the Texas Water Monitoring Council, and the Senate Bill 1 Interagency Data Steering Team. The TWDB also chaired both subcommittees of the Division of Emergency Management Drought Response and Monitoring Committee. All of these efforts have resulted in the reduction of duplication, increased efficiencies and more effective provision of services.

## **Led interagency coordination efforts to improve effectiveness and efficiency of Texas government and provide the best available information to the public**

By Memorandum of Agreement, the TNRCC, the TPWD, and the TWDB agreed to work together to provide water resources information to the RWPGs and other participants in the planning process through an interagency committee known as Water Information Integration Committee, or WIIC. The WIIC, chaired by the TWDB, developed user-friendly web pages that integrate all relevant regional planning information and make it available to individuals who need it. The TWDB houses the web pages.

## **Initiated and managed initial phases of the StratMap program which serves as a national model for collaborative state-based mapping efforts**

StratMap is a four-year cost-sharing program that will produce seven digital layers (or themes) of commonly needed geographic information for Texas (authorized by Senate Bill 1). The TWDB, along with the other members of the Texas Geographic Information Council (TGIC), have successfully shepherded the development of the StratMap program and secured federal, state, and local contributions (totaling millions of dollars) to develop these data sets for Texas. The legacy of StratMap will include not only a comprehensive set of compatible base maps, but also the means to better integrate public sector programs and make government in Texas more effective and efficient.

## **Developed the Borderlands Information Center**

Recognizing a need to provide specialized information services to agencies with programs addressing the Texas/Mexico border region, the TWDB, with funding provided by the EPA, created the Border Information Center (BIC) as a division of TNRIS in 1993. The demand for this area-specific information and the growing number of alliances between the BIC and other border-related organizations have confirmed the need for this type of organization. The authors of Senate Bill 1 recognized the value of this facility by codifying in Water Code Statute 16.021 a charge to the TNRIS to maintain such capabilities.

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## **Led the creation of the Texas Border Infrastructure Group and the Border Activity Tracker**

Since the Texas Legislature created the Economically Distressed Areas Program to provide adequate water and wastewater services to colonias, several state, federal, and international agencies have come together to determine how to best serve these economically distressed areas. The agencies immediately recognized a need to formalize their coordination efforts in order to ensure that services are provided in the most effective and efficient manner. The TWDB led the effort to create a formal coordination group of 12 entities now referred to as the Texas Border Infrastructure Group (TBIG).

The TNRIIS, through the Borderlands Information Center (BIC), developed a system for integrating information needed by TBIG members. This system, called the Border Activity Tracker (BAT), is currently under development. Once completed, the BAT will provide an inventory of border projects available to all state agencies and entities interested in the border area.

## **Enhanced financial assistance services**

The TWDB has successfully implemented several new programs and authorizations to meet a large portion of the state's water resources infrastructure financing needs. The TWDB has financed over \$3.4 billion in loans and grants since 1985.

Some of the accomplishments contributing to the expansion and improvement of the TWDB's financial assistance services include the development of a comprehensive, leveraged Clean Water State Revolving Fund (CWSRF) program that is nationally recognized as a premier program; the implementation of a State Participation program which facilitates the development of large regional projects; and the consolidation and modernization of funding authority made possible through the creation of the Development Fund II.



## **Created the Texas Water Resources Finance Authority (TWRFA) making available additional funds for projects**

In 1989, the TWRFA issued over \$511 million in revenue bonds secured only by loans that originated from TWDB programs. The revenue bond proceeds were used to satisfy debt service on all of the TWDB outstanding general obligation bonds, to produce an initial \$41 million payment and additional cash flow in subsequent years to provide a myriad of financial assistance, and to reduce the use of general revenue appropriations in TWDB programs.

## **Implemented numerous customer service improvements in financial assistance programs which have helped the financial programs achieve significant growth without the necessity of staffing increases**

Perhaps the most significant contributor to the growth of the TWDB's financial assistance programs was the agency's efforts to make the programs more accessible and efficient. Beginning in the early 1990s, the TWDB launched an initiative to identify customer needs and opportunities for program improvements. One of the many resulting improvements was the change in the timing of loan closings so that applicants could secure funding to help them develop project plans and perform environmental assessments. This option, known as the "pre-design funding" option, when combined with other implemented program improvements such as interest rate reductions and faster loan approval turnaround times, has transformed the TWDB from a lender of last resort to a preferred lender.

## **Created multi-disciplined teams with a regional focus in order to provide one-stop shopping for project financing**

In 1997, the agency reorganized the divisions responsible for the financial assistance programs from functional "silos" that required inefficient hand-offs and resulted in less than ideal project coordination, into multi-disciplined regional teams, in which all aspects of an application are handled. The six multi-disciplined teams are assigned to specific geographic areas of the state. This reorganization has enabled the financial assistance program areas to expand and improve services without increasing overall staffing levels.

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## **Achieved a perfect track record on loans**

In the 42 year history of the agency's loan assistance programs, the TWDB has never had a borrower default on a loan repayment. Since the TWDB's inception, the agency has provided approximately \$3.8 billion in loan assistance. This perfect track record is exceptional given the enormous volume of loans, the continued growth of the agency's loan portfolio, and the "hardship" criteria that are attached to most of the agency's funding programs, which means that many of the agency's customers are those who face particular financial challenges.

## **Participated in funding the state's first international wastewater project (Nuevo Laredo Project)**

For many years the city of Nuevo Laredo operated a sewage collection system without operational sewage treatment facilities, resulting in the discharge of raw sewage directly into the Rio Grande. Recognizing the severity of the problem, the International and Boundary Water Commission (IBWC) developed a solution calling for joint funding from the United States and Mexico to build a new sewer and a new sewage treatment plant. In 1989 the Texas Legislature authorized the TWDB to participate in the project. The TWDB and the IBWC entered into a Memorandum of Agreement to finance the Nuevo Laredo Project. The Nuevo Laredo sewage treatment plant was on-line and dedicated in April 1997.

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## **Increased Historically Underutilized Business (HUB) utilization and participation**

The TWDB has made significant strides to ensure that HUB vendors and firms are being utilized in the agency's procurement process. The agency's HUB vendor utilization has increased from 15.8 percent in Fiscal Year 1996 to 28.6 percent in Fiscal Year 1998.

While definite improvements in HUB utilization have been accomplished, the above figures do not truly reflect the agency's effort to ensure that HUB vendors are participating throughout the procurement process. Bids and quotes are taken from HUB vendors on nearly all orders less than \$2000 (except for contract and emergency purchases). Bids and quotes are also taken from HUB vendors on all orders exceeding \$2000 in order to comply with the state procurement manual rules. As in all

cases, the contracts are awarded to the vendors that offer the best, lowest price for the requested goods and/or services.

Notably, the TWDB has made internal process changes to increase HUB firm participation in the bond issuance and distribution processes. The agency has created a bond counsel team composed of three firms, one of which is a certified HUB firm. This team allows the HUB firm to be utilized during the bond sale process. In addition, the TWDB has increased its HUB firm participation by creating an underwriting team, composed of 14 firms, five of which are certified HUB firms. The creation of this team will allow HUB firms to be utilized throughout the TWDB bond distribution process. These process changes allow the TWDB to offer HUB firms the opportunity to participate in all facets of the bond sales process.

### **The TWDB continues to provide outstanding dollar savings to Texas communities through its innovative financial assistance programs**

The financial assistance provided by the TWDB results in significant cost savings to local communities, which translates to lower monthly water and wastewater utility bills to individuals. Since 1985, the TWDB financial assistance programs have resulted in an estimated projected savings of \$4.2 billion.

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**B. Describe the internal process used to evaluate agency performance, including how often performance is formally evaluated and how the resulting information is used by the policymaking body, management, the public, and customers.**

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## **TWDB Performance Management**

The TWDB continuously seeks to enhance performance. In order to build upon the performance management activities already in place in fiscal year 1999, the agency implemented two new internal processes to improve its ability to analyze and influence factors affecting performance. The agency's performance management system seeks to:

- Clarify performance issues and factors;
- Identify short, near, and long-term opportunities for improving the agency's services and products;
- Promote responsible and accountable agency management;
- Recognize the agency's success; and,
- Enhance senior management's knowledge of each sector of the agency's business.

The TWDB's performance management mechanisms produce valuable information that is used by Board members, managers, and staff to continually improve operations. Future initiatives planned in this area include putting performance information on the TWDB web site and in the Water for Texas newsletter in order to facilitate external customer and taxpayer feedback.

## **Performance Review of Agency Programs**

The TWDB uses the performance objectives and measures outlined in the agency's Strategic Plan to monitor the agency's effectiveness and efficiency. Each quarter, the three agency offices that have measures listed in the Strategic Plan analyze their performance and present both written and verbal reports on their performance to the Executive Administrator and to the Deputy Executive Administrators. During this performance review session, the program staff, Executive Administrator, and Deputy Executive Administrators discuss performance issues and identify opportunities for improvement.

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## **Performance Review of Internal Support Functions**

The TWDB's commitment to continuously identify more effective and efficient ways to provide services extends beyond the agency's programs to its internal operations. Performance objectives and corresponding measures have been developed for internal support functions and are reported in a manner similar to that of the program areas. On a quarterly basis, the Divisions present written and verbal analyses of their performance to the agency's executive management team. The agency's internal support divisions include the Human Resources Division, the Accounting and Finance Division, the Budget and Planning Division, the Staff Services Division (facilities management), the Performance Measurement and Strategic Planning Division, the External Customer Relations Division, the Office of the General Counsel, and the Technology Services Division.

## **TWDB's Enhanced Compensation Program**

In 1997, the 75th Texas Legislature adopted Section 66, Article IX of the General Appropriations Act, which allowed qualifying agencies to award enhanced compensation to their staff during fiscal years 1998 and 1999. The TWDB was one of a small number of agencies that qualified for this program. The TWDB successfully utilized this program as a performance management tool. The agency used the program to reward outstanding performance demonstrated by superior performance measures results, and to retain key, high-performing employees.

## **Additional TWDB Performance Management Practices**

In addition to the mechanisms described above, the TWDB has instituted additional performance management practices. Several are listed below.

- Brief the TWDB Board members on the agency's quarterly performance;
- Participate in the University of Texas Organizational Excellence Survey every two years to assess the TWDB staff's perceptions of TWDB performance;
- Capitalize on the State Auditor's Office and internal audit findings and recommendations for improvement; and,
- Conduct customer satisfaction measurement efforts such as a survey of external customers regarding agency service; more information on customer satisfaction measurement activities can be found in Section 7-G.

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## **C. What are the agency's biggest opportunities for improvement?**

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### **Further automation of water resources data collection**

Significant progress has been achieved in the collection and distribution of real-time data describing our water resources. However, many types of water resources information, such as data describing the quantity of groundwater in wells and facility needs information, are not easily accessible to customers. If the data were available in a real-time environment, water supply management and drought response would improve.

### **Improve intra-agency coordination between the Office of Planning (OoP) and the Office of Project Finance and Construction Assistance (OPFCA)**

The State Auditor's Office recommended that the TWDB evaluate how to improve coordination between the regional water planning programs administered by the Office of Planning and the financing programs administered by the Office of Project Finance and Construction Assistance. Currently, no formal mechanism exists to direct The TWDB's financial assistance toward projects identified by the Regional Water Planning Groups. The agency has formed an intra-office team to address these issues and develop coordination improvements. The team has drafted a charter, including the following mission statement: "To determine procedures and coordination efforts necessary to better link planning and project finance processes in order to better serve customers and stakeholders of the TWDB." The team will be drafting recommendations for senior management this fall.

### **Provide more data and services on the Internet**

The evolution of telecommuting technologies, the expansion of state agency digital data holdings and the expectations of citizens to receive immediate Internet-based responses to their needs present a tremendous opportunity for improving government service delivery. Because of the history of coordination and collaboration at the TWDB, the agency is in a unique position to facilitate such an improvement.

Based on significant efforts by the TWDB's TNRS and information resources staff, the agency submitted an exceptional item for improved agency Internet access in its Legislative Appropriations Request (LAR) to

the 76th Legislature. Although this initiative was not funded, the reasons for funding such a program remain valid. Other legislation passed in the 76th Session indicate that this is the direction in which Texas government is evolving and that such capabilities will soon be a fundamental part of government.

## **Re-engage customer outreach**

Some potential customers are not aware of how the agency can best serve them. Several years ago TWDB staff routinely presented the agency's programs, changes and current events at statewide and regional meetings of trade organizations and water utility associations. Such efforts were instrumental in the successful expansion of TWDB programs to direct existing programs and resources to target customer groups.

Staff have focused recent efforts on handling increased demands, implementing new programs, responding to state and federal law changes, and implementing new federally required administrative procedures. Many of these externally-driven changes have led to customer confusion about program requirements and accessibility. The TWDB can benefit greatly from shifting back to an outreach focus at this time to educate customers on program changes and funding availability, and to receive feedback on programs and performance. This effort has already begun.

One method to efficiently communicate to TWDB customers is via the Internet. An intra-office team has been formed to revamp the TWDB web site and to improve the information available to the public. In addition to marketing the financial programs through the TWDB's web site and periodicals, the agency can return to its prior practice of participating in statewide and regional workshops to educate existing and potential customers on how to successfully access TWDB programs.

## **Develop an integrated project tracking system**

Several different organizational units maintain project tracking data for differing purposes. Agency staff spend a considerable amount of time preparing status reports on specific projects when there has not been sufficient development of databases to accumulate and report on project status. While ongoing development of such systems is in progress, many efforts are done by staff as an ancillary duty, impeding fast implementation of improvements.

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## **Continue to improve the Economically Distressed Areas Program (EDAP) procedures and processes**

The TWDB has recognized the need to improve processing and implementation of EDAP projects in order to provide better customer service, and to accelerate the attainment of adequate water and sewer services in economically distressed areas. Over the last year, the TWDB has created process improvement teams to address the more problematic areas, such as facility planning, procurement of services, project tracking, contract management, and payment processing. These teams are providing clarification of requirements, policy, and guidance materials for both staff and external customers. They are also providing staff training and developing curriculums for external customer training/education.

To further improve the accountability within the EDAP, the agency has developed internal performance measures primarily directed at processing time. These measures will help to pinpoint where further improvements need to be made, and to emphasize the importance of prompt action on processing project information. The agency is also supporting the development of a project tracking system which will be a prototype for the other financing programs.

The TWDB recognizes the importance of continuing ongoing improvements to the EDAP program. It is anticipated that upcoming projects will require more effort to implement than the projects funded to date. These challenges will necessitate maximum efficiency and accessibility for the program.

## **Improve data collection on the facility needs of small communities**

Current processes to assess the water and wastewater facility needs of Texas' smaller communities are insufficient. To better understand and ultimately serve small communities, the TWDB needs to gather a broader base of information on the needs of small communities.

## **Make the processes for assessing customer satisfaction more systematic**

The TWDB business units engage in a variety of customer satisfaction measurement activities (see Section 7-F for more details); however, the agency recognizes that the current system can be enhanced. Consolidating the various activities into a centralized, coordinated effort would enable the TWDB to make the process more effective at



determining how well the agency products and services are meeting customer needs.

The agency will comply with Senate Bill 1563 provisions regarding customer service standards and related performance measures beginning September 1, 1999. The agency anticipates that undertaking implementation of this bill's provisions will improve the customer satisfaction measurement system.

### **Formalize the complaint handling process**

The TWDB does not have a formal process for handling complaints. Generally, most complaints are from entities involved in the TWDB's programs, and are handled by the individual program offices themselves. Each office has developed its own process for handling complaints and maintaining a record of them in project files (See Section 7-G).

Although the current practice allows for expedited handling of complaints, it is not conducive for maintaining a centralized file or tracking system, which is essential for developing trend analysis and potential process improvements. A centralized complaint handling system would also serve as a tool for evaluating customer satisfaction and overall agency performance. The Office of External Customer Relations will be leading the agency's efforts to develop a formal complaint handling process.

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## **D. How does the agency ensure its functions do not duplicate those of other entities?**

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The TWDB strives to ensure its functions do not duplicate those of other entities through close coordination on relevant laws and clearly defined agency programs. Entering into agreements, including contracts, Memoranda of Understanding, Letters of Agreement, and operating agreements with outside entities further facilitates the clear definition of areas of responsibility.

The agency communicates with other data collection and research programs so that information-sharing takes place. Information is also made available on the TWDB's web site so that interested outside parties will know what the TWDB is doing. Additional ways the agency avoids overlap with other organizations' functions and programs follow:

- The TWDB is an active participant in the Texas Water Monitoring Council and the Texas Geographic Information Council; and,

- The agency requires public notification and accepts comments prior to the planning for provision of financial assistance to a community so that any duplication in local planning efforts will be highlighted and addressed. TWDB financial assistance programs generally accept engineering and environmental documents related to applications for financial assistance in the format used by other agencies when the project is funded by multiple agencies.

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## **E. Are there any other entities that could perform any of the agency's functions?**

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Although small parts of the TWDB's functions could be performed by other organizations, no other entity could undertake the complete range of functions. For example, the Texas Public Finance Authority (TPFA) has the capability to issue bonds, but no other entity can equal the TWDB staff's expertise in the water business, has the appropriate legislative direction and funding, nor has the ability or obligation to consider the statewide perspective. The agency's financial services staff, business processes, and extensive network of relationships in the public and private financial services communities enable the TWDB to manage its financial programs in a cost-effective manner. More specifically, the agency's integrated functions make it possible for the agency to issue debt when it is needed, and invest and disburse funds in a manner that corresponds to the anticipated need of those funds. The Texas Water Development Board is uniquely suited to provide full-service water management, planning, and financial programs to the State of Texas.

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## **F. What process does the agency use to determine customer satisfaction and how does the agency use this information?**

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The TWDB takes great pride in providing service in a highly professional and timely manner. To determine whether agency programs and services are meeting the needs of customers, the TWDB surveyed customers on the quality of services received and the usefulness of the TWDB's financing programs. Beginning in 1993 and continuing on a biennial basis since then, the TWDB contracted with the Public Policy Research Institute (PPRI) at Texas A&M University to develop and conduct a survey of the TWDB's customers and stakeholders. The objectives of the survey included:

- **Determine why some entities went to the open market instead of coming to the TWDB for financing water-related infrastructure projects;**
- **Measure the effectiveness of the TWDB's programs;**
- **Determine customer satisfaction with the TWDB's performance in the administration of its programs; and,**
- **Collect feedback from its customers on needs that were not being met.**

In November and December of 1998, the survey was administered to five target groups. In this version, questions were included with greater emphasis on specific aspects of the TWDB's programs, especially regarding the administration of the Economically Distressed Areas Program (EDAP). The results of this survey were received by the TWDB in late July 1999, and have not yet been evaluated by management. As with the previous surveys, the TWDB will capitalize on this opportunity to use the results to improve operations, paying special attention to the verbatim customer comments on possible process improvements. The TWDB also will use the results to identify areas in which increased education or marketing efforts are required. In addition, the survey results will be used as a tool for the TWDB to determine resource allocation for those programs and services that are most frequently utilized by customers.

### **Additional Customer Satisfaction Information**

The Texas Natural Resources Information System distributes a comment and suggestion card that is available at the front desk for walk-in customers and mailed to customers who correspond by e-mail.

Customer satisfaction data from these cards are compiled and analyzed by type of service provided. Results are reported quarterly, and management uses these results to identify opportunities for improvement.

Additional customer satisfaction information is gathered from frequent interaction with customers to elicit feedback. For example, the Office of Planning staff attend each regional Water Planning Group meeting, note any customer complaints or suggestions for program improvements, and take action as appropriate. Also, staff members habitually ask customers, in the course of routine business, for their ideas on improving customer satisfaction, and management has stressed the concept of continuous process improvement with both staff members and external customers.

Furthermore, the TWDB plans to expand its customer satisfaction measurement efforts as it implements provisions of Senate Bill 1563 beginning September 1, 1999. The bill requires agencies to create an inventory of external customers for each budget strategy, gather external customer satisfaction data, implement Legislative Budget Board-defined customer satisfaction performance measures, appoint a customer relations representative, and develop a "Compact with Texas" related to complaint-handling procedures and customer service standards.

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**G. Describe the agency's process for handling complaints against the agency, including the maintenance of complaint files and procedures for keeping parties informed about the process. If the agency has a division or office, such as an ombudsman, for tracking and resolving complaints from the public or other entities, please provide a description.**

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The Texas Water Development Board (TWDB) does not have a formal complaint handling process. Due to the nature of the agency's business, most complaints received relate to the requirements of and process involved with implementing of the agency's planning and financing programs. Each office has an informal process for tracking and addressing these complaints.

Most complaints from entities involved in TWDB programs are received and processed by staff who have a direct involvement with the program. For such complaints that are received, many go directly to senior management, who address them immediately. However, complaints received from members of the general public or from the offices of elected officials are forwarded to the External Customer Relations (ECR) Division for resolution. ECR staff review the complaints and, if needed,

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forward a request to the agency program areas for assistance. If minor complaints from the public or elected officials are received in one of the TWDB's program offices and can be resolved quickly over the phone, the office is encouraged to proceed and notify ECR of the complaint and action taken. Copies of the complaint and the action taken are kept in files maintained by ECR. In all cases, the complainant is informed of actions that were taken. As mentioned in Section 7-C, the TWDB intends to improve the ability to track and monitor complaints.

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**H. Please fill in the following chart. The chart headings may be changed if needed to better reflect the agency's practices.**

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As stated previously, the agency currently does not have a system for tracking complaints, therefore, we have omitted the chart for this section.

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**I. What process does the agency use to respond to requests under the Public Information (Open Records) Act?**

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Open records requests are forwarded to the Office of the General Counsel and assigned to the appropriate attorney for handling. A broadcast e-mail is then sent to all TWDB employees informing them of the type of information requested and asking them to search their files and archives for all information that responds to this request. A deadline for sending all relevant information to the attorney for review is set well in advance of the 10-day statutory deadline.

Next, the assigned attorney reviews the information to determine if any of the information is exempt from release under the Public Information Act. Any information that is exempt is sent to the Attorney General's Office for an opinion within the appropriate statutory time frame. The rest of the relevant information is either released to the requestor or prepared for inspection, depending on the requestor's wishes. A copy of any letter sent to the Attorney General requesting an opinion is also given to the requestor. If the request produces a substantial amount of information (over 10 pages of information), a bill based on the General Services Commission fee schedule is prepared and given to the requestor.

Procedures for open records requests are currently being reviewed and will be modified as needed to assure compliance with changes made to the Public Information Act during the last legislative session.

**J. Please fill in the following chart:**

**Labels may be provided for these customers, or interest groups, upon request. The names provided below are random selections from various lists.**

*A map of the Regional Water Planning Group boundaries is included in Section X for your reference page 157.*

| <b>Texas Water Development Board Contacts</b>  |  |  |
|--|--|--|
| <b>INTEREST GROUPS</b><br>(groups affected by agency actions or that represent others served by or affected by agency actions) |  |  |
| <b>Group or Association Name/Contact Person</b>  | <b>Address</b>   | <b>Telephone Number<br/>Fax Number</b> |
| George D. Janning<br>First Southwest Company<br>(financial advisor)  | 98 San Jacinto Blvd., Suite 370<br>Austin, TX 78701-4039 | 512/481-2000<br>512/481-2010 fax       |
| Eugene B. Shepherd<br>Legg, Mason, Wood and Walker,<br>Inc.<br>(financial advisor)   | 1111 Bagby, Suite 1400<br>Houston, TX 77002-2510         | 713/750-6335<br>713/750-6360 fax       |
| Milton Halpern<br>Dain, Rauscher, Inc.<br>(financial advisor)  | 153 Treeline Park, #100<br>San Antonio, TX 78209-1873    | 210/805-1100<br>210/805-1145 fax       |
| Raymond Newman<br>Southwest Securities, Inc.<br>(financial advisor)  | 1201 Elm Street, Suite 4300<br>Dallas, TX 75270-2180     | 214/658-9450<br>214/658-9475 fax       |
| Jerry Turner<br>Vinson & Elkins<br>(bond counsel)  | 600 Congress Avenue, Suite 2900<br>Austin, TX 78701-3200 | 512/495-8400<br>512/495-8612 fax       |
| Fred Carter<br>Fulbright and Jaworski<br>(bond counsel)  | 2200 Ross, Suite 2800<br>Dallas, TX 75201                | 214/855-8000<br>214/855-8200 fax       |
| Peter M. Tart<br>McCall, Parkhurst & Horton<br>(bond counsel)  | 717 North Harwood, 9th floor<br>Dallas, TX 75201-6587    | 214/754-9200<br>214/754-9250 fax       |
| Michael G. Page<br>Schwartz, Page & Harding, L.L.P.<br>(bond counsel)  | 1300 Post Oak Blvd., Suite 1400<br>Houston, TX 77056     | 713/623-4531<br>713/623-6143 fax       |
| Alan Plummer, P.E.<br>Alan Plummer & Associates<br>(engineer)  | 6300 La Calma, Suite 400<br>Austin, TX 78752             | 512/452-5905<br>512/452-2325 fax       |

| <b>Texas Water Development Board Contacts</b>  |  |  |
|--|--|--|
| <b>INTEREST GROUPS - continued</b><br>(groups affected by agency actions or that represent others served by or affected by agency actions) |  |  |
| <b>Group or Association<br/>Name/Contact Person</b>  | <b>Address</b>   | <b>Telephone Number<br/>Fax Number</b> |
| Bob Nichols, P. E.<br>Freese and Nichols, Inc.<br>(engineer)   | 4055 International Plaza, Suite 200<br>Fort Worth, TX 76109-4895 | 817/735-7300<br>817/735-7491 fax       |
| Fred L. Kurth, P.E.<br>Melden and Hunt, Incorporated<br>(engineer)   | 115 West McIntire<br>Edinburg, TX 78539                          | 956/381-0981<br>956/381-1839 fax       |
| John Kelley, P.E.<br>Parkhill, Smith & Cooper, Inc.<br>(engineer)  | 4010 Avenue R<br>Lubbock, TX 79412                               | 806/747-0161<br>806/747-7146 fax       |
| Terrace W. Stewart, Director<br>Dallas Water Utilities<br>(city)<br>Also Chairman of Regional<br>Planning Area C                           | 1500 Marilla, 4A-N<br>Dallas, TX 75201                           | 214/670-3011<br>214/670-3946 fax       |
| Chuck Settle, P.E.<br>City of Houston<br>(city)  | P.O. Box 1562<br>Houston, TX 77002                               | 713/837-0448<br>713/837-0464 fax       |
| William Bart Hines, P.E.<br>Utility Manager<br>City of McAllen<br>(city)   | P.O. Box 220<br>McAllen, TX 78505                                | 956/972-7150<br>956/972-7155 fax       |
| Randy Goss, Director<br>Water and Wastewater Utilities<br>City of Austin<br>(city)   | P.O. Box 1088<br>Austin, TX 78767                                | 512/322-3685<br>512/322-2842 fax       |
| Ed Archuleta, General Manager<br>El Paso Water Utilities<br>(city)   | P.O. Box 511<br>El Paso, TX 79961                                | 915/594-5501<br>915/594-5666 fax       |
| Bill West<br>General Manager<br>Guadalupe-Blanco River<br>Authority<br>(river authority)   | 933 E. Court Street<br>Seguin, TX 78155                          | 830/379-5822<br>830/379-1766 fax       |
| Jack P. Nelson<br>General Manager<br>Lavaca Navidad River Authority<br>(river authority)   | P.O. Box 429<br>Edna, TX 77957-0429                              | 512/782-5229<br>512/782-5310 fax       |

| <b>Texas Water Development Board Contacts</b>  |  |  |
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| <b>INTEREST GROUPS</b> - continued<br>(groups affected by agency actions or that represent others served by or affected by agency actions) |  |  |
| <b>Group or Association Name/Contact Person</b>  | <b>Address</b>   | <b>Telephone Number<br/>Fax Number</b> |
| James R. Adams<br>General Manager<br>San Jacinto River Authority<br>(river authority)<br>Also Chairman of Regional Planning Area H         | P. O. Box 329<br>Conroe, TX 77305-0329                   | 409/588-1111<br>409/588-3043 fax       |
| Danny F. Vance<br>General Manager<br>Trinity River Authority<br>(river authority)  | P. O. Box 60<br>Arlington, TX 76004-0060                 | 817/467-4343<br>817/465-0970 fax       |
| Tom M. Wilkinson, Jr.<br>Executive Director<br>Brazos Valley Development Council<br>(council of government)                                | P. O. Box 4128<br>Bryan, TX 77805-4128                   | 409/775-4244<br>409/775-3466 fax       |
| John P. Buckner<br>Executive Director<br>Coastal Bend Council of Governments<br>(council of government)                                    | P. O. Box 9909<br>Corpus Christi, TX 78469-9909          | 361/883-5743<br>361/883-5749 fax       |
| Robert R. Weaver<br>Executive Director<br>Concho Valley Council of Governments<br>(council of government)                                  | P. O. Box 60050<br>San Angelo, TX 76906-0050             | 915/944-9666<br>915/944-9925 fax       |
| Ken Jones<br>Executive Director<br>Lower Rio Grande Valley Development Council<br>(council of government)                                  | 311 North 15th Street<br>McAllen, TX 78501-4705          | 956/682-3481<br>956/631-4670 fax       |
| Ken Kramer, Executive Director<br>Lone Star Sierra Club<br>(associations)  | P. O. Box 1931<br>Austin, TX 78767                       | 512/476-6962<br>512/477-8526 fax       |
| Frank J. Sturzl<br>Texas Municipal League<br>(association)   | 1821 Rutherford Lane, Suite 400<br>Austin, TX 78754-5128 | 512/719-6300<br>512/719-6390 fax       |
| Tom Duck<br>Texas Rural Water Association<br>(association)   | 1616 Rio Grande<br>Austin, TX 78701-1173                 | 512/472-8591<br>512/472-5186 fax       |
| Leroy Goodson<br>Texas Water Conservation Association<br>(association)   | 221 East 9th Street, Suite 206<br>Austin, TX 78701-2510  | 512/472-7437<br>512/472-0537 fax       |



| <b>Texas Water Development Board Contacts</b>   |   |  |
|---|---|--|
| <b>INTEREST GROUPS - continued</b><br>(groups affected by agency actions or that represent others served by or affected by agency actions)  |   |  |
| <b>Group or Association Name/Contact Person</b>   | <b>Address</b>  | <b>Telephone Number<br/>Fax Number</b> |
| Evelyn Bonavita<br>League of Women Voters<br>(association)<br>Also Chairman of Regional Planning<br>Area L<br>(South Central Texas RWPG)  | 334 Royal Oaks<br>San Antonio, TX 78209               | 210/828-1368<br>210/828-1627 fax       |
| Jerry W. Chapman, Manager<br>Greater Texoma Utility Authority   | 5100 Airport Drive<br>Denison, TX 75020               | 903/786-4433<br>903/786-8211 fax       |
| Thomas Taylor, Executive Director<br>Upper Trinity Regional Water District  | P.O. Drawer 305<br>Lewisville, TX 75067               | 972/219-1228<br>972/221-9896 fax       |
| Ronald J. Neighbors, General Manager<br>Harris-Galveston Coastal Subsidence<br>District   | 1660 West Bay Area Boulevard<br>Friendswood, TX 77546 | 281/486-1105<br>281/488-6510 fax       |
| Greg Ellis, General Manager<br>Edwards Aquifer Authority  | P.O. Box 15830<br>San Antonio, TX 78212               | 210/222-2204<br>210/222-9748 fax       |
| Carola Serrato, General Manager<br>South Texas Water Authority  | P.O. Box 1701<br>Kingsville, TX 78363                 | 361/592-9323<br>361/592-5965 fax       |
| John Burke, General Manager<br>Aqua Water Supply Corporation<br>Also Chairman of Regional Planning<br>Area K<br>(Lower Colorado RWPG)   | P.O. Drawer P<br>Bastrop, Tx 78602                    | 512/303-3943<br>512/303-4881 fax       |
| C. E. Williams<br>Panhandle Ground Water Conservation<br>District No. 3<br>Also Chairman of Regional Planning<br>Area A<br>(Panhandle RWPG)<br>Also Texas Association of Groundwater<br>Districts | P.O. Box 637<br>White Deer, TX 79097                  | 806/883-2501<br>806/883-2162 fax       |
| A. Wayne Wyatt, General Manager<br>High Plains Underground Water<br>Conservation District No. 1<br>Also Chairman of Regional Planning<br>Area O<br>(Llano-Estacado RWPG)                          | 2930 Avenue Q<br>Lubbock, TX 79405                    | 806/762-0181<br>806/762-1834 fax       |
| James Dodson, Division Director<br>Coastal Division<br>Nueces River Authority   | 630 Ocean Drive, NRC 3100<br>Corpus Christi, TX 78412 | 361/980-3193<br>361/980-3195 fax       |

| <b>Texas Water Development Board Contacts</b>   |  |   |
|---|--|---|
| <b>INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS</b><br>(that serve as an information clearinghouse or regularly interact with the agency) |  |   |
| <b>Group or Association Name/<br/>Contact Person</b>  | <b>Address</b>                                   | <b>Telephone Number<br/>Fax Number<br/>E-mail Address</b> |
| Jim Smith<br>Executive Director<br>Council of Infrastructure<br>Financing Authorities   | 1625 K Street, Suite 200<br>Washington, DC 20006 | 202/371-9694<br>202/371-6601 fax                          |
| Mike Howe<br>American Water Works<br>Association - Texas Section  | P.O. Box 80150<br>Austin, TX 78708               | 512/238-9292<br>512/238-0496 fax                          |
| Dan Black<br>Municipal Advisory Council   | P.O. Box 2177<br>Austin, TX 78768-2177           | 512/476-6947<br>512/476-6403 fax                          |
| John Howard<br>Natural<br>Resources/Environmental<br>Governor's Office  | P.O. Box 12428<br>Austin, TX 78711               | 512/463-2198<br>512/463-1975 fax                          |
| Scott Storment<br>Colonias Coordinator<br>Secretary of State's Office   | P.O. Box 12697<br>Austin, TX 78711               | 512/463-8948<br>512/475-2761 fax                          |
| Jim Thomassen<br>Public Finance<br>Attorney General's Office  | P. O. Box 12548<br>Austin, TX 78711              | 512/475-2929<br>512/463-2063 fax                          |
| Carmen Cernosek<br>Natural Resources<br>Lieutenant Governor's Office  | P.O. Box 12068<br>Austin, TX 78711               | 512/463-0010<br>512/463-0039 fax                          |
| Bobby Gierisch<br>Director of Research<br>Office of the Speaker of the<br>House   | P.O. Box 2910<br>Austin, TX 78768                | 512/463-1100<br>512/463-0921 fax                          |

| <b>Texas Water Development Board Contacts</b>   |  |   |
|---|--|---|
| <b>LIAISONS AT OTHER STATE AGENCIES</b><br>(with which the agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office) |  |   |
| <b>Agency Name/<br/>Relationship/<br/>Contact Person</b>  | <b>Address</b>   | <b>Telephone Number<br/>Fax Number<br/>E-mail Address</b> |
| Adam Haynes<br>Office of the Speaker of the House   | P.O. Box 2910<br>Austin, TX 78761                                    | 512/463-1100<br>512/463-0921 fax                          |
| Dave Mitamura<br>Legislative Budget Board   | 105 West 15th Street, 3rd Floor<br>Austin, TX 78701                  | 512/463-1189<br>512/475-2902 fax                          |
| Joe Riddell<br>Attorney General's Office  | P. O. Box 12548<br>Austin, TX 78711                                  | 512/475-4019<br>512/463-2063 fax                          |
| Trey Powers<br>Texas Department of Agriculture  | P.O. Box 12847<br>Austin, TX 78711-2487                              | 512/463-4375<br>512/463-8170 fax                          |
| Jeff Saitas, Executive Director<br>Texas Natural Resource Conservation Commission<br>(TNRCC)  | P. O. Box 13087<br>Austin, TX 78711-3087                             | 512/239-3900<br>512/239-3939 fax                          |
| Andrew Samson, Executive Director<br>Texas Parks and Wildlife Department (TPWD)   | 4200 Smith School Road<br>Austin, TX 78744-9822                      | 512/389-4802<br>512/389-4814 fax                          |
| Larry McKinney<br>TPWD Water Policy and Resource Protection Director  | 4200 Smith School Road<br>Austin, TX 78744-9822                      | 512/389-4864<br>512/389-4394 fax                          |
| Daisy Stiner<br>Executive Director<br>Texas Department of Housing and Community Affairs<br>(TDHCA)  | P.O. Box 13941<br>Austin, TX 78711-3941                              | 512/475-3932<br>512/469-9606 fax                          |
| Ruth Cedillo<br>Director, Community Development Block Grant<br>TDHCA  | P.O. Box 13941<br>Austin, TX 78711-3941                              | 512/475-3882<br>512/469-9606 fax                          |
| Tom Millwee, State Coordinator<br>State Emergency Management Council  | 5805 North Lamar Boulevard<br>P.O. Box 4087<br>Austin, TX 78773-0001 | 512/424-2138<br>512/424-2444 fax                          |
| Carolyn Purcell, Executive Director<br>Texas Department of Information Resources  | P. O. Box 13564<br>Austin, TX 78711-3564                             | 512/475-4720<br>512/475-4759 fax                          |
| Larry Soward, Senior Deputy Land Commissioner<br>General Land Office  | 1700 North Congress<br>Austin, TX 78701                              | 512/463-5001<br>512/475-1558 fax                          |
| Kim Edwards, Executive Director<br>Texas Public Finance Authority   | P.O. Box 12906<br>Austin, TX 78711-2047                              | 512/463-5544<br>512/463-5501 fax                          |
| Robert G. Buckley, Executive Director<br>Texas State Soil and Water Conservation Board  | P.O. Box 658<br>Temple, TX 76503                                     | 254/773-2250<br>254/773-3311 fax                          |
| William Reynolds Archer III, M.D.<br>Commissioner of Health<br>Texas Department of Health   | 1100 W. 49 <sup>th</sup> St.<br>Austin, TX 78756                     | 512/458-7375<br>cats@comm.tdh.state.tx                    |



# VIII 76th Texas Legislative Session Chart

| Texas Water Development Board<br>76th Texas Legislative Session Chart |                                  |  |
|---|----------------------------------|--|
| Legislation Enacted in the 76th Legislative Session                   |                                  |  |
| Bill Number/<br>Author  | Subject                          | Summary of Key Provisions/Intent   |
| House Bill 1<br>By Junell   | General<br>Appropriations<br>Act | <p>The Texas Water Development Board received appropriations of \$93.4 million to fund baseline operations and fully fund the Regional Water Planning Groups to complete the first round of planning and to begin the second round of planning in FY 2001. Also included in the appropriations is \$3.9 million in Oil Overcharge monies to be used for the Agricultural Water Conservation Loan Program. Total full time employees (FTEs) remain unchanged from current biennium at 313.5. The agency was reclassified as a Group 4 agency.</p> <p>Approved riders provide the TWDB with the following:</p> <ul style="list-style-type: none"> <li>• Authorized to issue \$50 million in State Participation bonds for the biennium;</li> <li>• Continued coordination on plumbing hook-ups in colonias with the Texas Department of Housing and Community Affairs;</li> <li>• Appropriated unexpended balances for the Canadian River Basin Chloride Control Project;</li> <li>• Authorized use of \$100,000 out of appropriated General Revenue for funding studies to review the benefits of increasing aquifer recharge in the Brazos River Basin through modification of existing Soil Conservation Service structures;</li> <li>• Appropriated \$400,000 in General Revenue to Water Assistance Fund for a water and wastewater project for the community of Sand Branch in Dallas County; and,</li> <li>• Contingency rider for Senate Bill 1862, reducing general revenue by \$40,000 and increasing appropriated receipts by \$40,000 in FY 2001.</li> </ul> |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b>     |   |   |
|---|---|---|
| <b>Legislation Enacted in the 76<sup>th</sup> Legislative Session - continued</b> |   |   |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>  | <b>Summary of Key Provisions/Intent</b>   |
| Senate Bill<br>1421<br>By Lucio   | Regulation of<br>Subdivision or<br>Development of<br>Land in<br>Economically<br>Distressed<br>Areas | <p>This is the Omnibus Colonia Bill, which will improve the administration of the Economically Distressed Areas Program (EDAP). The bill includes provisions recommended by the TWDB, the Offices of the Attorney General and the Secretary of State, the Senate International Relations, the Trade and Technology Committee, and the Border Water Works Group. It also incorporates various legislation filed by Senators Lucio, Shapleigh, Truan and Zaffirini and Representative Cuellar.</p> <p>The bill provides the following for the TWDB:</p> <ul style="list-style-type: none"> <li>• Allows the TWDB to assist struggling applicants in hiring engineers, and as a last resort, to undertake the planning process when planning efforts have been too slow or inadequate;</li> <li>• Allows the TWDB to require an application for colonia grant funds to include an assessment by the Texas Natural Resource Conservation Commission (TNRCC) of the Managerial, Financial, and Technical (MFT) capability of the applicant; and to condition the award of the grant on MFT capability or deny for lack of MFT capability;</li> <li>• Prohibits the revenues from a colonia grant fund project from being used for transfers to a city's General Revenue fund;</li> <li>• Transfers the responsibility of issuing a finding of public health nuisance for EDAP project grants greater than 50 percent from the TNRCC to the Texas Department of Health; and,</li> <li>• Redefines economically distressed areas by deleting the 80 percent occupancy requirement, but requires a residential subdivision to be established as of June 1, 1989. All other requirements are unchanged.</li> </ul> |
| Senate Bill<br>1593<br>By Brown   | Development of<br>Allens Creek<br>Reservoir   | <p>This legislation authorizes the TWDB to use the State Participation program to purchase up to a 50 percent interest in the Allens Creek Reservoir project, including 100 percent of the cost of the reservoir site. It directs the TNRCC to re-issue the abandoned Allens Creek water rights permit upon application by the TWDB. It also grants the TWDB additional water rights to the unappropriated flows of the Brazos River and Allens Creek.</p>  |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b>     |  |   |
|---|--|---|
| <b>Legislation Enacted in the 76<sup>th</sup> Legislative Session - continued</b> |  |   |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>                             | <b>Summary of Key Provisions/Intent</b>   |
| Senate Bill 272<br>By Brown   | Regional Water Planning Groups             | This legislation provides changes to Senate Bill 1 Regional Water Planning Groups (RWPGs). It authorizes the RWPGs to enter into contracts with political subdivisions for assistance in developing and revising regional water plans. It clarifies that the RWPGs, their members, and any employees of the political subdivision under contract with the RWPGs are immune from liability for any acts or omissions in the course and scope of their work with the RWPGs. If the RWPG, its members, or employees of the contracting political subdivision are sued for RWPG-related actions or omission, the Texas Attorney General's Office will represent them. Senate Bill 272 also requires that RWPGs maintain representation of interests comprising the region and only have to appoint additional members from interests that are not adequately represented. |
| Senate Bill 657<br>By Brown   | Development of Water Management Strategies | This legislation provides changes to Senate Bill 1 regional water planning. It removes the requirement for the TNRCC to provide the projected amount of water that would be available when flows are at 75 percent and 50 percent of normal conditions. It also removes provisions for regional water plans to include water management strategies for flows at 75 percent and 50 percent of normal conditions. Regional water plans must identify each source of water supply in the planning area and identify factors specific to each source of water supply to be considered in determining whether or not to initiate a drought response.   |
| Senate Bill 658<br>By Brown   | Adoption of Regional and State Water Plans | This bill changes the dates when the regional water plans and the State Water Plan must be adopted. The date for the regional water plans changed from September 1, 2000 to January 5, 2001, and the State Water Plan changed from September 1, 2001 to January 5, 2002.  |
| Senate Bill 1862<br>By Ratliff  | State Participation                        | Under this legislation, the TWDB is allowed to charge an administrative fee to recover the costs associated with processing, monitoring and auditing State Participation projects. The fee is an amount necessary to recover costs to be incurred in administering the program.   |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b> |   |  |
|---|---|--|
| <b>Other Bills Impacting The Texas Water Development Board</b>                |   |  |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>  | <b>Summary of Key Provisions/Intent</b>  |
| House Bill<br>2660<br>By Swinford   | Drought<br>Planning and<br>Preparation  | This legislation designates the coordinator of the Division of Emergency Management as the state drought manager responsible for managing and coordinating drought planning and response, and also expands the membership of the state drought committee. It provides for Texas Department of Agriculture (TDA) representation on the Regional Water Planning Groups (RWPGs) and input in the regional water planning process. TDA representation on RWPGs is also contained in Senate Bill 1310 by Brown.   |
| House Bill<br>3079<br>By Kuempel  | Aquatic<br>Vegetation<br>Management   | Under this legislation, the Texas Parks and Wildlife Department is allowed to develop and adopt by rule a state Aquatic Vegetation Management Plan. Local governments with jurisdiction over public bodies of surface water are required to either adopt the state plan or develop and adopt a local plan. The bill creates an Aquatic Vegetation Management Fund as a special account within the Water Assistance Fund administered by the TWDB, through monies appropriated to provide grants for development and implementation of these plans. The TWDB is required to adopt necessary rules establishing procedures for the application and award of grants, distribution of grants and administration of grants. No monies were appropriated for this purpose. |
| House Bill<br>3277<br>By Cook   | Agriculture/<br>Wildlife<br>Research and<br>Management<br>Advisory<br>Committee | This bill establishes an advisory committee consisting of 13 members appointed for a two-year term, including one to be appointed by the Executive Administrator of the TWDB. The committee advises the Texas Agricultural Experiment Station on agricultural/wildlife issues and establishes a framework for more efficient management of water in the Gulf Coast Region in order to maintain wildlife habitats and agricultural production.  |
| House Bill<br>3682<br>By Gutierrez  | Waiving<br>Matching Funds<br>Requirement for<br>Disadvantaged<br>Counties       | Under this legislation, state agencies may waive or adjust any matching fund requirement that is a condition for a county to receive a grant or other form of financial assistance from the agency. This applies only to those counties that meet the criteria of an economically disadvantaged county. [Note: The bill language is permissive and could apply to the TWDB's Research and Planning Fund, which has matching fund requirements].  |



| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b> |  |   |
|---|--|---|
| <b>Other Bills Impacting The Texas Water Development Board - continued</b>    |  |   |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>   | <b>Summary of Key Provisions/Intent</b>   |
| House Joint Resolution 62<br>By Mowery  | Elimination of Duplicative, Executed, Obsolete, Archaic and Ineffective Constitutional Provisions      | This is a constitutional revision, which significantly amends Article III of the State Constitution provision authorizing the TWDB to issue bonds. As proposed, this will not have a negative impact on the TWDB. The Constitutional amendment is third on the November 2, 1999 ballot.   |
| Senate Bill 708<br>By Jackson   | National Estuary Program   | This bill designates the TNRCC as the lead agency for implementation of approved comprehensive conservation and management plans developed under the National Estuary Program. The TWDB is named as a participating state agency in implementing the approved action plans.   |
| Senate Bill 991<br>By Lucio   | Operation of the Texas Water Bank  | This legislation amends the Texas Water Code to allow the TWDB to implement water conservation measures in irrigation districts through the Texas Water Bank with the resulting water saved to be deposited into the Water Bank for transfer to municipalities, industries or other agricultural users. The cost of these conservation measures could be repaid by the sale of the conserved water. Implementation requires seed monies, which were not appropriated by the Legislature.  |
| Senate Bill 1310<br>By Brown  | Providing for Agricultural Interests in Water Resource Planning and Management Activities of the State | This legislation amends numerous sections of the Water Code that were amended or created by Senate Bill 1, 75 <sup>th</sup> Texas Legislature, by including the Texas Department of Agriculture (TDA) in interagency or other multi-agency activities concerning water resources planning or management. The Department of Agriculture is added to the group of agencies including the TWDB, the TNRCC, and the TPWD, who coordinate on water resources planning and management activities. Inclusion of the TDA should have no significant impact on the TWDB other than to add one more agency to the coordination process. |
| Senate Bill 1563<br>By Armbrister   | Establishing Customer Service Standards for State Agencies   | This bill requires all state agencies to collect external customer satisfaction data for each strategy listed in the General Appropriations Act. The bill states that the Legislative Budget Board (LBB) will create the means to measure customer satisfaction as well as create performance measures for agencies in this area.   |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b> |                            |  |
|---|----------------------------|--|
| <b>Other Bills impacting The Texas Water Development Board - Continued</b>    |                            |  |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>             | <b>Summary of Key Provisions/Intent</b>  |
| Senate<br>Concurrent<br>Resolution 68<br>By Armbrister                        | Interim Study<br>Committee | This legislation creates a committee to examine ways to improve coordination among the Texas Natural Resource Conservation Commission, the Texas Water Development Board, the Small Business Administration, the General Land Office, the Texas Department of Transportation and the Division of Emergency Management in mitigating damage after floods and other natural disasters. |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b> |  |   |
|---|--|---|
| <b>Legislation Not Passed in the 76th Legislative Session</b>                 |  |   |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>   | <b>Summary of Key Provisions/Intent/Reason the Bill did not<br/>Pass</b>  |
| House Bill 276<br>By Flores   | Meeting<br>Content of the<br>Texas Water<br>Development<br>Board   | This legislation would have required that the TWDB hold quarterly meetings on all EDAP projects with applications pending before the Board at a location near the project area. The bill did not have a committee hearing. The TWDB is already doing this.  |
| House Bill<br>1260<br>By Hill;<br>Senate Bill<br>1710<br>By Ellis             | Financial<br>Assistance for<br>Disadvantaged<br>Communities        | These bills would have created a new Subchapter M in Chapter 17 of the Texas Water Code, authorizing the TWDB to provide low interest or no interest loans to disadvantaged communities. The magnitude of the problem or the need could not be determined. The fiscal note prepared by the Legislative Budget Board was \$17 million. The bills were left pending in committee. |
| Senate Bill<br>1422<br>By Lucio   | Financial<br>Assistance for<br>Residential<br>Hook-Ups to<br>Water | With passage of the constitutional amendment Senate Joint Resolution 30, this bill would authorize an additional \$250 million in bonds for EDAP. The bill did not have a committee hearing. The state would have to provide General Revenues to pay for debt service.  |

| <b>Texas Water Development Board<br/>76th Texas Legislative Session Chart</b> |  |  |
|---|--|--|
| <b>Legislation Not Passed in the 76th Legislative Session- continued</b>      |  |  |
| <b>Bill Number/<br/>Author</b>  | <b>Subject</b>   | <b>Summary of Key Provisions/Intent/Reason the Bill did not<br/>Pass</b>   |
| Senate Bill<br>1695<br>By Brown   | Creating the<br>Texas Vital<br>Infrastructure<br>Program | With passage of the constitutional amendment Senate Joint Resolution 42, this bill would have allowed the state to create a program involving the issuance of bonds backed by money received from the tobacco settlement. The TWDB would be responsible for recommending water-related projects. The bill was left pending in committee. There was concern with the future liability of the debt service payment by the state. |



# IX Policy Issues

## ISSUE NUMBER 1:

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### A. Brief Description of Issue

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**Should the availability of Texas' unique reservoir sites and their associated water rights be protected?**

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### B. Discussion

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#### General Scope of the Issue

It is projected that Texas will almost double in population by 2050. In order to meet the future water supply needs of the state, a wide array of water management strategies will need to be implemented, including new water supply development. The 1997 State Water Plan calls for eight new reservoirs to be developed to meet the needs of the population by 2050. Sites for new water supply development are limited due to existing development, environmental constraints or other factors. Additionally, the better reservoir sites are already occupied and there is a relatively small amount of unappropriated water available for new reservoirs.

Water planning as required by Senate Bill 1, 75th Texas Legislative Session, provides that state and regional water plans may recommend unique sites for reservoir protection. Protecting future unique reservoir sites could help ensure sufficient water is available for future projects when needed and decrease the ultimate cost of developing the site. Such protection now would ultimately save Texas' communities money because any industrial or commercial development of the site would increase the cost of obtaining the land and mitigating the non-environmental impacts of using the land for a reservoir. Furthermore, without such protection, water rights may not be available for reservoirs when needed as available water may be allocated for other non-reservoir uses. Therefore, it is recommended that the unique reservoir sites recommended in the 2002 State Water Plan be protected.

The TWDB's authority to protect reservoir sites is limited to partnering with a political subdivision to participate in the financing of projects

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**Protecting future unique reservoir sites could help ensure sufficient water is available for future projects when needed and decrease the ultimate cost of developing the site.**

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through the State Participation Program. Existing law makes it difficult, if not impossible, to secure water rights use permits significantly in advance of the need for the water. The TWDB is limited in the State Participation Program to contributing 50 percent of the total project costs and is required to use near-term General Revenue appropriations for debt service payments. In addition, without a participant with sufficient financial resources to fund up to 50 percent of future needs, the TWDB is unable to protect a site for future development.

Current requirements for water rights permitting of a reservoir include a demonstration of the need for the project as well as the requirement that construction must begin within two years of obtaining a permit unless such time is extended by the Texas Natural Resource Conservation Commission. This latter requirement means that construction would have to begin well in advance of the need for the water. Furthermore, the construction of these reservoirs would require substantial General Revenue funds that have not been appropriated to the TWDB.

The 76th Texas Legislature passed Senate Bill 1593 which directs the Texas Natural Resource Conservation Commission (TNRCC) to issue to the TWDB a previously held water right permit for the Allens Creek Reservoir in Austin County and to reserve ample unappropriated water which may be available for the future project. The bill also provides the TWDB with the specific authority to participate in the purchase of land and construction of the reservoir. This bill enables the TWDB to contribute up to 100 percent of the purchase price of the land. The TWDB is working with the TNRCC, the Brazos River Authority, and the City of Houston to ensure this future surface water resource development project will be available when needed by the region's rapidly growing population.

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## **C. Possible Solutions and Impact**

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### **Authorize the TWDB to acquire and solely own property associated with unique reservoir sites.**

The Legislature could direct the TWDB as to which sites to purchase. As land is acquired, a corresponding amount of mitigation reserve would be required. Outright ownership of the reservoir site would provide direct control of the site prior to reservoir construction. Any solution that entails the state obtaining sole ownership of the property would require appropriations for debt service payments, in addition to statutory authority including eminent domain. Governmental entities relying on property taxes would be negatively impacted by the TWDB's ownership as the land would no longer be on the tax roles. As a result, entities would likely request compensation for their loss of tax income.

**Authorize the TWDB to obtain development or conservation easements on property associated with unique reservoir sites.**

To be effective, the agency should be authorized to acquire the easements through the eminent domain process. This would provide the TWDB with a mechanism to control further development of a site which could result in reduced costs to develop the reservoir when needed. As with the previous recommendation, this would require appropriations and there could be tax consequences to local governments. Existing landowners within reservoir sites could object to the state directing the use of their property.

**Authorize the TWDB to obtain through TNRCC action (designed specifically for protection of reservoir sites which should include environmental considerations) and hold water rights permits associated with recommended future surface water reservoirs that are not subject to cancellation for lack of construction activity.**

This would ensure that water would be available for reservoirs when the reservoir would be needed. A consequence of this action would be that others seeking a water right would be unable to obtain that water even though the reservoir has not been built. The TNRCC could issue term permits that would allow water to be used by others until it is needed for the unique reservoir.

**Require counties to zone the land associated with unique reservoir sites for reservoir use only.**

The TWDB lacks the appropriate enforcement mechanism for this solution. Additionally, this solution could also result in property tax values being reduced and could be determined to be an infringement of private property rights. Counties must be given explicit authority for this.

**Restrict the development of mineral interests in a unique reservoir site to those activities that are compatible with the operation of a reservoir.**

Development that is not compatible with reservoir operations can result in large mitigation costs relative to mineral interests when the reservoir is developed. For example, the completion of the Alan Henry Reservoir in Garza County was delayed due to oil well production in the reservoir site. To date, this reservoir cannot be filled to capacity due to the continued litigation with one oil well owner producing within the reservoir site. This solution could be viewed as an unfunded mandate by the owners of mineral interests. In addition, enforcement would be needed through either the Texas Railroad Commission or counties.

**Require the TNRCC to reserve the unappropriated water necessary for a legislatively designated unique reservoir sites and to solely issue term permits for the surface water needed for reservoir development.**

This would ensure that the water was available for the reservoir at the time the reservoir would be needed for water supply purposes. The consequences of this solution are the same as in the third bullet above.

**Conclusion:**

State protection of unique reservoir sites would provide local and regional water providers with added assurances that they will be able to meet the states surface water supply needs at a reasonable cost. These proposed policy actions would enhance the state's ability to plan and guide the cost-effective development and management of the state's water resources and provide cost-effective financing for the development of water supply projects. Possible drawbacks to protecting unique reservoir sites include the additional expenditures of General Revenue to construct the sites prior to the actual use of the water, and the reduction in tax receipts associated with reserved land. Opposition from landowners in a unique reservoir site is expected.

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**State protection of unique reservoir sites would provide local and regional water providers with added assurances that they will be able to meet the states surface water supply needs at a reasonable cost.**

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## **ISSUE NUMBER 2:**

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### **A. Brief Description of Issue**

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**How can the TWDB better ensure that the state's water resources priorities are achieved?**

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### **B. Discussion**

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#### **General Scope of the Issue**

##### **State Funding Priorities**

As the lead agency for Texas' water resources development and planning needs, the TWDB advocates cost-effective, long-term solutions to secure the availability of water supplies for the next 50 years. The state's projected funding needs for water-related facilities are enormous; at least \$22 billion is needed in the next 20 years to address an array of water, wastewater, and flood control issues, including the following:

- Implement long-range water supply planning activities (as will be recommended by the Regional Water Planning Groups formed under Senate Bill 1);
- Encourage the construction of large and small scale regional water facilities to improve the quality of services and/or reduce the cost of providing reliable water services;
- Remedy the insufficient water resources and services in small and disadvantaged communities; and,
- Address other water infrastructure opportunities.

The 75th and 76th Texas Legislatures designated large amounts of funding to assist in the development of regional plans mandated by Senate Bill 1. These regional plans will ultimately produce the framework by which local water supply projects will be developed, by recommending projects that promote conservation and regionalization. If such projects are not supported by the state, where appropriate, vital opportunities will be lost. While there has been success in expanding state assistance to local and regional authorities, many opportunities still exist to support local and regional projects. The state's current funding mechanisms, however, are insufficient to ensure progress toward these goals.

## Costs Associated with Federal Funding Programs

Many of the state financing options available through the TWDB for water-related projects use general obligation bonds, which take advantage of the state's good credit rating to benefit customers. This financing approach, however, only assists communities with a generally low credit rating, who could not otherwise access the public bond market for assistance at reasonable rates and for whom the minor interest rate subsidy provided by this method is sufficient. The TWDB's federally-funded financial assistance programs offer deeper interest rate subsidies and have been very successful. However, while offering better financial terms, federally-funded programs have an array of requirements that makes them less customer friendly, and furthermore, federally-funded programs emphasize federal priorities which may not align with Texas' water resources priorities.

Aspects of federally-created funding mechanisms can be disadvantageous to the communities applying for financial assistance, as well as to the program administrators (the TWDB and the state). Stringent federal requirements are associated with the programs, which impose additional compliance hassles and increase the cost of a project. Some of the subsidy is used to offset the cost to local governments of complying with these federal requirements.

Furthermore, federal financing programs encourage short-term solutions to local compliance problems in order to satisfy federal priorities, when a longer term regional solution may better meet the state's needs. An example of this is the federal government's consideration of the short-term needs of a service area (a maximum 20 year consideration) to evaluate alternatives for water or wastewater treatment facilities. Using short-term parameters in their analysis precludes a longer-term, cost-effective regional solution from being implemented. These short-term solutions are relatively inflexible to longer-term issues of state priorities such as funding reservoirs and regional projects adequate for future growth. Such proactive considerations, however, are vital to the state achieving solutions to its long-term water resources management challenges and to securing a stable economy and healthy environment in the future at a reasonable cost.

## Challenges for Texas' Small and Disadvantaged Communities

Texas' small and disadvantaged communities have particular difficulty obtaining the necessary funding to meet their water resources needs. If federal funds are not available, the TWDB has few alternatives to offer to these needy communities. Consequently, if it is state policy to better assist these communities, it will be necessary for Texas to design financial assistance mechanisms that make available additional funds for small disadvantaged communities in a manner that meets the needs of these communities and in an administratively efficient and effective manner.

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**However, while offering better financial terms, federally funded programs have an array of requirements that makes them less customer friendly, and furthermore, federally-funded programs emphasize federal priorities which may not align with Texas' water resources priorities.**

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Existing financing programs would have to be altered to better meet the needs of small and disadvantaged communities. Providing assistance to small or disadvantaged communities is likely to be the subject of intensive interim study by the legislature. The TWDB and Sunset staff need to be aware of this important policy matter, as it will likely be deferred to this legislative initiative.

### **Existing Funding Mechanisms**

The past two state legislatures have started to take action against the lack of adequate funding mechanisms for state priorities. For example, in 1997 and 1999 the Texas Legislature authorized the issuance of a total of \$100 million in general obligation bonds for the TWDB's State Participation Program. This financing program allows the state to participate as a partner in regional water supply, wastewater treatment projects, and flood control projects, so that facilities can be built to optimum capacity, saving the cost of building additional facilities in the future as the regional population grows. Additionally, this investment reaps huge savings for the rate payers in the area served as it ultimately reduces the cost of water and sewer service at the local level.

Likewise, in both 1997 and 1999, significant federal appropriations were applied to the newly-created Safe Drinking Water Act State Revolving Fund loan program (DWSRF). These funds were earmarked for use to disadvantaged communities, privately owned water systems, and non-profit non-community water systems which lack adequate facilities to comply with state and federal drinking water standards.

As important as these steps are, however, they will still only address a small amount of the projected \$22 billion needed for water-related facilities in the next 20 years. While state assistance is not necessary for all of these needs, it will be necessary to assist local communities in closing key gaps in which their local resources are insufficient.

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## **C. Possible Solutions and Impact**

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### **Pursue an “evergreen” strategy for the agency’s general obligation bond authorization.**

This solution would allow the TWDB to structure a program that would provide self-renewing bond authorization but only for self-supporting bonds, instead of having to ask the voters to authorize an additional, non-replenishable amount each time the agency needs supplemental financing to support projects. The current combined, unissued balances for bond authorizations are less than \$1 billion. The currently planned and projected bond issuances for water projects will reduce the balance of unissued bonds to

less than \$500 million by the next legislative session. In order to continue providing financing for future projects, the TWDB would need to request voters to consider the authorization of additional bonds. Instead, a program could be structured to provide a replenishing amount of bonds, with a limit on the amount of outstanding bonds at any given time, provided they are self-supporting. For example, if a limit of \$3 billion were established, then the TWDB could issue approximately \$150 million per year in self-supporting debt, because based on 20 year bonds, approximately \$150 million would be paid off each year. This proposal would need to be implemented as a new authorization during the next legislative session and approved as a constitutional amendment by the voters. This change would have no fiscal impact to the state, but would benefit many communities by providing a long-term funding mechanism for water resources management.

### **Provide incentives to increase the number of regional water and wastewater systems.**

Local governments will need additional incentives and assistance to create or enlarge regional systems. While in the long run, the regional option almost always proves to be the most cost-effective for the state and the region as a whole, in the short term, the incremental costs associated with developing a regional project may increase utility service rates, which could prove to be politically or economically unsupported by the community. Large regional providers and their current members may need incentives, financial or otherwise, to reach outside of their current service areas to provide long-term solutions for what are now considered rural areas. Other mechanisms may need to be developed to encourage smaller-scale regional projects.

The TWDB and the TNRCC are currently engaged in an effort to further develop both regulatory and financial incentives to encourage regionalization. As this effort proceeds, specific recommendations for statutory or program changes will be developed and shared with Sunset Commission staff.

The State Participation Program, which encourages regionalization, has led to some notable successes, but its resources are limited and its application constrained by agency rule and law. Expanding the manner in which this program can be used is one fertile area for further investigation.

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## **Create additional funding mechanisms to ensure the implementation of water plan recommendations.**

As of January 5, 2002, in order for a water project to be eligible for financial assistance from the TWDB, it must be addressed in a manner consistent with the approved regional water plan. In some cases, a project that is consistent with the plan may have a short-term cost that is not supported by local constituents. Additionally, a new or unusual project may not be suitable for TWDB financing, due to the limited funding mechanisms available. Consequently, the local government may not be able to build the project it identified as a need or may be forced to use other costlier funding sources.

As the Regional Water Planning Groups (RWPGs) develop their recommendations, issues of financial viability will have to be considered by both the RWPGs and the state. Plan recommendations that are beyond the legal, administrative, and/or financial capability of local or regional entities will have to be identified and implementable solutions derived. This may well entail a significant financial contribution by the state. The magnitude of this will of course depend on the specific recommendations made by the RWPGs. The TWDB will be following this issue closely and will provide updates to Sunset staff as the dimensions of this issue become clearer.

## ISSUE NUMBER 3:

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### A. Brief Description of Issue

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**How can the state maximize the effectiveness and minimize the costs associated with the collection and use of water data and natural resources information without increasing state appropriations?**

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### B. Discussion

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#### General Scope of the Issue

##### Moving Toward Better Management of State Natural Resources Information

Texas is making significant strides toward creating a statewide clearinghouse for its natural resources information. In recent years, several organizations such as the Texas Water Monitoring Congress (TWMC), the Texas Geographic Information Council (TGIC) and the TWDB's Texas Natural Resources Information System (TNRIS), have launched collaborative efforts to build and share natural resources data in order to cut costs and save money associated with the acquisition, storage, and dissemination of this information. These cost-saving efforts would enable agencies to work together more productively for the benefit of the state.

These collaborative initiatives have produced multiple recommendations, which if implemented, would ultimately lead to better natural resources data management, better customer service, and more efficient use of state funds.

The TWDB's Texas Natural Resources Information System is and will continue to be a key player in the implementation of these recommendations. Current state funding mechanisms limit the TNRIS' ability to perform the functions that are essential to better management of the state's natural resources information.

##### Challenges to Efficiently Managing State Natural Resources Information Systems

In 1998 the Texas Water Monitoring Council produced a report of recommendations regarding water monitoring in Texas. The report highlighted the need for continual Texas Water Development Board

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**Current state funding mechanisms limit the TNRIS' ability to perform the functions that are essential to better management of the state's natural resources information.**

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leadership in the arena of state natural resources information systems through the agency's Texas Natural Resources Information System.

One specific recommendation stated that water-monitoring entities should use the products of the Texas Strategic Mapping Program (StratMap, managed by TNRIS) as the base map upon which to locate water-monitoring data.

In January 1999 the Texas Geographic Information Council (TGIC) published the Geographic Information Framework for Texas (GIFT). This framework outlines five initiatives that were unanimously supported by the 46 TGIC member agencies (see below). If properly crafted and launched, these initiatives would serve to further streamline Texas' management of natural resources information. As a member of the TGIC, the TWDB wishes to share these recommendations with the Sunset Commission. They are general recommendations that need to be further researched; however, they represent promising concepts to pursue for better, more cost-effective government.

**The initiatives include:**

1. Ongoing development of intergovernmental partnerships: The TGIC's vision of building these relationships between state, national, local and private sector participants will extend the benefit of investments in this technology to the broadest possible community.
2. Cooperative base mapping: The TGIC calls for the completion of StratMap and for natural resource agencies to use StratMap products and not duplicate the considerable efforts made to develop this data.
3. Electronic data sharing: The high cost of developing digital data necessitates that efficient Internet-based data dissemination mechanisms be put in place.
4. Field Data Collection: Advances in computers and Global Positioning Systems (GPS) are rapidly making this technology a key tool for state agencies collecting field data. The TGIC supports the broadcast of GPS correctional data, and the creation of a state geodetic advisor position.
5. Educational outreach: The TGIC calls for an educational outreach program to ensure the broadest benefit from the above activities.

## **The Central Role of Texas Natural Resources Information System (TNRIS)**

Both the Texas Water Monitoring Council and the Texas Geographic Information Council have identified the Texas Water Development Board's TNRIS as a key component to fulfilling their objectives. Because TNRIS provides state agencies, the general public, and other public and private institutions with a centralized, cost-effective means for accessing geographic data for state agencies and for the public, these coordinating bodies recognize the TNRIS as the focal point of the state's natural resources information activities.

However, the TNRIS' ability to make the investments desired by data users to process and distribute information while maintaining important existing functions is hindered by state appropriation limitations. Examples of these hindrances include the following:

- The TNRIS has gradually filled the void for Digital Basemap Distribution without new appropriations of funds or full time employees (FTEs). New services have been added, and the TNRIS must still secure funding for the purchase of Internet Servers, and hiring experienced programmers and database experts. Even with outside funding, through grants and other sources, the FTE cap prohibits TNRIS from adding to the three person Information Services Distribution Section. Such programs, in a small division, become lost within the two-year statewide appropriations cycle.
- The TNRIS distributes large data sets, yet the division's Internet connection is only a 10 megabit bandwidth while the technology has advanced past this many times over. Such limitations restrict the flow of information to other agencies and the general public.

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## **C. Possible Solution and Impact**

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### **Explore modifications to the TNRIS statutory appropriations authority to allow innovative approaches to funding strategies and especially encourage public-private partnerships for data dissemination.**

The TWDB recommends that the TNRIS be provided the authority to pilot new funding strategies through public and private collaboration that can increase services to state agencies at no additional state funding. This may for example include utilizing funding from federal, non-profit and private sector sources for the creation and maintenance of a public/private funded Internet



distribution center. As an incubator of emerging technologies and approaches, the TNRIS will be able to promote cooperative linkages with the private sector, without entering into competition with them, and create increased interaction and cost sharing among public and private entities. This approach will increase the usefulness and availability of basic data sets throughout Texas and enhance private sector economic opportunities within the computer, remote sensing and geographic information systems fields.

These proposed changes will better prepare the TNRIS to actively pursue and support the implementation of the Texas Water Monitoring Council and the Texas Geographic Information Council initiatives.



# X Comments

This section highlights three themes central to the TWDB's effective and efficient operation. The agency's employees are indispensable to the success of the agency: The TWDB requires talented people, with a highly-sophisticated knowledge of water planning, engineering, computer modeling, public policy, and the intricacies of finance. Without these quality people, the agency's performance would suffer. On a broader scale, the development of Texas' water supplies and the health and economic welfare of the state would decline without the TWDB filling the role as advisor to the lawmakers and citizens of the state. The TWDB continuously serves in the capacity of advisor to the Texas Legislature, and the agency was an instrumental player in developing the recommendations that were utilized in Senate Bill 1 to rewrite Texas' water legislation and revolutionize the way water resources planning and developing is conducted.

This section touches on each of these issues in more detail:

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| <p style="text-align: center;"><b>The TWDB's Knowledge Capital</b></p> <p style="text-align: center;"><b>The TWDB's Role as Advisor to the Texas Legislature</b></p> <p style="text-align: center;"><b>The Significance of Senate Bill 1</b></p> |
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## **The TWDB's Knowledge Capital**

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Over the last several years, the demand for the TWDB's services has increased dramatically. With more political subdivisions and Regional Water Planning Groups assuming responsibility for the state's water resources development, the TWDB is proactively stepping up to the challenge of operating as a one-stop shop to fulfill all of these customers' needs for low-cost financing, water planning, technical assistance and data collection and dissemination. As the TWDB's services continue to improve and expand, the agency strives to hire and retain the best employees to complement these services.

The booming economic growth and vast employment opportunities in Austin have impacted the TWDB's workforce, making it difficult to recruit

and retain high-caliber employees. The agency must effectively compete with other organizations, both private sector and public, to sustain a high-performing staff. This level of competition is new to the agency, and to the state at large.

The TWDB has recognized the need to market the agency, the uniqueness of its programs, and the value of public service. TWDB staff need to research the marketplace to stay abreast of significant trends occurring within the labor force. Additionally, the TWDB must initiate better outreach programs, both web-based and site-based, to ensure that suitable individuals are engaged to fill the agency's highly-specialized positions. Most importantly, the TWDB requires appropriate funding to compensate and retain employees for their expertise and performance.

Over the past three years, key staff have left the agency to pursue other opportunities in both the public and private sector. In many instances, the agency has not been able to replace these individuals with persons who possess comparable experience/skills, and in some instances, the agency has been forced to offer higher salaries for less experience/skills.

The TWDB has been addressing this employment challenge through retention programs that enable the agency to be a competitive employer. Lost employees are costly, in terms of expense and agency performance, and the cost of replacing critical technical and management knowledge and experience far outweighs the cost of retaining qualified staff.

The State Auditor's Office (SAO), in a Management Audit Report of the TWDB dated January 1998, concluded: "Many of the Board (TWDB)'s key employees are highly marketable or eligible for retirement. We suggest that the Board (TWDB) conduct a wage/salary survey to assist in establishing appropriate compensation for employees."

Under the SAO's advisement, the TWDB contracted with a private consulting firm to conduct an external salary survey in October 1998. The TWDB compared the results with 42 entities, of which over 85 percent were public agencies. The majority of the comparisons for the information resources, engineering, and environmental professions were with private companies.

This report revealed:

- The TWDB is not a competitive employer;
- Eighty percent of the TWDB's benchmark job classes (salaries) are more than five percent below the prevailing rates; and

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**... the TWDB is proactively stepping up to the challenge of operating as a one-stop shop to fulfill all of these customers' needs for low-cost financing, water planning, technical assistance and data collection and dissemination.**

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- The TWDB's salary structure comparatively breaks down as follows:

**Administrative/Financial .....8.9% below average**

**Professional/Natural Resource Science ....14.9% below average**

**Engineering .....5.9% below average**

**Information Technology .....20.2% below average**

**Legal .....35.6% below average**

- The TWDB would require at least \$2.7 million in appropriations to adjust key positions to the market rate.

The TWDB was appropriated \$793,100 in additional salary dollars (all funds). The General Revenue portion was only 57 percent of the amount requested.

While this appropriation will contribute to the agency's efforts to stabilize the workforce in the upcoming biennium, it is doubtful that the amount appropriated will significantly impact the TWDB in the long run.

Therefore, the TWDB expects to continue to lose highly-qualified employees as wage growth in the public sector lags in comparison with competing industries. The TWDB, therefore, will need to pursue more aggressive recruitment and retention strategies, or will need to request additional appropriations during the next legislative session.

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## **The TWDB's Role as Advisor to the Texas Legislature**

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### **How the TWDB discharges its responsibilities to advise and counsel the Legislature, legislative committees and other appropriate public and private entities on water or wastewater development**

In recent years, the TWDB has proven its professionalism and expertise in the arenas of water management issues and infrastructure financing. The agency receives special requests and actively seeks opportunities to provide assistance to the Texas Legislature and to local governments regarding an array of water resources issues. The Legislature relies on the TWDB to provide data and advice on complex water issues, and clearly values the TWDB's expertise.

The TWDB has provided countless services to the Texas Legislature including:

- Development of aquifer models to help in evaluation of various water management plans;
- Financing options for meeting water and wastewater needs;
- Best practices in the field of water resources planning and financing;
- Specific analysis of local water problems; and
- An array of water information requests.

### **Drought of 1996**

Historically, Texas has suffered a drought every decade. However, the two most recent droughts have occurred within a three year period, in 1996 and in 1998. Not only were the droughts devastating to the agricultural industry, but the droughts also put a severe strain on the water supplies of most municipalities statewide.

Lieutenant Governor Bob Bullock charged the TWDB, along with the Texas Natural Resource Conservation Commission (TNRCC) and the Texas Parks and Wildlife Department (TPWD), to identify existing problems and opportunities related to water supply and management in Texas, and to provide a comprehensive list of policy options to address those issues.

The TWDB and partner agencies provided the report of policy options to Lieutenant Governor Bullock in August 1996. In January 1997, in conjunction with the 1997 State Water Plan, the agencies submitted a comprehensive report to the Legislature. The report became the impetus for passing the revolutionary Senate Bill 1, 75th Texas Legislature.

### **75th Texas Legislature (1997) and Interim**

During the Senate Bill 1 hearing process the TWDB was repeatedly called upon as a resource witness to explain or provide clarification on complex water supply issues such as interbasin transfers, groundwater management, and alternative water sources.

During the interim, the TWDB was asked to provide testimony at every hearing of the Joint Interim Committee on Water Resources Management. Hearings were held around the state on current water conditions and water projections for the year 2020.

The TWDB was called upon by the Joint Interim Committee staff to develop specific recommendations which would help facilitate the implementation of the initiatives of Senate Bill 1.

During the recent droughts, the TWDB was asked to brief the Governor and other state heads on current water conditions and to suggest an action plan to assist those areas of the state that were in imminent danger of not being able to meet water demands. The TWDB's recommendations for assisting the Lower Rio Grande Valley were used as the basis for an emergency appropriations this past legislative session.

### **76th Texas Legislature (1999)**

The TWDB was requested by members of the Legislature to provide information and develop illustrations explaining complex water issues involving the flow patterns of aquifers. These tools aided legislators in developing legislation for the creation of groundwater conservation districts.

TWDB staff provided language to assist with the development of Senate Bill 1421, the omnibus colonia bill authored by Senator Lucio (and co-sponsored by many other border legislators). At each hearing of the Senate Special Committee on Border Affairs, TWDB staff were asked to serve as resource witnesses. The work of the TWDB on this legislation was noted by Senator Truan during passage of the bill on the Senate floor, and his remarks were entered into the Senate Journal.

Agency staff also worked extensively with the House Committee on Urban Affairs to identify options for providing assistance to unincorporated areas of the state that have inadequate water or wastewater services.

### **Texas' Need for Leadership to Guide Water Resources Planning**

Texas' population growth and unpredictable weather conditions make the business of planning and providing for Texas' water supply needs a formidable challenge. The TWDB can provide the expertise to help Texas meet this challenge. The agency will continue to offer its services to the Texas Legislature as well as to local governments in the effort to ensure that Texas has water for today and tomorrow.

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**During the recent droughts, the TWDB was asked to brief the Governor and other state heads on current water conditions and to suggest an action plan to assist those areas of the state that were in imminent danger of not being able to meet water demands.**

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## Senate Bill 1's Impacts on the TWDB

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Senate Bill 1 received abundant statewide, and even national attention when it was enacted by the 75th Texas Legislature and signed into law by Governor George W. Bush in June 1997. Described as the “most comprehensive rewrite of Texas water law in the last 30 years,” passage of this bill touched virtually every aspect of the agency, from revisions to the TWDB’s constitutional duties, to affecting the agency’s day-to-day activities.

This legislation has initiated a radical transformation in the agency’s service offerings, including major reforms to the TWDB’s financing programs, data collection and dissemination services, and water planning and management strategies. While this legislation is only two years old, the TWDB has adapted to the significant transition in duties, streamlining processes and improving customer service. Continuing the evolution of this landmark legislation is essential, to allow the TWDB, its partner agencies, and the RWPGs to fulfill their roles and responsibilities in meeting the challenges of developing Texas’ current and future water supplies. The success of this legislation will not be determined until put to two definitive tests — demonstrating the state’s ability to successfully mitigate Texas droughts, and safeguarding an abundance of water supplies for Texas’ explosive population growth.

### The TWDB’s New Roles and Responsibilities

#### Water Planning

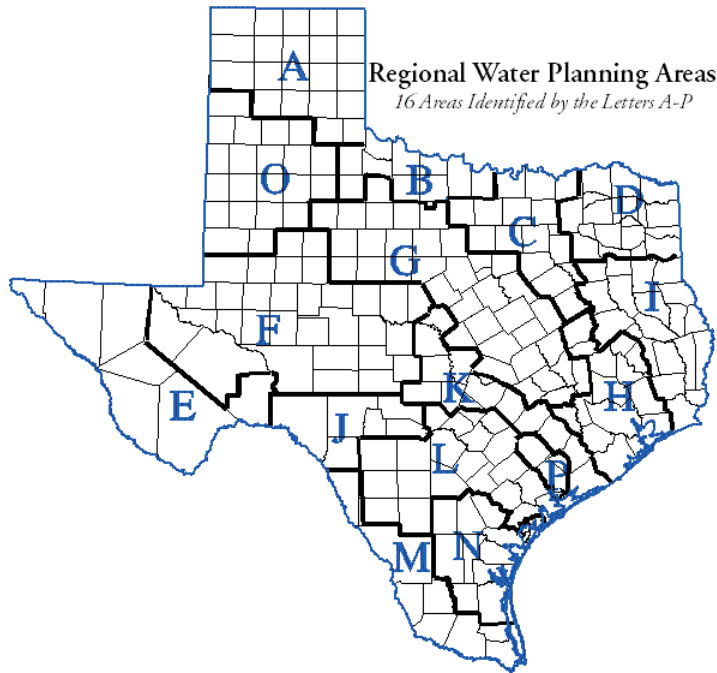
Senate Bill 1 designates the TWDB as the lead state agency for coordinating the regional water planning process. In February 1998, after extensive review and public comment, the TWDB adopted state and regional water planning rules, delineated 16 regional planning areas and selected 270 individuals to serve as initial members of Regional Water Planning Groups. Non-voting memberships were included in the groups, to encourage coordination between boundary RWPGs, state and federal agencies, and the Republic of Mexico. The TWDB assigned staff to act as liaisons and to participate in RWPG meetings as non-voting members. The TWDB is now moving into a leadership and support role: approving regional plans and incorporating them into the State Water Plan, resolving any conflicts between plans, and providing financial and technical assistance to RWPGs. Once the 2002 State Water Plan is adopted in January, TWDB financial assistance will be provided only to water supply projects that meet needs in a manner that is consistent with the approved regional water plans.

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**... passage of this bill touched virtually every aspect of the agency, from revisions to the TWDB’s constitutional duties, to affecting the agency’s day-to-day activities.**

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### Data Collection and Dissemination

The TWDB continues to lead the charge in developing a statewide network of easily-accessible water information. Senate Bill 1 and the accompanying appropriation expanded the agency’s basic water data collection to provide the state with increased, timelier groundwater and surface water information. Through improvements in the agency’s information delivery mechanisms and with oversight of the Texas Natural Resources Information System, the TWDB is playing an active role in improving statewide access to water resources data in cost-effective ways with significant enhancements to electronic data distribution. The TWDB participates in several geographic information councils to develop comprehensive data dissemination tools that will facilitate general information-sharing and support regional water planning efforts.

### Financing Programs

Senate Bill 1 expanded the use of the TWDB’s financing programs and improved the use and cost-effectiveness of state bond programs by rewriting the constitutional language authorizing bonds. Additionally, the legislation grants the TWDB the leverage to offer financial assistance to privately-owned public water systems, and to provide “forgiveness of loan principal” to disadvantaged communities through the federally-financed Drinking Water State Revolving Fund.

Likewise, Senate Bill 1’s restructuring of the Texas Water Code made it possible for the TWDB to expand the range of uses of the Agricultural

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**Through improvements in the agency’s information delivery mechanisms and with oversight of the Texas Natural Resources Information System, the TWDB is playing an active role in improving statewide access to water resources data in cost-effective ways with significant enhancements to electronic data distribution.**

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Water Conservation Loan Program and modified the way the program was capitalized.

### **Coordination with Other State Agencies**

The TWDB works with other agencies to ensure the successful implementation of these revolutionary changes to water planning, financing, and information collection and distribution. Senate Bill 1 envisions strong interagency coordination through a large range of mandated coordination activities and by dove-tailing agency functions (e.g., the Texas Natural Resource Conservation Commission may not issue a water right for municipal purposes unless it is consistent with an approved regional water plan after 2002.)

Other examples of interagency coordination include, but are not limited to:

- Agency participation in numerous data dissemination activities;
- Multiple state agency representation (non-voting) on RWPGs;
- The Texas Natural Resource Conservation Commission (TNRCC)'s findings of managerial, financial, and technical capabilities for the TWDB's Drinking Water State Revolving Fund loan applicants;
- The TWDB and the Texas Parks and Wildlife Department (TPWD)'s coordination with the TNRCC on surface water availability model development;
- The TNRCC and the TPWD's participation in the TWDB's determination of water demand projections in support of Senate Bill 1 plan development; and
- The TWDB, TNRCC, and TPWD coordinate studies of the freshwater inflow needs of the state's bays and estuaries.

## List of Useful Acronyms

| <b>Acronym</b> | <b>Description</b>   |
|----------------|--|
| BAT            | Border Activity Tracker                                    |
| BIC            | Border Information Center                                  |
| CMBL           | Centralized Master Bidders List                            |
| CPLP           | Colonia Plumbing Loan Program                              |
| CWSRF          | Clean Water State Revolving Fund                           |
| CWTAP          | Colonia Wastewater Treatment Assistance Program            |
| DEA            | Deputy Executive Administrator                             |
| DWSRF          | Drinking Water State Revolving Fund                        |
| EA             | Executive Administrator                                    |
| ECR            | External Customer Relations                                |
| EDAP           | Economically Distressed Areas Program                      |
| EPA            | Environmental Protection Agency                            |
| FEMA           | Federal Emergency Management Administration                |
| FMA            | Flood Mitigation Assistance                                |
| FTE            | Full Time Employee   |
| GIFT           | Geographic Information Framework for Texas                 |
| HUB            | Historically Underutilized Business                        |
| IBWC           | International and Boundary Water Commission                |
| INEGA          | Instituto Nacional de Estadistica Geografica e Informatica |
| LAR            | Legislative Appropriations Request                         |
| LBB            | Legislative Budget Board                                   |
| LCRA           | Lower Colorado River Authority                             |
| LRGV           | Lower Rio Grande Valley                                    |
| MFT            | Managerial, Financial, and Technical                       |
| MOA            | Memorandum of Agreement                                    |
| MOU            | Memorandum of Understanding                                |
| NADBank        | North American Development Bank                            |
| OoP            | Office of Planning   |
| OPFCA          | Office of Project Finance and Construction Assistance      |
| PGMA           | Priority Groundwater Management Areas                      |
| PPRI           | Public Policy Research Institute                           |
| RIO            | Resource Information Office                                |
| RWPG           | Regional Water Planning Group                              |
| SAO            | State Auditor's Office                                     |
| SRF            | State Revolving Fund                                       |
| STEP           | Small Town Environment Program                             |
| StratMap       | Strategic Mapping Initiative                               |
| TBIG           | Texas Border Infrastructure Group                          |
| TDA            | Texas Department of Agriculture                            |
| TDHCA          | Texas Department of Housing and Community Affairs          |
| TDWR           | Texas Department of Water Resources                        |
| TGIC           | Texas Geographic Information Council                       |
| TGIN           | Texas Geographic Information Network                       |
| TNRCC          | Texas Natural Resource Conservation Commission             |
| TNRIS          | Texas Natural Resources Information System                 |
| TPFA           | Texas Public Finance Authority                             |
| TPWD           | Texas Parks and Wildlife Department                        |
| TWDB           | Texas Water Development Board                              |
| TWRFA          | Texas Water Resources Finance Authority                    |
| USGS           | United States Geological Survey                            |
| WAMs           | Water Availability Models                                  |
| WIIC           | Water Information and Integration Committee                |