

I Key Functions, Powers, and Duties

A. Provide an overview of the agency's mission, key functions, powers, and duties. Specify which duties are statutory.

The Texas Water Development Board (TWDB) is the state's water planning and financing agency. The TWDB's main responsibilities are threefold: collecting and disseminating water-related data, planning for the development of the state's water resources, and administering low-cost financing programs. Since 1957, the agency has been charged with managing the state's water needs. Recently however, with the passage of Senate Bill 1 during the 75th Texas Legislature, federal and state organizations, political subdivisions, and Regional Water Planning Groups have assumed increased responsibility for ensuring sufficient water supplies for the state. The TWDB has stepped into a leadership and support role, guiding, enabling and supporting the state's water resources development.

TWDB's Mission: Provide leadership, technical services and financial assistance to support planning, conservation and the responsible development of water for Texas.

Agency Philosophy: The Texas Water Development Board strives to achieve excellence in meeting and exceeding the expectations of its customers. The organizational culture of the TWDB is based on the following values:

- **Customer Satisfaction** - consistently satisfy all the requirements of our customers;
- **Leadership** - provide clear and visible direction, expectations, and value for all employees and for our relationships with customers;
- **Process Focus** - concentrate on efficient performance of our tasks and refinement of our business processes to achieve goals;

- **Fact-Based Decision Making** - generate prompt, objective decisions based on the best available information and sound professional judgement;
- **Empowered Employees** - delegate authority and responsibility to effectively serve our customers; and
- **Continuous Improvement** - seek opportunities to improve the products and services provided to our customers.

TWDB Vision: Water for Texas - Dependable, clean, and affordable water for our people, our economy, and our environment.

In support of the agency's mission and vision, the TWDB focuses on two goals:

- 1. Water Resources Planning**
Plan and guide the conservation, orderly and cost-effective development, and best management of the state's water resources for the benefit of all Texans; and
- 2. Water Project Financing**
Provide cost-effective financing for the development of water supply, for water quality protection, and for other water-related projects.

The TWDB attains these goals by operating as a one-stop shop, efficiently and effectively implementing its data collection and dissemination, water resources planning, and low-cost project financing functions. The highly integrated relationship between these functions and the agency's goals allows the TWDB to successfully serve the water resources needs of Texas.

The TWDB's operations can be further broken-down into the strategies listed below, which are detailed in the **1999-2003 Texas Water Development Board Strategic Plan** (refer to Attachment #20).

Strategy	Statutory References
Conduct statewide data collection and water resources evaluations (Strategy 01-01-01)	Water Code §11.1491, Chapter 15 (Subchapter M), Chapter 16 (Subchapter B), §16.058
Coordinate regional water planning and prepare the State Water Plan (Strategy 01-01-02)	Water Code §§6.011, 6.012, 15.4061, Chapter 15 (Subchapter K), Chapter 16 (Subchapters B, C and D), §§35.007, 36.1071-.1073
Provide grants for practical research and feasibility studies to encourage cost-effective regional solutions to local community water, wastewater, and flood control infrastructure problems (Strategy 01-02-01)	Water Code §§15.002, 15.401-.406, National Flood Insurance Act of 1968 (§§1366 and 1367) 42 United States Code, §§4104c and 4104d
Promote water conservation and increased water-use efficiency (Strategy 01-02-02)	Water Code §§15.106, 15.208, 15.431-.435, 15.471-15.473, 15.607, 16.012, 16.015, 16.051, 16.053, 16.055, 17.125, 17.277
Facilitate public access to natural resources and census data (Strategy 01-01-03)	Water Code §16.021
Integrate, process, and disseminate water resources information and infrastructure facility needs information (facilities to be developed to meet future water infrastructure needs) (Strategy 01-01-04)	Water Code §16.012; Federal Water Pollution Control Act §516-b; Safe Drinking Water Act Amendments of 1996 §1452-h
Enable communities to build needed water infrastructure and save them money in doing so (Strategy 02-01-01)	Texas Constitution Article III, §§49-c, 49-d, 49-d-1, 49-d-2, 49-d-3, 49-d-4, 49-d-5, 49-d-6, 49-d-7, 49-d-8, 50-d; Water Code Chapter 15, (Subchapters A-F, J); Chapter 16 (Subchapters E and F); Chapter 17 (except for Subchapter K); §§36.159, 36.371-374; 33 United States Code 33 §§1251 et seq. (Federal Water Pollution Control Act); Public Law 104-182, August 6, 1996, 110 Stat. 1613 (Safe Drinking Water Act Amendments of 1996) and Title 42 United States Code §§ 300f-300j-26
Provide financial assistance to develop adequate water and sewer services in economically distressed areas (Strategy 02-01-02)	Texas Constitution Article III, §49-d-7, 49-d-8; Water Code §§15.102, 15.401, 15.407, Chapter 15 (Subchapter L); Chapter 16 (Subchapter J); Chapter 17 (Subchapter K) Public Law 102-389 (Federal Appropriations Act of 1993); Public Law 103-327 (Federal Appropriations Act of 1995); Public Law 104-99 (Federal Appropriations Act of 1996, Continuing Resolutions Nos. 3 and 4); Public Law 104-204 (Federal Appropriations Act of 1997); Public Law 105-65 (Federal Appropriations Act of 1998)

B. Does the agency's enabling law correctly reflect the agency's mission, key functions, powers, and duties?

The agency's enabling law correctly reflects the agency's mission, key functions, powers, and duties.

C. Please explain why these strategies are needed.

Each of the strategies listed in the previous chart are essential to the TWDB's operations. The need for each strategy is further described below. (Also refer to Section VI, Guide to Agency Programs, for a complete description of each strategy.)

Strategy 01-01-01

- **Conduct statewide data collection and water resources evaluations**

Making sound water management and planning decisions requires accurate and current water data. The Texas Water Development Board collects vital quality and quantity information on surface water and groundwater and participates in the joint agency determination of environmental flow needs of bays, estuaries, and instream segments.

Strategy 01-01-02

- **Coordinate regional water planning and prepare the State Water Plan**

In 1997, the State of Texas recognized the need to institute statewide water planning in order to secure the future of the state's water resources. With the passage of Senate Bill 1 in 1997, the TWDB became the lead agency in coordinating the state's grassroots water planning effort.

Strategy 01 -02-01

- **Provide grants for practical research and feasibility studies to encourage cost-effective regional solutions to local community water, wastewater, and flood control infrastructure problems**

The TWDB provides grants for applied research to support local efforts to address water infrastructure needs, including the development of cost-effective regional solutions to multi-party problems. These grants provide political subdivisions and others the opportunity to make informed decisions regarding their options for best managing their water resources.

For example, when considering how to meet its wastewater collection and treatment needs, a city can use grant funding to evaluate the advantages of a regional wastewater system versus a local system, including attributes such as cost and environmental impact.

Strategy 01 -02-02

- **Promote water conservation and increased water-use efficiency**

Texas' growing population, increasing water needs, and limited supply of new water resources make water conservation a necessary tool for maintaining the quality of life for all citizens. The TWDB's expertise in water conservation practices has contributed to the general acceptance and use of innovative conservation technologies throughout the state. The agency provides comprehensive water conservation solutions to a wide variety of customers from agricultural interest groups to local governments and private industry.

Strategy 01 -01-03

- **Facilitate public access to natural resources and census data**

The TWDB stores vast amounts of critical information, including data provided by other agencies regarding the state's water resources. The agency saves its customers time and money by centralizing all of this information and providing it in an easily accessible way.

The TWDB's Texas Natural Resources Information System (TNRIS) is the state's central repository for natural resources and census data. TNRIS makes this data available to state agencies, private entities, and the public at large through walk-in, mail-order, and Internet services. The TNRIS assists these customers by making data available to users quickly

and reliably and by referring users as necessary to appropriate data sources outside of the TNRS collection.

Strategy 01 -01 -04

- **Integrate, process, and disseminate water resources information and infrastructure facility needs information (facilities to be developed to meet future water infrastructure needs)**

The TWDB maintains and distributes surface water and groundwater data via a statewide network that focuses solely on water resources information. Additionally, as a member of the Drought Preparedness Council, the TWDB reports drought monitoring and water supply conditions via this network to the Regional Water Planning Groups, the Governor of Texas, and the general public.

The TWDB leads the state's participation in federally-mandated facility needs surveys administered by the Environmental Protection Agency to estimate the capital costs for water and wastewater infrastructure projects needed in the next 20 years. Hundreds of millions of dollars of federal funds are impacted by the results of this work. The information collected during the facility needs process is also of great strategic value to administrators and planners at the TWDB, the State Legislature, utilities, and Regional Water Planning Groups.

Strategy 02-01 -01

- **Enable communities to build needed water infrastructure and save them money in doing so**

The TWDB provides cost-effective financing solutions to Texas' communities so that they can meet the challenges of constructing and maintaining existing water infrastructure and comply with increasingly stringent water quality standards.

Strategy 02-01 -02

- **Provide financial assistance to develop adequate water and sewer services in economically distressed areas**

The 71st Texas Legislature in 1989 found that the lack of adequate water supply and wastewater services in economically distressed areas creates serious and unacceptable health hazards for residents. Additionally, the resources of these areas are totally inadequate to meet minimal water and sewer needs without federal, state, or private assistance.

Furthermore, if left unaddressed, solutions to these problems become more expensive and the dangers to public health and safety increase. The TWDB financial assistance programs provide cost-effective solutions for such problems in economically distressed areas.

Are any of these functions required by federal law?

None of these eight key strategies are directly required by federal law. However, in choosing to utilize federally-funded programs, the agency must comply with federal requirements.

D. In general, how do other states carry out similar functions?

Strategy 01 -01 -01

- **Conduct statewide data collection and water resources evaluations**

In general, other states collect similar water-related data through cooperative programs among federal, state, and local agencies. While some state agencies rely entirely on the United States Geological Survey (USGS) to collect water data, the TWDB has found it more cost-effective to use the USGS primarily for surface water gaging.

Strategy 01 -01 -02

- **Coordinate regional water planning and prepare the State Water Plan**

Not every state prepares a State Water Plan. Selected states in which plans are prepared include Texas, California, Wyoming, Utah, Kansas, Nevada, New Mexico, and Illinois. The process used to develop a plan can vary a great deal from state to state. Some states' processes are state-directed while others include varying degrees of local and regional input. The TWDB's current planning process is regionally-driven in accordance with Senate Bill 1 provisions and is unprecedented in its detail and local development.

Strategy 01-02-01

- **Provide grants for practical research and feasibility studies to encourage cost-effective regional solutions to local community water, wastewater, and flood control infrastructure problems**

Florida manages and plans for its water supplies through water management districts funded by property taxes. In California, water planning is funded by the state's Department of Water Resources and agencies such as the Metropolitan Water District of Southern California. Additionally, many other states use university and foundation programs to fund such studies.

Strategy 01-02-02

- **Promote water conservation and increased water-use efficiency**

States such as California, Florida, and Arizona, with scarce water resources and rapidly expanding demands for additional water supply, pursue aggressive conservation programs similar to the TWDB's programs.

Strategy 01-01-03

- **Facilitate public access to natural resources and census data**

Many states have clearinghouses for natural resources information and work in cooperation with other states and federal agencies such as the United States Geological Survey. Few states' programs have the reputation or success of the TWDB's Texas Natural Resources Information System (TNRIS).

Strategy 01-01-04

- **Integrate, process, and disseminate water resources information and infrastructure facility needs information (facilities to be developed to meet future water infrastructure needs)**

Other states also provide water resources information via web-based technologies.

Facility needs surveys are handled in basically the same manner in other states as in Texas.

Strategy 02-01-01

- **Enable communities to build needed water infrastructure and save them money in doing so**

All 50 states provide either federal or state subsidized financial assistance for the development of water resources.

Strategy 02-01-02

- **Provide financial assistance to develop adequate water and sewer services in economically distressed areas**

No other state has an economically distressed areas program that is comparable to that of the State of Texas. The colonia problem, which is unique in size and complexity to Texas, is a central focus of the TWDB's program. Other states are just beginning to address the challenges of economically distressed areas.

E. Describe any major agency functions that are outsourced.

An outsourced function is defined here as a major programmatic function that the TWDB staff have legal authority to perform but instead have contracted with an outside entity to promote the most efficient use of state funds.

TWDB MAJOR AGENCY FUNCTIONS THAT ARE OUTSOURCED

Vendor/Firm	Function	Date of Contract
Bank of New York	Provides custodial services to the TWDB for the book-entry municipal bond portfolio held at the Depository Trust Company	August 31, 1998 - August 31, 2000
Vinson and Elkins; McCall, Parkhurst, and Horton; Wickliff and Hall	These bond counsel firms are used to provide legal advice on the issuance of TWDB bonds and on miscellaneous interpretive matters related to TWDB programs	October 15, 1998 - August 31, 1999 * (Note: same contract dates for each firm)
Bear, Stearns and Co.; Chase Securities; Coastal Securities; Estrada Hinojosa; Goldman Sachs; Jackson Securities; John Nuveen and Co.; JP Morgan; Loop Capital; Merrill Lynch; Morgan Stanley/Dean Witter; Ramirez and Co.; Siebert Brandford Shank and Co.; Southwest Securities	These 14 firms were selected as a team to sell the TWDB's bonds on an as-needed basis; any combination of firms can be on the team Firms were selected in December 1998 for an assumed two year timeframe; may be extended at the will of the TWDB Board members	A "bond purchase agreement" is entered into as necessary; it has a 30 day life
Texas Safekeeping Trust	Provides depository and custodial services necessary to the TWDB's financial operations	August 1999 next date for renewal
First Southwest Asset Management	Provides arbitrage consultant and reporting services necessary to fulfill the TWDB's obligations under federal arbitrage regulations	August 1999 next date for renewal

* Extended by the TWDB to August 31, 2000 at its August 1999 Board meeting.

F. Discuss anticipated changes in federal law and outstanding court cases as they impact the agency's key functions.

In the 106th Session of the United States Congress, three bills are pending in committee that may have an impact on the agency's key functions. The first is Senate Bill 188, which will allow individual members of eligible entities to apply for State Revolving Fund Loans for construction projects that improve water conservation. Currently, such loans can only be made to eligible entities, not to individuals. This change will be made through an amendment to 33 United States Code §1383.

The other two bills, Senate Bill 968 and House Bill 1106, will allow the Environmental Protection Agency to grant money to state agencies, including the TWDB, to maximize available water supply and protect the environment through the development of alternative water sources. Both bills would require states to match the federal funds by at least 50 percent and, most importantly, would allow private utility companies to be eligible for participation in these projects.

The TWDB is not aware of any outstanding court cases that would influence the agency's business.

G. Please fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact the agency.

Texas Water Development Board Statutes/Attorney General Opinions	
Citation/Title	Authority/Impact on Agency
Texas Constitution , Article III, §§49-c, 49-d, 49-d-1, 49-d-2, 49-d-3, 49-d-4, 49-d-5, 49-d-6, 49-d-7, 49-d-8, 50-d	Provides for creation of TWDB; authorizes issuance of state general obligation bonds for water, water quality enhancement, flood control, economically distressed areas, and agricultural water conservation; and provides the authority to operate a program for bond insurance
Water Code Chapter 6	Provides for general powers, duties and responsibilities of TWDB; composition, appointment and eligibility of TWDB Board; administrative provisions for TWDB; and appointment and general powers of executive administrator
Water Code Chapter 15 (Subchapter A)	Provides general provisions relating to Chapter 15 funding
Water Code Chapter 15 (Subchapter B, C, E, F)	Provides authority for financial assistance from Water Assistance Fund and accounts thereunder as follows: establishment and management of Water Assistance Fund (Subchapter B); loans and grants from Water Loan Assistance Fund (Subchapter C); state purchase of facilities under Storage Acquisition Program (Subchapter E); Research and Planning Program including research grants, regional facility planning grants, EDAP facility planning grants and Senate Bill 1 regional planning grants (Subchapter F)
Water Code Chapter 15 (Subchapter D)	Authorizes TWDB to implement constitutional authority for Water Bond Insurance Program
Water Code Chapter 15 (Subchapter G, H, I)	Provides for establishment and management of Agricultural Trust Fund; transfers of money to Agricultural Water Conservation Fund, and use of funds for agricultural water conservation purposes including grants for equipment purchases
Water Code Chapter 15 (Subchapter J); 33 United States Code §§ 1251 et seq. (Federal Water Pollution Control Act); Public Law 104-182, August 6, 1996, 110 Stat. 1613 (Safe Drinking Water Act Amendments of 1996) Title 42 United States Code §§ 300f - 300j-26	Provides for creation of and funding from State Water Pollution Control Revolving Fund (known as Clean Water State Revolving Fund) and the Safe Drinking Water State Revolving Fund (known as Drinking Water State Revolving Fund)

Texas Water Development Board Statutes/Attorney General Opinions - continued	
Citation/Title	Authority/Impact on Agency
Water Code Chapter 15 (Subchapter K)	Provides for creation and administration of Texas Water Bank to facilitate water transactions
Water Code Chapter 15 (Subchapter L)	Provides for creation of Plumbing Loan Fund to provide loans through political subdivisions to individuals for connections to water or sewer systems, or to provide indoor plumbing facilities and fixtures
Water Code Chapter 16 (Subchapter C)	Provides for TWDB adoption of State Water Plan and coordination and approval of regional and local water planning; provides for drought response planning and implementation
Water Code §§16.058, 11.1491	Provides for TWDB and Texas Parks and Wildlife Department to jointly establish and maintain a bay and estuary data collection and analytical studies program for determination of freshwater inflow needs, use of money for bay and estuary studies
Water Code §§16.091, 16.092	Designates the TWDB as the agency to cooperate with the United States Army Corps of Engineers and Bureau of Reclamation for planning water resources projects; allows the TWDB to be named local sponsor of federal projects
Water Code §16.093	Provides for TWDB implementation of the Construction Grants Program, including collecting application fees
Water Code §11.153	Provides for TWDB participation in pilot aquifer storage studies, and use of TWDB funding for studies
Water Code Chapter 16 (Subchapters E and F)	Provides implementing legislation for TWDB constitutional authority to purchase and sell interests in regional water and wastewater projects, including flood retention structures (State Participation Program)
Water Code §16.233	Provides executive administrator with authority to confer with federal and state agencies and political subdivisions, and execute cooperative agreements
Water Code Chapter 16 (Subchapter H)	Provides that the TWDB may make navigation improvements within Cypress Creek drainage basin
Water Code Chapter 16 (Subchapter J); Chapter 17 (Subchapter K); §15.407	Provides implementing legislation for constitutionally authorized Economically Distressed Areas Program (EDAP)

Texas Water Development Board Statutes/Attorney General Opinions - continued	
Citation/Title	Authority/Impact on Agency
Public Law 102-389 (Federal Appropriations Act of 1993); Public Law 103-327 (Federal Appropriations Act of 1995); Public Law 104-99 (Federal Appropriations Act of 1996, Continuing Resolutions Nos. 3 and 4); Public Law 104-204 (Federal Appropriations Act of 1997); Public Law 105-65 (Federal Appropriations Act of 1998)	Provides federal funds through the Colonia Wastewater Treatment Assistance Program (CWTAP) with condition that the agency comply with certain federal statutes, i.e., 42 U.S.C.A. §§4321, et seq., National Environmental Policy Act; Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 40 C.F.R. Part 31
Water Code Chapter 17 (Subchapters A-G, L)	Provides implementing legislation for constitutionally authorized financing of water, water quality enhancement and flood control projects; provides for sale of bonds and disposition of proceeds for such programs and for the EDAP program
Water Code Chapter 17 (Subchapter I)	Provides authority for the TWDB to issue and use revenue bonds
Water Code Chapter 17 (Subchapter J)	Provides implementing legislation for constitutionally authorized Agricultural Water Conservation Bond Program
Water Code §§17.0871, 20.012, 20.045, 20.071, 17.072, 20.075, 15.1071	Provides for TWDB Board members to serve on the Board of Texas Water Resources Finance Authority (TWRFA), and for various interactions with the TWDB, including TWRFA's purchase of the TWDB's political subdivision bonds
Water Code §26.035	Provides for the TWDB to execute agreements with the United States Environmental Protection Agency or other federal agencies that administer programs providing cooperation and financial assistance in the form of loans and grants for water quality control activities and to accept federal funds for such purposes
Water Code §26.043 (State of Texas Water Pollution Control Compact)	Authorizes the TWDB to purchase bonds issued by entities that have entered "The State of Texas Water Pollution Control Compact" to provide funds for water quality enhancement pursuant to the Federal Water Pollution Control Act
Water Code §26.403	Provides for the TWDB Executive Administrator to be a member of Texas Groundwater Protection Committee
Water Code §§35.007, 35.012, 35.018	Provides for TWDB responsibility for identifying and studying priority groundwater management areas, and for education in such areas and filing reports

Texas Water Development Board Statutes/Attorney General Opinions - continued	
Citation/Title	Authority/Impact on Agency
Water Code §§36.1071-.1073	Provides for the TWDB certification of groundwater management plans and technical assistance
Water Code §36.120	Provides for sharing of information between groundwater conservation districts and TWDB
Water Code Chapter 36 (Subchapter L)	Provides for the TWDB to use Water Assistance Fund for loans to newly confirmed groundwater conservation districts for creation and initial operations
Water Code §36.159-.161	The TWDB may provide funds to groundwater conservation districts for data collection, management plans and regional water plans from Water Assistance Fund
Water Code §36.302	The TWDB provides technical assistance to state auditor for review of groundwater conservation districts
Water Code §54.037	Provides that the TWDB rules may specify mode and manner for condemnation of any type of property to be acquired by regional plan implementation agencies if not otherwise prescribed by law
Water Code §58.186	Requires the TWDB to furnish irrigation districts with topographic maps and data concerning district projects
Water Code §64.011	Requires the TWDB Executive Administrator to prepare cost-benefit analysis for importation of water into an area of the Ogallala Water Import Authority and also to estimate the quantities of water available and required for import, and impacts in counties within the authority if water is imported
Water Code §151.076	Harris Galveston Coastal Subsidence District may request TWDB staff to make a complete study of groundwater situation in the district relating to subsidence
Texas Civil Statute Article 8280-13	Provides that the TWDB cooperate with federal government in National Flood Insurance Program and aid political subdivisions endeavoring to qualify for participation in such program, publish information and prepare maps on flood plain areas
Texas Civil Statute Article 717u	Names the TWDB Executive Administrator to College Opportunity Act committee; authorizes TWDB to designate all or part of general obligation bonds as college savings bonds

Texas Water Development Board Statutes/Attorney General Opinions - continued	
Citation/Title	Authority/Impact on Agency
Water Code §59.005	Prohibits regional districts from providing matching funds for TWDB financial assistance through a guarantee of anyone who has a financial interest in the district or will receive direct financial benefit from a project
Texas Civil Statute Article 8280-121	Authorizes the TWDB to appoint members of the San Jacinto River Authority (power has been transferred through various legislation from Board of Water Engineers to Texas Water Commission, to Texas Water Rights Commission, to Texas Department of Water Resources, to TWDB)

Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
There are no Attorney General opinions specifically directed towards the agency at this time.	

H. Please fill in the following chart:

Texas Water Development Board Agency Contacts			
	Name	Address	Telephone Number Fax Number E-mail Address
Agency Head	Craig D. Pedersen Executive Administrator	1700 N. Congress Avenue P.O. Box 13231 Austin, TX 78711-3231	Telephone: 512-463-7847 Fax: 512-475-2053 E-mail: pedersen@twdb.state.tx.us
Agency's Sunset Liaisons	Policy Contact: Leonard A. Olson, Jr. Special Assistant to the Executive Administrator Administration Contact: Paris Peden Deputy Executive Administrator for Administration and Support Services	same as above same as above	Telephone: 512-463-7956 Fax: 512-475-2053 E-mail: lolson@twdb.state.tx.us Telephone: 512-475-2073 Fax: 512-475-2053 E-mail: ppeden@twdb.state.tx.us

II History and Major Events

Provide a timeline discussion of the agency's history, briefly describing the key events in the development of the agency.

TWDB History

- 1904 A constitutional amendment was adopted authorizing the first public development of water resources.
- 1913 The 33rd Texas Legislature created the Board of Water Engineers to regulate appropriations of water.
- 1915 The Board of Water Engineers began a cooperative surface-water data collection program with the United States Geological Survey.
- 1953 The Thomas Committee recommended state financial assistance to local water projects, reorganization of the Board of Water Engineers, and preparation of a long-range water policy for the state.
- 1954 - 1956 Texas suffered the most severe drought in the state's history.
- 1957 The drought of the 1950's was broken by damaging floods.
- The Texas Water Development Board (TWDB) was created by legislative act and constitutional amendment. The constitutional amendment, approved by Texas voters, authorized the TWDB to issue \$200 million in State of Texas General Obligation Water Development Bonds for the conservation and development of Texas' water resources through loans to political subdivisions.
- 1962 The Board of Water Engineers was reorganized, renamed the Texas Water Commission, and given specific responsibilities for water planning (57th Texas Legislature).

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amendment.**

- 1962 Texas voters approved use of \$200 million in previously authorized State of Texas General Obligation Water Development bonds to allow the state to acquire and develop storage facilities in reservoirs.
- 1965 The Texas Legislature restructured the state water agencies, transferred water resource planning functions to the TWDB, and renamed the Texas Water Commission to the Texas Water Resource Commission (TWRC).
- 1967 The TWDB initiated a cooperative program with the United States Geological Survey (USGS) to collect data on the estuaries of Texas.

The Texas Legislature mandated that the TWDB create and maintain the Texas Water-Oriented Data Bank (predecessor to Texas Natural Resources Information System).

- 1968 The first State Water Plan was adopted, and included a recommendation for moving water from the Mississippi River into Texas.
- 1969 The Texas Water Quality Act was amended by the 61st Texas Legislature to create the Texas Water Quality Board and to develop a system of statewide water quality control.
- 1971 Constitutional amendment authorized the TWDB to issue \$100 million in bonds for water quality enhancement.
- 1972 The Texas Natural Resources Information System (TNRIS) was created, succeeding the Texas Water-Oriented Data Bank, and incorporating a centralized repository and clearinghouse of maps, census information, and water-related information.
- 1972 - 1975 The TWDB initiated a number of regional studies of water and related land resources in areas of Texas faced with severe water problems.
- 1975 The TWDB was directed by the Texas Legislature to carry out comprehensive studies of the relationships between freshwater inflows and the biological productivity of Texas bays and estuaries.
- 1977 The three water agencies existing at the time, the Texas Water Development Board, the Texas Water Rights Commission, and the Water Quality Board, were

1977
The three water agencies existing at the time, the Texas Water Development Board, the Texas Water Rights Commission, and the Water Quality Board, were combined by the Texas Legislature, creating the Texas Department of Water Resources (TDWR).

combined by the Texas Legislature, creating the Texas Department of Water Resources (TDWR). This new single agency was responsible for developing Texas' water resources, maintaining the quality of water, and assuring equitable distribution of water rights.

- 1978 The Environmental Protection Agency delegated the EPA Construction Grant Program project administration duties to the Texas Department of Water Resources. This program ultimately awarded approximately \$1.7 billion in grants to Texas communities.
- 1979 A new executive order designated the TDWR as the state agency responsible for coordinating all water quality management planning in the state.
- 1981 Amendments to the federal Clean Water Act placed responsibility in the hands of the TDWR for coordination and administration of area-wide management planning through federal grants.
- 1985 Sunset Legislation reorganized the Texas Department of Water Resources, splitting the agency into two separate agencies, the Texas Water Commission and the Texas Water Development Board (current agency). The TWDB was made responsible for long-range planning and water project financing.

The Texas Legislature established the Agricultural Trust Fund as an investment account to generate interest earnings for funding agricultural programs.

Constitutional amendments expanded state ownership authority to include regional water and wastewater treatments; provided the TWDB with additional bonding authority; extended the TWDB financial programs to water supply corporations, flood control projects, and agricultural water conservation.

- 1986 The Legislature authorized the TWDB to set up the Agricultural Water Conservation Fund, previously authorized by constitutional amendment, using bond proceeds to make loans to borrower and lender districts such as soil and water conservation districts, irrigation districts, and underground water conservation districts.
- 1987 The federal Clean Water Act amendments and associated state legislation brought about the phase-out of the EPA Construction Grant Program and created the Clean Water

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State Revolving Fund (CWSRF) program, which the TWDB then added to its portfolio of financial assistance programs.

- 1987 The TWDB and the Texas Parks and Wildlife Department were directed by Senate Bill 683 to jointly conduct studies of the effects of freshwater inflows on coastal bays and estuaries.
- 1989 The TWDB was the first agency in the nation to make a CWSRF loan commitment.

The Texas Legislature and voters of the state passed comprehensive legislation and constitutional amendments establishing the Economically Distressed Areas Program (EDAP) to be administered by the TWDB.

The TWDB began administering the Environmental Protection Agency (EPA)-funded Colonia Plumbing Loan Program (CPLP), providing for residential construction of adequate water supply and sewer service.

The TWDB sold its loan portfolio to the Texas Water Resources Finance Authority (TWRFA). Bond proceeds and investment earnings have been used to supplement TWDB funding sources.

- 1991- 1997 The TWDB provided financial and technical assistance for long-term water supply planning through the Trans-Texas Program.
- 1992 The TWDB provided financial assistance for the construction of a wastewater treatment plant in Nuevo Laredo, Mexico.

The TWDB's Hydrographic Reservoir Surveying Program began operations to measure reservoir storage capacity throughout the state.

The TWDB was allocated \$200 million of EPA-funded Colonia Wastewater Treatment Assistance Program (CWTAP) funds for providing wastewater service to counties within 100 kilometers of the international border.

The Texas Legislature directed the TWDB to establish the Texas Water Bank to facilitate the transfer, sale or lease of water and water rights throughout the state.

- 1996 Amendments to the federal Safe Drinking Water Act created a Drinking Water State Revolving Fund (DWSRF) program to be used to finance public water supply projects.

Severe drought revealed the limitations in accessing current water resources information across the state.

- 1997 The 1997 State Water Plan was adopted as a consensus effort by the TWDB, the Texas Parks and Wildlife Department and the Texas Natural Resource Conservation Commission.

The 75th Texas Legislature passed Senate Bill 1, changing the water planning process in Texas, charging local entities with preparing regional water plans every five years, and charging the TWDB with incorporating these plans into a comprehensive state water plan.

- Senate Bill 1 designated the TWDB as the lead agency to provide financial and technical assistance to regions to facilitate the development of regional water supply plans.
- The TWDB was authorized to use principal from the Agricultural Trust Fund as a revolving loan fund for agricultural water conservation projects.
- A “water trust” was established as part of the TWDB’s Texas Water Bank.
- Senate Bill 1 also established the Texas Strategic Mapping Program, to be managed by the TWDB.

Constitutional amendment authorized the TWDB to consolidate previously unissued, voter-approved General Obligation bond authorizations to create the Texas Water Development Fund II.

- As of July 1999, \$945.8 million in unissued Texas Water Development Fund II General Obligation bond authorizations remain for financing future construction of water and wastewater related projects.

The Governor named the TWDB to administer the Flood Mitigation Assistance (FMA) grant program in Texas and to serve as the point of contact for the State of Texas on behalf of the Federal Emergency Management Administration.

1997
The 75th Texas
Legislature passed
Senate Bill 1, changing
the water planning
process in Texas,
charging local entities
with preparing
regional water plans
every five years, and
charging the TWDB
with incorporating
these plans into a
comprehensive state
water plan.

1997 - 1998 The TWDB adopted rules, designated regional water planning areas and appointed initial coordinating bodies for Senate Bill 1 regional water planning efforts.

1998 The TWDB assisted in monitoring and responding to severe drought conditions in most of the state.

In response to high CWSRF loan demand, the TWDB established a priority rating system for allocating CWSRF funds.

The TWDB made its first DWSRF loan commitment.

The TWDB began providing financial and technical assistance to the Regional Water Planning Groups to facilitate development of their regional water plans.

1998 - 1999 The TWDB awarded \$20 million as grant assistance for regional water plan preparation.

1999 The TWDB provided emergency financial assistance for the interconnection of systems in the Lower Rio Grande Valley to ensure adequate provision of municipal water supplies during times of drought.

III Policymaking Structure

A. Please complete the following chart.

Pursuant to §§6.053 and 6.057, Texas Water Code, all TWDB Board members must be members of the general public and have no conflict of interest prohibited by law. They are all appointed by the Governor and serve staggered six year terms.

B. How is the chair of the policymaking body appointed?

The chair is appointed by and serves at the will of the Governor. The vice-chair is elected by the members of the Board every two years.

Member Name Term/Appointment Date	Address	Telephone & Fax Number E-mail Address
Elaine M. Barron Public Member Appointed 1/31/94 Expires 12/31/99	900 Cherry Hill Lane El Paso, Texas 79912	(915) 592-0088 (915) 592-7705 fax
Charles L. Geren Public Member Appointed 10/19/94 Expires 12/31/99	The Railhead Restaurant 2900 Montgomery Fort Worth, Texas 76107	(817) 738-9808 (817) 732-4059 fax cgeren@twddb.state.tx.us
William B. Madden Public Member, Chairman Appointed 6/28/90 Appointed Chairman 2/8/95 Reappointed 3/8/96 Expires 12/31/2001	Madden Securities Corp. 1901 N. Akard Dallas, Texas 75201	(214) 855-5335 (214) 855-5024 fax wmadden@twddb.state.tx.us
Noe Fernandez Public Member, Vice-Chairman Appointed 3/19/90 Reappointed 3/8/96 Expires 12/31/2001	Dos Rios Textiles Corp. 1510 Beaumont McAllen, Texas 78501	(956) 686-0291 (956) 686-7960 fax nfernand@twddb.state.tx.us
Jack Hunt Public Member Appointed 1/20/98 Expires 12/31/2003	King Ranch, Inc. 1415 Louisiana, Suite 2300 Houston, Texas 77002	(713) 752-5763 (713) 752-0101 fax
Wales H. Madden, Jr. Public Member Appointed 1/20/98 Expires 12/31/2003	724 South Polk, Suite 510 Amarillo, Texas 79101 P.O. Box 15288 Amarillo, Texas 79105-5288	(806) 374-2422 (806) 379-7049 fax

C. Describe the primary role and responsibilities of the policymaking body.

The TWDB is the state agency with primary responsibility for conducting water planning and administering water financing (Water Code, Section 6.011). The six member Board advises and authorizes TWDB proceedings.

Chief Board Responsibilities:

1. Provide policy direction for the agency;
2. Adopt agency rules;
3. Adopt and amend the State Water Plan;
4. Approve the regional water plans, including resolving disputes between regional plans;
5. Approve all applications for financial assistance, including corollary approvals such as amendments and time extensions;
6. Authorize the issuance of all TWDB bonds;
7. Approve the agency's Strategic Plan;
8. Approve appropriations request transmitted to the Texas Legislature;
9. Appoint and evaluate the TWDB Executive Administrator;
10. Approve any intra-agency agreements or contracts; and
11. Approve all other contracts.

D. List any special circumstances or unique features about the policymaking body or its responsibilities.

The Texas Water Development Board is created by Article III, Section 49-c of the Texas Constitution. Most state agencies are created by statute. The Constitutional acknowledgment of the agency's existence provides assurances to bondholders regarding the continued administration of the agency's bonds.

E. In general, how often does the policymaking body meet? How many times did it meet in FY 1998? In FY 1999?

The Board meets monthly, usually in Austin, Texas.

In fiscal year 1998, there were 12 Board meetings and in fiscal year 1999 there were 13 Board meetings.

F. What type of training do the agency's policymaking body members receive?

The Governor's Office sponsors a one-day seminar for all new appointees, which covers legal and ethics issues, budgeting, and media relations. All current appointees have attended this training.

The TWDB staff provide new members with written information and briefings on the TWDB's legal ethics and budget issues; agency organization, operating guidelines, procedures, rules, strategic planning, and performance measures; information on water resources planning and financial assistance project status; and current legislative appropriations and relevant bills.

Additionally, Board members are required by the Public Funds Investment Act (Government Code, Chapter 2256) to complete an investment training session within six months of their appointment to office. This may be accomplished through an investment training video approved by the Texas Higher Education Coordinating Board.

Board members are required by the Public Funds Investment Act (Government Code, Chapter 2256) to complete an investment training session within six months of their appointment to office.

G. Does the agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, please describe these policies.

The designation of duties for the Executive Administrator and the Board are found throughout the TWDB's rules and in the statutes creating the TWDB's programs.

The Board has adopted rules at 31 TAC Chapter 353 that address meetings, public participation, the TWDB seal, minutes, delegation of hearing responsibility, public records, rulemaking procedures, and relationships between the TWDB and donors, including acceptance of gifts and grants.

Texas Water Code Chapter 6 also provides for delineation of these duties by stating specific duties of the Executive Administrator and of the Board. For instance, the Executive Administrator is authorized to propose rules to the Board (§6.101), and the Board is responsible for adopting rules; the Executive Administrator is responsible for managing the administrative affairs of the Board under the general supervision and direction of the Board (§§6.181, 16.011); the Board approves appropriations requests to the Legislature (§6.1011) which are prepared by the Executive Administrator; the Executive Administrator employs personnel, and, with approval of the Board, organizes and reorganizes the administrative sections and divisions of the agency (§§6.184, 16.011); and the Executive Administrator negotiates contracts, and, with the consent of the Board, enters into contracts (§6.190).

Chapters 15, 16 and 17 of the Texas Water Code also define various roles and responsibilities for the Executive Administrator and the Board. For instance, the Executive Administrator should gather technical data and provide technical assistance to political subdivisions and to Regional Water Planning Groups in the development of regional water plans. The Board has final approval over the regional and State Water Plans. The Executive Administrator must provide a technical review of any applications for financial assistance; the Board retains the right to authorize such assistance.

H. If the policymaking body uses subcommittees or advisory committees to carry out its duties, please fill in the following chart.

Texas Water Development Board Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How Members are Appointed	Purpose/Duties	Legal Basis for Committee
Finance Committee	Three members of the Board appointed by the Board Chairman	Guides/advises on policy issues relevant to TWDB financial programs, and reviews loan and grant application	N/A
Audit Committee	Three members of the Board appointed by the Board Chairman	Provides oversight in matters relating to financial reporting, auditing and internal control	N/A

I. How does the policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of the agency?

The six member Board invites the public to present information regarding specific items on the Board agenda. Public participation is governed by 31 TAC §353.4 which is comprised of the administration of oaths, the order of presentation, the ability of the Board to limit or exclude cumulative or repetitious presentations, and any filings of briefs or other written statements.

If members of the public, including representatives of political subdivisions, choose to provide written comments on items before the Board, the comments are submitted to the Board before the items are considered. Because the agency does not conduct contested case hearings, the public is not prohibited from communicating directly with Board members regarding general matters or specific items within the Board's jurisdiction.

The Executive Administrator may hold meetings with various members of the public to discuss items on the Board agenda before making recommendations to the Board itself. Public comments on rules are summarized for Board members before the Board is asked to adopt such rules, and specific language is adopted by the Board members addressing these public comments. Rule hearings also may be held at the discretion of the TWDB, or upon specific public request, to allow for public input on proposed rules for adoption.

Additionally, the TWDB notifies any person who has previously informed the Executive Administrator of an interest in any agenda item (31 TAC §353.12); notice is also provided to political subdivisions relating to various planning grant applications (31 TAC Chapter 355) and public hearings are conducted to review the Intended Use Plans and priority ranking systems for the State Revolving Funds.

Public hearings or meetings, with appropriate notice, are required in the regional water planning process by Water Code §16.054 and 31 TAC §357.12. All public comments are summarized by a Regional Water Planning Group before the group's plan is submitted to the Board for approval (31 TAC §357.10). The Board, although not statutorily required to do so, has also adopted rules to provide public notice and conduct public hearings before adoption of the State Water Plan (31 TAC §358.3).

The Board typically holds at least one of its monthly meetings each year in a town other than Austin to facilitate attendance at Board meetings by persons outside the Austin area.

The TWDB staff interact directly with the public on a daily basis and provide public feedback to the Board on relevant issues. Both the Board and the Executive Administrator encourage staff to obtain input from customers and stakeholders regarding decisions pending before the agency.

The TWDB staff interact directly with the public on a daily basis and provide public feedback to the Board on relevant issues. Both the Board and the Executive Administrator encourage staff to obtain input from customers and stakeholders regarding decisions pending before the agency.

IV Funding

A. Describe the agency's process for determining budgetary needs and priorities.

The TWDB's budgeting cycle follows several steps. The first step is the completion of the Agency Strategic Plan, which is completed around April of even numbered years. Once the strategic plan is approved by the Legislative Budget Board (LBB), the agency begins the process of completing the Legislative Appropriations Request (LAR).

The LAR process starts with each of the agency's four offices reviewing their funding needs as they relate to the agency strategic plan and offering their additional needs for funding above agency baseline amounts. The TWDB does not directly solicit the public in determining funding needs, rather it assesses what future funding is needed based on the offices' interaction with the public and public entities throughout the biennium.

After the offices review their funding needs, executive management and the agency's Board members participate in a legislative workshop in June or early July to prioritize legislative initiatives and exceptional funding items that will be placed in the LAR. The LAR is then approved by the Board members at the July meeting.

The agency's internal operating budget cycle begins in May. Each office receives an amount as appropriated in the most recent Appropriations Bill pattern. If an office needs more funding than was appropriated in the bill, the office justifies the additional funding request and brings the request before the TWDB's executive management, who makes the final decision. The operating budget is approved by August 15 of each year. After a legislative session, the internal operating budget process begins in June of that year.

B. Show the agency's sources of revenue. Please include all local, state, and federal sources.

Texas Water Development Board Sources of Revenue - Fiscal Year 1998 (Actual) Operating Budget Revenue	
Source	Amount
General Revenue - Texas Legislative Appropriations	\$10,326,350
Earned Federal Funds	1,037,200
Appropriated Receipts	3,126,247
Water Assistance Fund (480)	1,821,072
Agricultural Trust Fund (562)	165,613
General Revenue - Soil and Water Conservation Fund (563)	80,421
Interagency Contracts	126,578
Federal Revenue	3,566,565
Total	\$20,250,046

Texas Water Development Board Sources of Revenue - Fiscal Year 1998 (Actual) Program Revenue	
Source	Amount
Federal Funds	\$73,611,474
Principle and Interest on Bonds/Loans to Political Subdivisions	121,559,781
Interest on Deposits	21,163,224
Interest on Investments	22,156,926
Interest on Pilot Loan Programs	6,683
Interest on Storage Facility Sales	737,667
Interest on Long Term Advances	7,921,754
Net Increase in Fair Value of Investments	165,048
Sale of Goods and Services	299,421
Gain on Sale of Investments	1,787
Other Miscellaneous Revenue	124,543
Total	\$247,748,308

C. If you receive funds from multiple federal programs, show the types of federal funding sources.

Texas Water Development Board Federal Funds — Fiscal Year 1998 (Actual)				
Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
Environmental Protection Agency (EPA) Capitalization Grants-State Revolving Fund (SRF)	16.67/83.33	\$11,076,583	\$55,603,111	\$66,679,694
EPA Colonia Plumbing Loan Program	0/100	0	361,377	361,377
EPA Construction Management Assistance	0/100	0	460,564	460,564
EPA Capitalization Grant for Drinking Water SRF	16.67/83.33	211,996	1,059,724	1,271,720
EPA Colonia Wastewater Treatment Assistance Program I	50/50	19,275,970	19,275,970	38,551,940
EPA Colonia Assistance Management Program	5/95	6,578	124,994	131,572
EPA Transboundary Aquifer	65.73/34.27	185,056	96,484	281,540
EPA Texas/Mexico Borderlands	11.48/88.52	9,095	70,134	79,229
Environmental Education Grant Program	20.21/79.79	3,102	12,180	15,282
United States Department of Interior Bureau of Reclamation Wetlands Restorations and Enhancement	0/100	0	113,501	113,501
TOTAL		\$30,768,380	\$77,178,039	\$107,946,419

D. Show the Agency's Expenditures by Strategy.

Notes regarding Expenditures by Strategy - Fiscal Year 1998:

Strategies were redefined in Fiscal Year 1999, so goals and strategies listed in this chart do not directly correspond to current goals and strategies outlined in this document.

Most water and wastewater infrastructure financial assistance, including all bond proceeds, is not appropriated to the agency through strategies. Thus, these funds are not reflected in this chart outlining Expenditures by Strategy. Additionally, these appropriations represent the vast majority of the funds the agency manages in a given fiscal year.

Texas Water Development Board Expenditures by Strategy — Fiscal Year 1998 (Actual)	
Goal/Strategy	Amount
Goal A: Water Resource Planning	Total Goal A: \$11,367,735
Data Collection	3,779,518
Long-Range Planning	2,683,403
Texas Natural Resources Information System	2,972,910
Regional Planning	1,234,945
Multi-Year and Regional Planning	90,063
Conservation Assistance	606,896
Goal B: Financing Water-Related Projects	Total Goal B: \$6,195,622
Financial Assistance	4,476,283
Economically Distressed Areas Program	1,719,339
Goal C: Indirect Administration	Total Goal C: \$2,686,689
Central Administration	1,579,053
Information Resources	479,443
Other Support Services	628,193
GRAND TOTAL:	\$20,250,046

E. Show the agency's expenditures and Full Time Employees (FTEs) by program.

Texas Water Development Board Expenditures and Full Time Employees (FTEs) by Office — Fiscal Year 1998 (Actual)					
Program	Budgeted FTEs FY 1998	Actual FTEs as of August 31, 1998	Federal Funds Expended	State Funds Expended	Total Actual Expenditures
Water Planning	100	96	\$ 174,285	\$ 7,068,469	\$7,242,754
Financial and Construction Assistance	122	119	3,214,499	2,981,123	6,195,622
Resource Information	38.5	37	177,781	3,947,200	4,124,981
Indirect Administration	53	51	0	2,686,689	2,686,689
TOTAL	313.5	303.0	\$3,566,565	\$16,683,481	\$20,250,046

F. If applicable, please provide information on fees collected by the agency.

Texas Water Development Board Fee Revenue and Statutory Fee Levels — Fiscal Year 1998				
Description/ Program/ Statutory Citation	Current Fee/ Statutory Maximum	Number of Persons or Entities Paying Fee	Fee Revenue	Where Fee Revenue is Deposited
Statutory Fee to Recover Administrative Costs for the State Revolving Fund (SRF) Programs - Section 15.609 Water Code	1.85% of loan for Clean Water SRF and 2.25% of loan for Drinking Water SRF	52	\$8,191,794	SRF Recovery Fund - Treasury Safekeeping Trust
Open Record Request Fees	Various fees set by General Services Commission	31	\$120,658	Various accounts according to the Division which filled records request.
Hydrographic Survey Fees	Fees adequate to pay program costs *based on Lake Area Fixed Rate Structure (see Attachment 10-A)	8	\$70,545	Water Assistance Fund
Water Bank Fee	Not to exceed \$500 per transfer from bank (\$1 per acre-foot up to \$500, \$10 minimum) *amount of fee to be amended in 1999	1	\$396	Water Bank Account of Water Assistance Fund

Note: The 76th Texas Legislature authorized the Texas Water Development Board to impose a cost recovery fee on State Participation projects. Proposed rules were authorized for publication at the July 1999 Board meeting, but the fees will not be effective until Fiscal Year 2000.

G. Purchases from Historically Underutilized Businesses (HUBs)

Texas Water Development Board Purchases from Historically Underutilized Businesses (HUBs)				
FISCAL YEAR 1996				
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	\$0	\$0	N/A	11.9%
Building Construction	\$0	\$0	N/A	26.1%
Special Trade	\$40	\$0	0%	57.2%
Professional Services	\$2,398,384	\$341,821	14.2%	20.0%
Other Services	\$970,622	\$59,585	6.2%	33.0%
Commodities	\$818,609	\$260,351	31.7%	12.6%
TOTAL	\$4,187,655	\$661,757	15.8%	

FISCAL YEAR 1997				
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	\$0	\$0	N/A	11.9%
Building Construction	\$29,000	\$29,000	100%	26.1%
Special Trade	\$0	\$0	N/A	57.2%
Professional Services	\$2,664,866	\$343,125	12.8%	20.0%
Other Services	\$898,437	\$64,390	7.2%	33.0%
Commodities	\$978,021	\$381,004	39%	12.6%
TOTAL	\$4,570,324	\$817,519	17.9%	

FISCAL YEAR 1998				
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Statewide Goal
Heavy Construction	\$0	\$0	N/A	11.9%
Building Construction	\$0	\$0	N/A	26.1%
Special Trade	\$954	\$954	100%	57.2%
Professional Services	*\$733,893	*\$101	.13%	20.0%
Other Services	\$606,417	\$85,195	14%	33.0%
Commodities	\$946,708	\$569,145	60.2%	12.6%
TOTAL	\$2,287,972	\$655,395	28.6%	

*Amounts do not include the fiscal year 1998 underwriter management fees and sales commissions' fees that were distributed to HUB firms. The TWDB paid \$3,344,288 in these fees; \$214,000 was distributed to HUBs.

H. Does the agency have a Historically Underutilized Businesses (HUB) policy? How does the agency address performance shortfalls related to the policy?

The TWDB has created many opportunities over the years to include HUB vendors in routine purchases and throughout the bond distribution and Bond Counsel processes. The TWDB HUB Program is committed to promoting HUB participation and utilization.

HUB vendors are given the opportunity to participate in all procurement opportunities (except for emergency and sole-source purchases) regardless of the dollar amount. All agency purchase orders and/or contracts are awarded to the firm or vendor that offers the best quality, lowest cost for the agency.

HUB participation opportunities are tracked and reviewed on a weekly basis. In instances in which HUB participation is low, initiatives are implemented to assist in increasing HUB participation and utilization.

For example, the TWDB ensures that the General Services Commission's Centralized Master Bidders List (CMBL) is utilized for all procurement opportunities. This list is used to identify Certified HUB Vendors. Whenever possible, the TWDB also ensures that larger procurement opportunities are divided or split into several smaller expenditures in order to provide more opportunities for HUB vendor participation. In addition, the TWDB assures that subcontracting opportunities are available for all service contracts. This practice is currently being used in the Bond Sale and Bond Counsel processes. These practices have proven effective for the TWDB, and have increased HUB participation.

External factors also affect the TWDB's HUB participation performance. The majority of shortfalls in certain procurement categories are simply due to a lack of available HUB vendors to provide the requested goods or services. Due to the TWDB's unique business, the availability of HUB vendors for procurement opportunities is limited. Several of the TWDB's activities require extremely specific equipment and services that are not offered by HUB Vendors. The TWDB has highlighted this issue to both the General Services Commission and the Texas Legislature in its current reports and presentations to committees.

**Whenever possible,
the TWDB also ensures
that larger
procurement
opportunities are
divided or split into
several smaller
expenditures in order
to provide more
opportunities for HUB
vendor participation.**

V Organization

A. Please fill in the chart below. If applicable, list field or regional offices.

Texas Water Development Board Full Time Employees (FTEs) by Location — Fiscal Year 1998			
Headquarters (HQ), Region, or Field Office	Location	Number of Budgeted FTEs, FY 1998	Number of Actual FTEs as of August 31, 1998
Stephen F. Austin Building, HQ	Austin	290.5	280
Region 1, (Field Office)	Mesquite	5	5
Region 2, (Field Office)	Houston	7	7
Region 3, (Field Office)	Harlingen	4	4
Region 4, (Field Office)	El Paso	1	1
Region 5, (Field Office)	San Antonio	1	1
Materials Lab	Austin	5	5
TOTAL		313.5	303

B. What was the agency's Full Time Employee (FTE) cap for FY 1998?

The Texas Water Development Board's FTE cap was 313.5 for FY 1998.

C. How many temporary or contract employees did the agency have as of August 31, 1998?

The Texas Water Development Board had nine temporary/contract employees as of August 31, 1998.

D. Please fill in the chart below.

Texas Water Development Board Equal Employment Opportunity Statistics							
FISCAL YEAR 1996							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	19	5%	5%	16%	8%	26%	26%
Professional	182	2%	7%	14%	7%	30%	44%
Technical	39	5%	13%	15%	14%	21%	41%
Protective Services	N/A	N/A	13%	N/A	18%	N/A	15%
Para-Professionals	9	11%	25%	0%	30%	100%	55%
Administrative Support	26	11%	16%	27%	17%	88%	84%
Skilled Craft	N/A	N/A	11%	N/A	20%	N/A	8%
Service/Maintenance	N/A	N/A	19%	N/A	32%	N/A	27%

FISCAL YEAR 1997							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	27	0%	5%	11%	8%	19%	26%
Professional	183	4.5%	7%	14%	7%	32%	44%
Technical	36	6%	13%	22%	14%	25%	41%
Protective Services	N/A	N/A	13%	N/A	18%	N/A	15%
Para-Professionals	11	9%	25%	36%	30%	73%	55%
Administrative Support	16	19%	16%	19%	17%	88%	84%
Skilled Craft	N/A	N/A	11%	N/A	20%	N/A	8%
Service/Maintenance	N/A	N/A	19%	N/A	32%	N/A	27%

Texas Water Development Board Equal Employment Opportunity Statistics (continued)							
FISCAL YEAR 1998 *							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	28	4%	5%	18%	8%	21%	26%
Professional	171	4%	7%	11%	7%	32%	44%
Technical	47	9%	13%	28%	14%	30%	41%
Protective Services	N/A	N/A	13%	N/A	18%	N/A	15%
Para-Professionals	22	9%	25%	32%	30%	59%	55%
Administrative Support	32	6%	16%	25%	17%	72%	84%
Skilled Craft	3	0%	11%	0%	20%	0%	8%
Service/Maintenance	N/A	N/A	19%	N/A	32%	N/A	27%

* The 1998 data reported in the chart above are not an accurate reflection of the agency's Equal Employment Opportunity statistics for this time period due to the fact that some of the data had not been coded correctly onto the Uniform State Personnel System. Consequently, the TWDB recently audited and updated this information. The June 1999 chart reflects these changes.

FISCAL YEAR 1999 THROUGH JUNE							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	31	3%	5%	16%	8%	23%	26%
Professional	209	5%	7%	17%	7%	30%	44%
Technical	24	17%	13%	33%	14%	33%	41%
Protective Services	N/A	N/A	13%	N/A	18%	N/A	15%
Para-Professionals	31	6%	25%	26%	30%	97%	55%
Administrative Support	6	17%	16%	17%	17%	67%	84%
Skilled Craft	N/A	N/A	11%	N/A	20%	N/A	8%
Service/Maintenance	N/A	N/A	19%	N/A	32%	N/A	27%

E. Does the agency have an Equal Employment Opportunity Policy? How does the agency address performance shortfalls related to the policy?

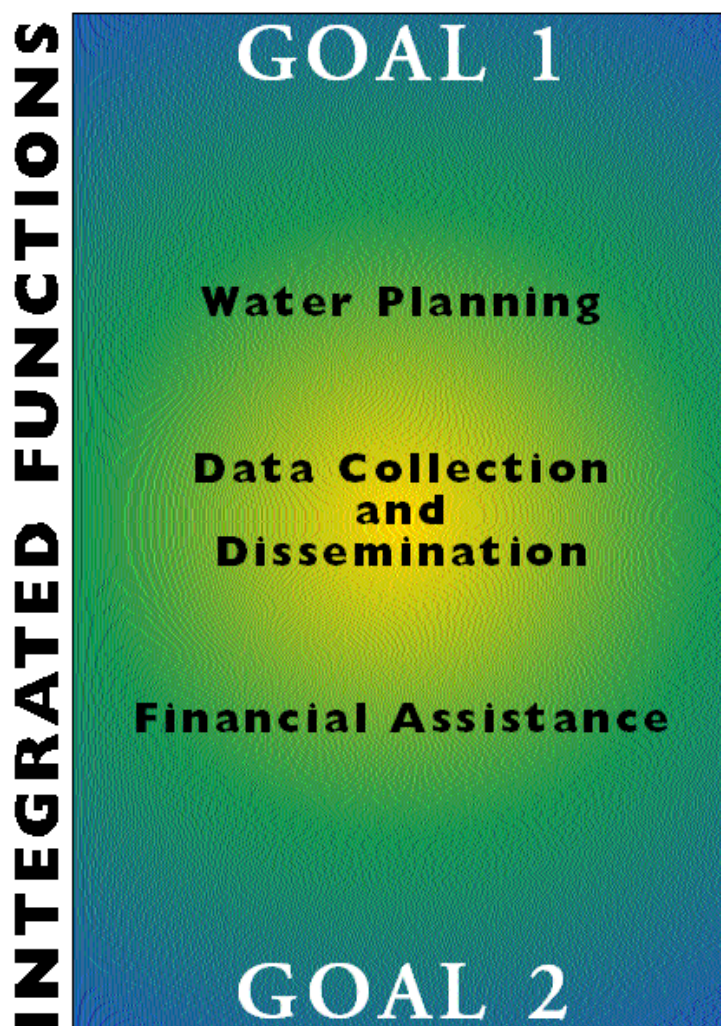
The Texas Water Development Board does have an Equal Employment Opportunity Policy which was revised and approved in August 1998. The policy details the agency's commitment to providing a workplace that encourages diversity. Major components of this policy address Recruitment and Selection Procedures; Upward Mobility; Disciplinary Procedures; and Appeal Procedures (to resolve complaints of employment discrimination). The Human Resources Director is responsible for administering this policy and providing regular reports to the Executive Administrator and Deputy Executive Administrators. The Human Resources Division is in the process of preparing a 1999 Annual Equal Employment Opportunity Progress Report, required by the Texas Department of Human Rights, that will include recommendations on how to address shortfalls in the levels of staffing that do not correspond to the current civilian labor force.

VI Guide to Agency Programs

OVERVIEW

This section describes how all of the Texas Water Development Board's programs and services fit together to achieve the two agency goals. We have taken the liberty of grouping the programs by goal and strategy, with graphics included to indicate the relationships.

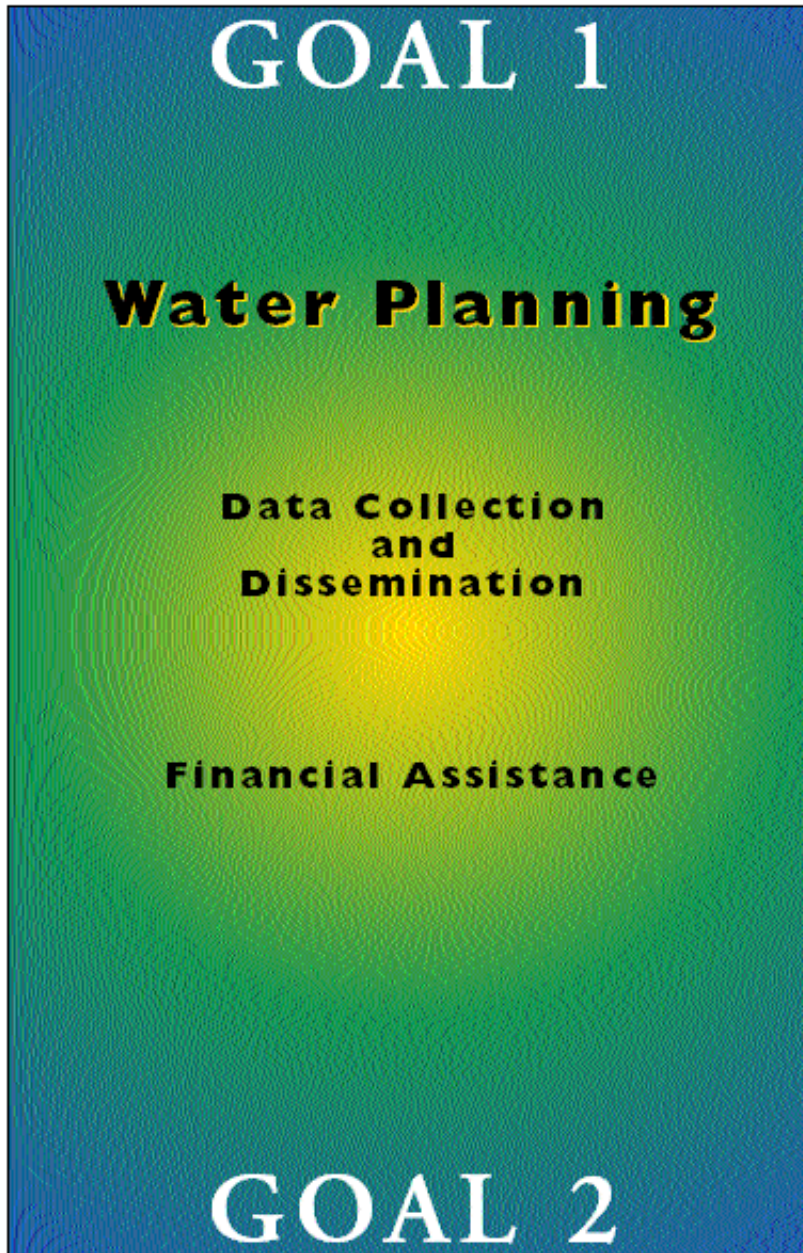
TWDB OVERVIEW



GOAL 1: Water Resources Planning

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

INTEGRATED FUNCTIONS



Strategies

**Water Planning Data
(01-01-01)**

**Water Plan
Development
(01-01-02)**

**Water Conservation
Assistance
(01-02-02)**

**Research and Local
Assistance
(01-02-01)**

WATER PLANNING DATA STRATEGY DESCRIPTION

Purpose: Conduct statewide data collection and water resources evaluations

Water Planning Data is important to a variety of customers including state and federal agencies, Regional Water Planning Groups and political subdivisions. Data are collected for use in the planning and financing of the state's water resources. The TWDB's Water Planning Data strategy is supported by ongoing basic data collection programs designed to determine location, quantity and quality of groundwater and quantity of surface water resources across the state.

One continual challenge the state faces is accurately assessing the available groundwater and surface water supplies. In many areas, major water supply problems exist or are expected to occur because of declining groundwater levels. Unknown reservoir sedimentation rates and poor original capacity information are two factors affecting the validity of available surface water supply projections. The TWDB conducts local and regional groundwater studies, prepares reports on these studies, and maintains a cooperative program with the United States Geological Survey (USGS) to collect surface water data in the state.

The drought of 1996 highlighted limitations to accessing current water resources information across the state. As a result, the Texas Legislature provided funds for the TWDB to expand or initiate a number of statewide data collection and drought monitoring services to address these issues. TWDB staff from the Office of Planning and the Resource Information Office coordinate, integrate, and disseminate water planning data to all customers via a data network.

Contact: Gary Powell

Location: Office of Planning

FTEs (Budgeted/Actual): 36.25/35.25

Water Planning Data	
Programs	<ul style="list-style-type: none"> • Groundwater Data Collection • Surface Water Data Collection • Environmental Flow Needs • Lake Hydrographic Survey Program • Groundwater Test Hole Drilling and Logging
Creation Date	Various types of data have been collected since 1915
Purpose	Collect data from groundwater and surface water supplies throughout the state to track any changes that may occur over time and determine the amount of water needed for environmental purposes
Statutory Requirements	Texas Water Code §11.1491, Chapter 15 (Subchapter M); Chapter 16 (Subchapter B), §16.058
Functions	<ul style="list-style-type: none"> • Measure groundwater quantity and quality • Determine water supply capacity in lakes and reservoirs • Collect data on stream flows, tide levels, lake levels, water-well levels, lake evaporation, and coastal hydrology • Determine bay and estuary conditions and instream flows necessary to support a sound ecological environment • Monitor drought conditions of the state's water resources
Customers	<ul style="list-style-type: none"> • 16 Regional Water Planning Groups • Groundwater conservation districts • Political subdivisions • Local, state and federal government entities • Water providers and users
Eligibility Requirements	None
Funding Sources	<ul style="list-style-type: none"> • General revenue and appropriated receipts • Research and Planning Fund (sub-account of the Water Assistance Fund) • USGS provides partial federal match for certain monitoring activities • Federal funds • Interagency contracts
Funding Adequacy	<p>Current level of funding is below what is considered necessary for stream and tide gaging, water well levels, and lake levels</p> <ul style="list-style-type: none"> • Funding is not sufficient to replace outdated equipment and instruments • Funding is not adequate for water quality information • Funding levels adequate to achieve other program objectives
Program Evaluation	<p>As conditions, demands, and availability of water supplies continue to change, and with the planning requirement of Senate Bill 1, the need for accurate water planning data will remain high</p> <ul style="list-style-type: none"> • The TWDB is unable to provide the level of data required

The TWDB's Interagency Coordination on Water Planning Data

The TWDB coordinates chiefly with the Texas Natural Resource Conservation Commission (TNRCC) and with the Texas Parks and Wildlife Department (TPWD) regarding specific water resources functions. The TWDB, the TNRCC, and the TPWD each have specific and unique roles for various Water Planning Data activities, as identified and assigned in the Texas Water Code. Coordination of these differing roles is effected through the September 1997 Memorandum of Agreement (MOA) between the three agencies, relating to Senate Bill 1, 75th Texas Legislative Session, and by other less formal arrangements.

The TWDB is the primary statewide groundwater and surface water flow data supplier and is in constant communication with other data collection agencies as well as the general public. The TWDB collaborates with the TNRCC and the TPWD on the following activities:

- Bay and estuary studies, used to determine freshwater inflow needs; and,
- The Gulf of Mexico Program, to improve the health of the Gulf of Mexico bays, estuaries, and coastal waters.

For a more in-depth description of the interagency coordination efforts between the TWDB, the TNRCC, and the TPWD, refer to the Water Planning Data Strategy in the Part VI Section titled, **Shared Jurisdiction of the Texas Water Development Board and Other Agencies** page 64.

Additionally, the TWDB works on a smaller scale with numerous other agencies to perform various duties:

- The TWDB cooperates with the General Land Office in tracking oil spills;
- The United States Geological Survey collects water resources information, and the TWDB makes this data available to customers;
- The Groundwater Protection Committee, dedicated to protecting the groundwater resources of the state; and,
- The Texas Border Infrastructure Group, which develops a data collection and dissemination network.

WATER PLAN DEVELOPMENT STRATEGY DESCRIPTION

Purpose: Coordinate regional water planning and prepare the State Water Plan

Until the passage of Senate Bill 1, the State Water Plan was developed by TWDB staff with input from local entities, state agencies and technical advisory committees. In 1992 the TWDB initiated a more formal and inclusive “consensus approach” and worked with hundreds of entities, including the TNRCC and the TPWD through formal agreement, to develop the 1997 State Water Plan.

The 75th Texas Legislature in 1997 mandated a regional water planning process, creating Regional Water Planning Groups (RWPGs) to assume increased responsibility for and participation in water planning. (See RWPG boundaries in graphic located in Section X, page 157)

The TWDB assists the RWPGs in their plan development by providing information regarding population projections, annual water use and water use demand projections, groundwater and surface water availability data, and analyses of socioeconomic impacts of water needs. The TWDB provides technical assistance to RWPGs to assist in water planning decisionmaking and policymaking. Additionally, grant funds are awarded to RWPGs to cover planning process costs. Regional water plans will be submitted to the TWDB for approval by January 5, 2001, and the TWDB will resolve any conflicts between plans and incorporate all the approved regional water plans into a State Water Plan by January 5, 2002.

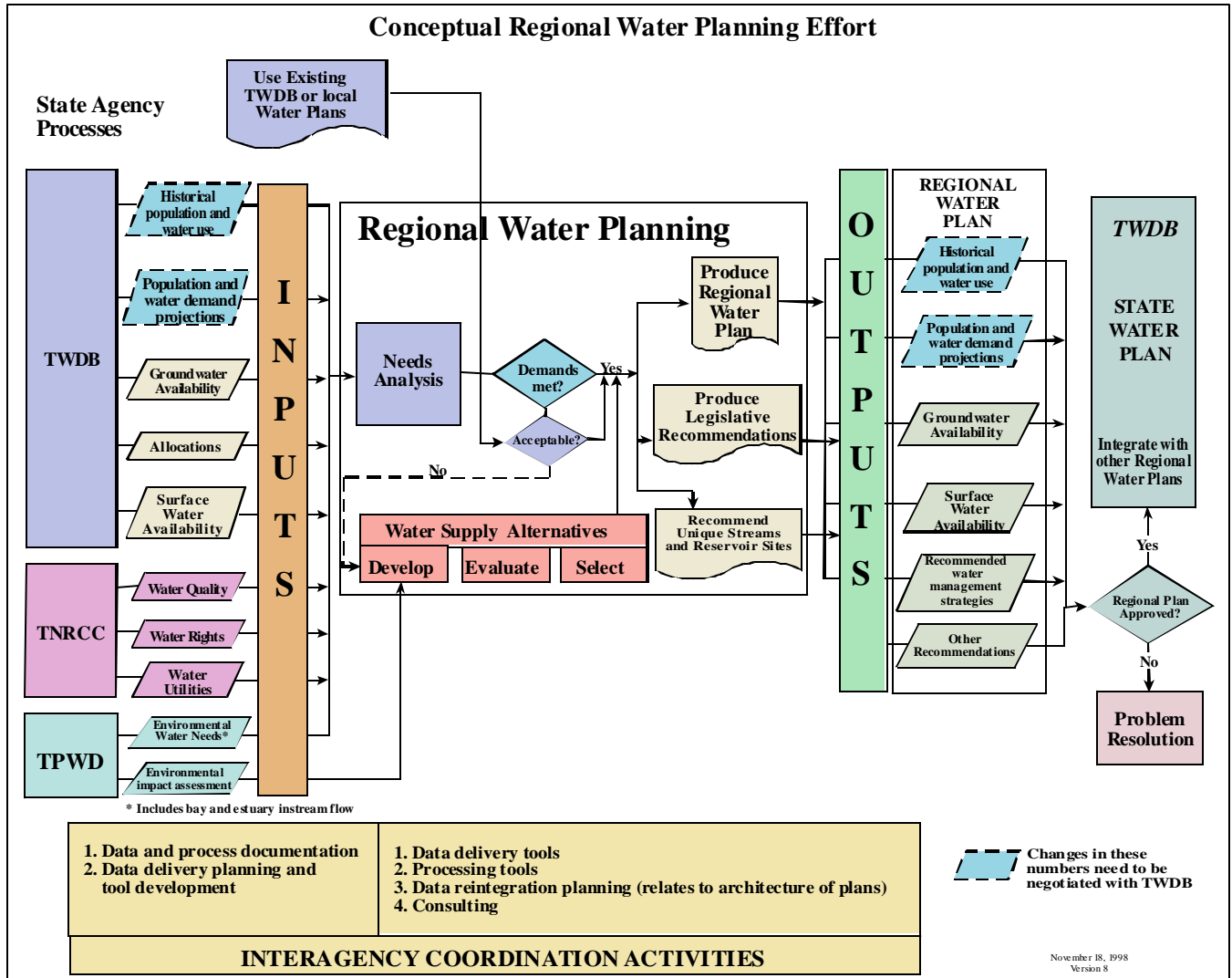
Contact: Tommy Knowles

Location: Office of Planning

FTEs (Budgeted/Actual): 44.20/43.20

Water Plan Development	
Programs	<ul style="list-style-type: none"> • Regional Planning / State Water Plan • Certification of Groundwater Districts • Socioeconomic Impacts of Water Needs • Water Use Data Collection • Statewide Population and Water Use • Groundwater Availability • Surface Water Availability • Water Availability Technical Assistance • Water Bank • Priority Groundwater Management Area Assessments
Creation Date	1957
Purpose	Coordinate the regional planning process and prepare the State Water Plan by approving and incorporating regional water plans; and other duties to support water supply planning
Statutory Requirements	Texas Water Code §§6.011, 6.012, 15.4061, Chapter 15 (Subchapter K), Chapter 16 (Subchapters B, C, and D), §§ 35.007, 36.1071-.1073
Functions	<ul style="list-style-type: none"> • Develop the State Water Plan • Provide technical and financial assistance in the preparation of regional water supply plans and studies • Study the source, occurrence, and physical characteristics of the groundwater sources of the state and assess priority groundwater management areas • Investigate feasible methods to conserve, preserve, improve and supplement water supply • Evaluate the social and economic impacts of not meeting forecasted water needs • Compile annual municipal and industrial water use data, information regarding water sales and purchases among users and suppliers, and population and water demand projections • Operate the Texas Water Bank • Operate the Texas Water Trust to hold water rights dedicated to environmental needs • Determine groundwater and surface water availability and dependability for the state • Make population and water demand projections • Certify completeness of groundwater management plans
Customers	<ul style="list-style-type: none"> • 16 Regional Water Planning Groups • Political subdivisions • Water user groups • Federal, state, regional, and local water resource agencies and service providers
Eligibility Requirements	For regional water planning grant assistance, a political subdivision must be designated by an RWPG
Funding Sources	<ul style="list-style-type: none"> • General revenue • Appropriated receipts • Water Assistance Fund
Funding Adequacy	<p>Current level of funding is below what is considered necessary for stream and tide gaging, water well levels, and lake levels</p> <ul style="list-style-type: none"> • Funding is not sufficient to replace outdated equipment and instruments • Funding is not adequate for water quality information • Funding levels adequate to achieve other program objectives
Program Evaluation	<p>As conditions, demands, and availability of water supplies continue to change, and with the planning requirement of Senate Bill 1, the need for accurate water planning data will remain high</p> <ul style="list-style-type: none"> • The TWDB is unable to provide the level of data required

The TWDB's Interagency Coordination on Water Plan Development



Regional water planning was introduced with Senate Bill 1 to foster statewide collaboration among regions in creating the next revision of the State Water Plan. The TWDB has specific responsibilities for providing water planning data and technical assistance to the Regional Water Planning Groups (RWPGs). A Memorandum of Agreement (MOA) developed between the TWDB, the TNRCC, and the TPWD addresses how the agencies work together on the following issues:

- Senate Bill 1 state and regional planning;
- The Texas Water Bank and Trust, which offer an opportunity to acquire water rights by donation, lease, or purchase;
- Data management and integration, to improve interagency access to water resources data;

- Collection and information-sharing of water use data;
- Water Availability Models, used to analyze water supply management strategies and calculate unappropriated available water;
- Groundwater Availability Models, which provide all relevant data regarding groundwater availability in aquifers across Texas; and
- Technical assistance for the development of Groundwater Conservation District Management Plans.

For a more in-depth description of the interagency coordination efforts between the TWDB, the TNRCC, and the TPWD, refer to the Water Plan Development Strategy in the Part VI Section titled, **Shared Jurisdiction of the Texas Water Development Board and Other Agencies**, page 65.

WATER CONSERVATION ASSISTANCE STRATEGY DESCRIPTION

Purpose: Promote water conservation and increased water-use efficiency

Projected total water use in Texas is expected to increase 17 percent from 1990 to 2050. This moderate growth in overall statewide water use masks the critical reality of rapidly increasing municipal and industrial water use by many of the state's urban areas. Municipal and industrial water use is anticipated to increase by more than 86 percent during the 1990-2050 planning horizon. The statewide population is projected to increase 116 percent over this time period. Consequently, the adoption of water conservation practices is essential in order to limit the growth in municipal and industrial water use.

According to the 1997 State Water Plan, over 80 percent of new water sources needed to meet demand in the year 2050 will come from water conservation and reuse. The TWDB offers water conservation assistance in the form of workshops and training programs on efficiency measures, and the establishment of water conservation education programs for political subdivisions, schools, water users, and the general public. Agricultural water conservation grants may be awarded to local water conservation and irrigation districts for purchasing equipment to evaluate or demonstrate efficient agricultural water uses; to measure, test and evaluate water quality and suitability of water supplies for agricultural uses; and to demonstrate and evaluate systems that prevent contamination of water from chemicals or other substances used in agriculture.

Contact: Bill Hoffman

Location: Office of Planning

FTEs (Budgeted/Actual): 9/9