

Water Development Board Summary of Recommendations - Senate

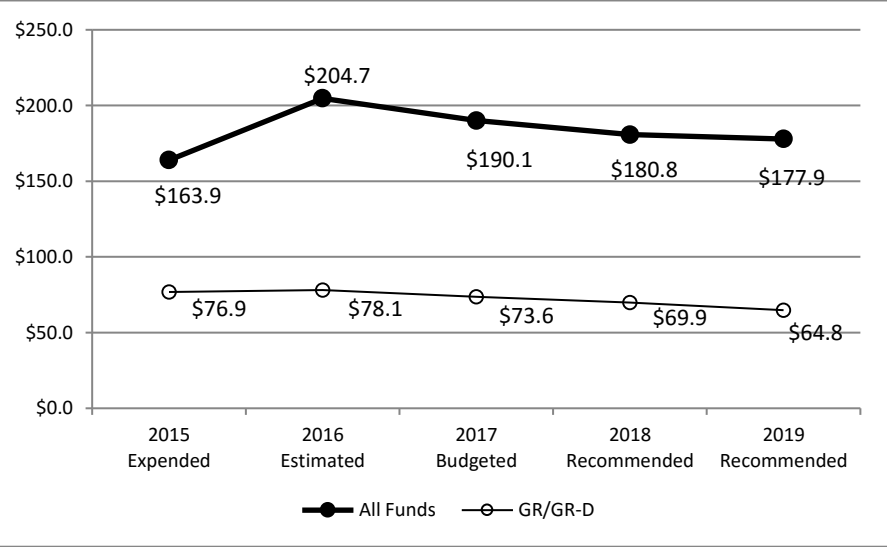
Page VI-64
Jeff Walker, Executive Administrator
Pamela Bolton, LBB Analyst

| Method of Financing | 2016-17 Base | 2018-19 Recommended | Biennial Change (\$) | Biennial Change (%) |
|-------------------------------|----------------------|------------------------|-------------------------|------------------------|
| General Revenue Funds | \$151,725,724 | \$134,752,213 | (\$16,973,511) | (11.2%) |
| GR Dedicated Funds | \$0 | \$0 | \$0 | 0.0% |
| <i>Total GR-Related Funds</i> | <i>\$151,725,724</i> | <i>\$134,752,213</i> | <i>(\$16,973,511)</i> | <i>(11.2%)</i> |
| Federal Funds | \$106,880,238 | \$95,305,860 | (\$11,574,378) | (10.8%) |
| Other | \$136,129,922 | \$128,682,772 | (\$7,447,150) | (5.5%) |
| All Funds | \$394,735,884 | \$358,740,845 | (\$35,995,039) | (9.1%) |

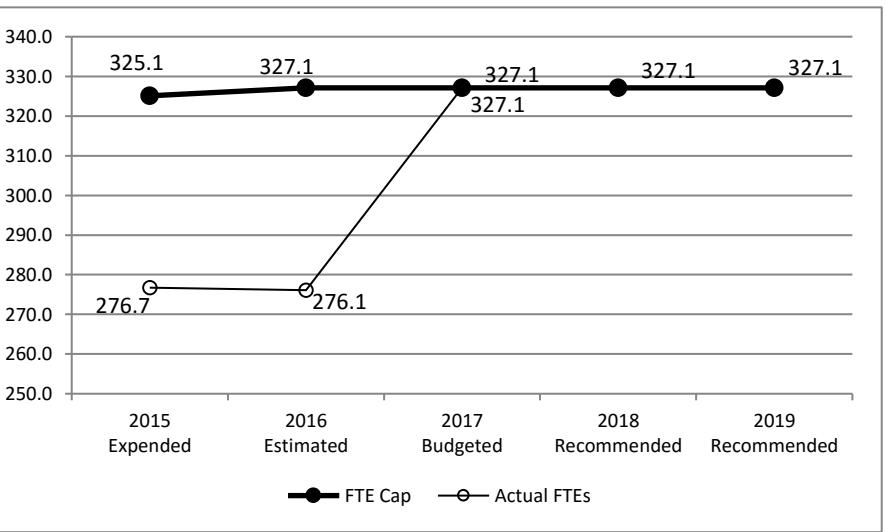
| | FY 2017 Budgeted | FY 2019 Recommended | Biennial Change | Percent Change |
|------|---------------------|------------------------|--------------------|-------------------|
| FTEs | 327.1 | 327.1 | 0.0 | 0.0% |

The bill pattern for this agency (2018-19 Recommended) represents an estimated 6% of the agency's estimated total available funds for the 2018-19 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Water Development Board
Summary of Funding Changes and Recommendations - Senate

Section 2

| Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions) | General Revenue | GR-Dedicated | Federal Funds | Other Funds | All Funds | Strategy in Appendix A |
|---|----------------------------|---------------------|--------------------------|--------------------|------------------|-----------------------------------|
|---|----------------------------|---------------------|--------------------------|--------------------|------------------|-----------------------------------|

SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

| | | | | | | | |
|----|---|----------|-------|-------|---------|---------|---------------------|
| A) | Decrease in funding for water conservation programs included in the agency's 4 percent reduction. | (\$2.1) | \$0.0 | \$0.0 | \$0.0 | (\$2.1) | A.3.1 |
| B) | Decrease in General Revenue funding based on debt service requirements for the Water Infrastructure Fund (WIF) No. 302 resulting from a greater portion of outstanding debt becoming self-supporting and an increase in Other Funds for bond payments in WIF. | (\$13.8) | \$0.0 | \$0.0 | \$7.9 | (\$5.9) | C.1.2 |
| C) | Decrease in funding for the Economically Distressed Areas Program (EDAP) General Revenue debt service requirements and bond payments (Other Funds) made through the Economically Distressed Areas Bond Payment (EDABP) Account No. 357. | (\$0.4) | \$0.0 | \$0.0 | (\$2.1) | (\$2.5) | C.1.1 |
| D) | Decrease in Data Center Services (DCS) to provide existing obligations per the Department of Information Resources (DIR). | (\$0.7) | \$0.0 | \$0.0 | \$0.0 | (\$0.7) | D.1.2 |
| E) | Decrease in Appropriated Receipts for Texas Water Resources Finance Authority (TWRFA) funds for Regional Water Planning grants or other activities. | \$0.0 | \$0.0 | \$0.0 | (\$0.4) | (\$0.4) | A.2.2, B.1.1, D.1.1 |

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

| | | | | | | | |
|----|--|-------|-------|----------|----------|----------|-----------------------------------|
| F) | Decreases in Federal Funds that are not anticipated to be available in 2018-19. The decrease is primarily a result of extensive flooding in 2016-17 which drew one-time federal funds through the National Flood Insurance Program (NFIP), of which TWDB is the state coordinating agency. | \$0.0 | \$0.0 | (\$11.6) | \$0.0 | (\$11.6) | A.1.2, A.2.2, A.4.1, D.1.1, D.1.3 |
| G) | Decrease in Interagency Contracts due to a one-time transfer of emergency flood funds from the Governor's Disaster Contingency Fund (\$6.8 million), a one-time transfer of funds for a drainage study expected to be completed this biennium (\$4.0 million), and a completed contract associated with the General Land Office's Coastal Assistance Impact Program (\$0.3 million). | \$0.0 | \$0.0 | \$0.0 | (\$11.1) | (\$11.1) | A.1.1, A.4.1 |
| H) | Decrease in Water Assistance Fund No. 480 for one-time grants and contracts in 2016-17. | \$0.0 | \$0.0 | \$0.0 | (\$1.9) | (\$1.9) | A.2.1 |

| | | | | | | |
|--|-----------------|--------------|-----------------|----------------|-----------------|-----------|
| TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions) | (\$17.0) | \$0.0 | (\$11.6) | (\$7.6) | (\$36.2) | As Listed |
| <i>SIGNIFICANT & OTHER Funding Increases</i> | \$0.0 | \$0.0 | \$0.0 | \$7.9 | \$0.0 | As Listed |
| <i>SIGNIFICANT & OTHER Funding Decreases</i> | (\$17.0) | \$0.0 | (\$11.6) | (\$15.5) | (\$36.2) | As Listed |

NOTE: Totals may not sum due to rounding.

**Texas Water Development Board
Selected Fiscal and Policy Issues - Senate**

1. **Water Conservation Program Funding:** Recommendations continue \$127,860 in 2018 in General Revenue for Water Conservation programs, which includes a \$2.1 million decrease submitted by the agency in its 4 percent reduction. Funds are used for a research project contract on the implementation of recommended municipal water conservation strategies, including providing reports to the 16 regional planning groups and individual utilities on water conservation strategies. See also, Rider Highlights - Senate #26 and Items Not Included in Recommendations - Senate #6.
2. **Water Infrastructure Fund (WIF):** The purpose of WIF is to provide affordable financing for water conservation and development projects through the implementation of recommended strategies in the State Water Plan. Recommendations include a \$13.8 million reduction in General Revenue resulting from a greater portion of outstanding debt becoming self-supporting and a \$7.9 million increase in WIF No. 302 for bond repayments to be made available. The General Revenue portion of debt service for the WIF program was front-loaded; thus, as WIF projects become fully operational, repayments are covering more and more of the required debt service. The agency reports that beyond the 2018-19 biennium, an additional \$8.4 million in General Revenue debt service will be required for WIF bonds, with the final payment expected in 2023. After that point, WIF will be completely self-supporting.
3. **Economically Distressed Areas Program (EDAP):** Recommendations include a \$0.4 million decrease in General Revenue for a reduction in debt service requirements for EDAP Fund No. 357 and a \$2.1 million decrease in Other Funds for EDAP bond payments. The decrease is a result of a greater portion of outstanding debt becoming self-supporting. See also, Items Not Included in Recommendations - Senate #1. The purpose of EDAP is to provide cost-effective financial assistance to economically distressed areas throughout Texas. The program assists communities with inadequate water and/or wastewater services that lack the financial resources to obtain adequate service. TWDB sells bonds and uses the proceeds to fund the EDAP program.
4. **Data Center Services (DCS):** Recommendations include \$2.0 million in General Revenue funds, a decrease of \$0.7 million from 2016-17, which is the amount reported by the Department of Information Resources (DIR) as necessary for DCS to continue existing obligations. See also, Rider Highlights - Senate #2 and Items Not Included in Recommendations - Senate #4.
5. **Texas Water Resources Finance Authority (TWRFA):** TWRFA was created by House Bill 734 during the Seventieth Legislative Session in 1987 to increase the availability of financing for water projects by purchasing political subdivision bonds from TWDB and removing water project-related debt from being calculated as part of the constitutional debt limit. TWRFA was given the authority to issue revenue debt in the open market, with the proceeds paid to TWDB for the purchase of TWDB's general obligation bonds. House Bill 734 authorized TWDB to sell municipal bonds to TWRFA. TWRFA was to pay the debt service on the revenue bonds with repayment proceeds. No TWRFA bonds are currently outstanding, and there are no plans for issuance of additional TWRFA bonds. TWRFA's loan portfolio currently consists of one outstanding loan with a balance of approximately \$4.1 million. TWRFA's current balance is \$18.1 million. TWDB has been spending down the balance in TWRFA to pay for general ongoing administrative costs of the agency. Recommendations include \$8.2 million in Appropriated Receipts from TWRFA proceeds in 2018-19. See also, Items Not Included in Recommendations - Senate #5.
6. **State Water Implementation Fund for Texas (SWIFT) and State Water Implementation Revenue Fund for Texas (SWIRFT):** The enactment of House Bill 4 in the Eighty-Third Legislature, Regular Session, and voter approval of Senate Joint Resolution 1 in November 2013 enabled the creation of SWIFT and SWIRFT to help finance water projects. House Bill 1025 in the Eighty-Third Legislature, Regular Session, appropriated \$2.0 billion from the economic stabilization fund in November 2013 to SWIFT and SWIRFT. The funds are constitutionally dedicated, and the Texas Constitution, Article III, § 49-d-12(a) calls for the funds to be "administered, without further appropriation, by the Texas Water Development Board." Thus, no additional appropriations to the TWDB are expected to be required in the future, except for those that relate to administrative costs of the agency. General obligation bond authority, SWIFT earnings, and SWIRFT revenue bond authority are TWDB's primary methods for State Water Plan project funding in Texas. SWIFT is

intended to serve as a water infrastructure bank in order to enhance the financing capabilities of TWDB under constitutionally created programs and revenue bond programs. SWIRFT is intended to provide financing for projects in the State Water Plan, and to receive transfers from SWIFT and proceeds from the sale of revenue bonds. The fund provides a source of security for currently outstanding SWIRFT bonds. The agency has made two rounds of funding available through SWIFT and committed over \$4.5 billion toward projects, including those with funding requests spanning multiple years. In the first transaction in 2015, \$899.7 million was delivered to applicants, and the agency estimates delivering \$698.1 million in funding in 2016.

**Texas Water Development Board
Rider Highlights - Senate**

Modification of Existing Riders

2. **Capital Budget.** Recommendations include a decrease of \$667,996 in General Revenue to continue existing obligations for Data Center Services (DCS) costs in 2018-19. See also, Selected Fiscal and Policy Issues - Senate #4.
3. **Information Rider: Estimated Outstanding Debt and Debt Service Requirements for Self-Supporting Bonds.** Recommendations modify the rider to reflect estimated outstanding debt and debt service requirements for 2018-19. Agricultural Water Conservation Bonds have been removed as the balance in the account is zero and the agency does not anticipate issuing any bonds in this account in the future. Recommendations retain the Drinking Water State Revolving Fund (DWSRF) bonds due to the agency anticipating the issuance of these bonds in the future. When that issuance will occur is not known at this time.
7. **Appropriation: Agricultural Water Conservation Fund.** Recommendations delete language that references agriculture water conservation bonds which the agency reports are no longer remaining.
10. **Use of Texas Water Resources Finance Authority (TWRFA) Funds.** Recommendations modify the rider language to update funding amounts and to correct strategy references reflecting the merging of the agency's main bill pattern and the Debt Service Payments for Non Self-Supporting G.O. Water Bonds bill pattern which occurred in the 2016-17 General Appropriations Act.
13. **Appropriation: Cost Recovery for the State Participation Program.** Recommendations modify the rider to reflect a more accurate estimate of revenues (Appropriated Receipts) expected to be collected in each fiscal year for the administration and operation of the State Participation Program.
21. **Payment of Debt Service: Economically Distressed Areas Bonds.** Recommendations remove rider language that directed the use of \$6.0 million in 2016-17 for payment of certain principal and interest for \$50.0 million in newly issued EDAP bonds that were authorized in 2016-17.
22. **Payment of Debt Service: Water Infrastructure Fund Bonds.** Recommendations modify the rider to reflect the estimated debt service for Water Infrastructure Fund bonds and to correct statutory references.
26. **Quantifying and Installing Water Conservation Strategies.** Recommendations modify the rider to reflect the recommended decrease in funding of \$2.1 million for the biennium for water conservation to account for the agency's 4 percent reduction. A total of \$127,860 in 2018 is left in the rider. See also, Selected Fiscal and Policy Issues – Senate #1.
28. **Contingency for HB 30 or HB 1232.** Recommendations modify rider to reflect enactment of House Bill 30 and House Bill 1232 by the Eighty-fourth Legislature, Regular Session, and the incorporation of funding and FTEs for studies of the characteristics of aquifers and brackish groundwater into the agency's 2018-19 baseline appropriations. In addition, language directing which aquifers the agency shall study is removed because the studies relating to the aquifers named in the rider are expected to be completed by the end of fiscal year 2017. This will allow the agency to prioritize which aquifers would be studied during 2018-19.

Deleted Riders

20. **Water Conservation Education Grants.** Recommendations delete the rider as both the rider and its funding were vetoed by the Governor during the Eighty-Fourth Legislative Session.

Texas Water Development Board
Items Not Included in Recommendations - Senate

Section 5

| | 2018-19 Biennial Total | | | Information Technology Involved? | Contracting Involved? | Estimated Continued Cost 2020-21 |
|--|------------------------|-----------|------|--|--------------------------|--|
| | GR & GR-D | All Funds | FTEs | | | |

Agency Exceptional Items - In Agency Priority Order

| | | | | | | | |
|----|--|-------------|--------------|-----|-----|-----|--------------|
| 1) | EDAP Debt Service: General Revenue to provide for debt service for the issuance of \$53.0 million in new Economically Distressed Areas Program (EDAP) bonds. See also, Selected Fiscal and Policy Issues - Senate #3. | \$9,674,583 | \$9,674,583 | 0.0 | No | No | \$10,031,250 |
| 2) | CAPPS Implementation: General Revenue and authority for new positions to implement the Centralized Accounting and Payroll/Personnel System (CAPPS) administered by the Comptroller's Office to replace the Uniform Statewide Accounting System (USAS). | \$1,733,200 | \$1,733,200 | 6.0 | Yes | Yes | \$0 |
| 3) | Flood Funding: General Revenue and authority for new positions to ensure that flood forecasters, emergency responders, and citizens have the information they need when preparing for, responding to, and recovering from floods in Texas. | \$6,358,000 | \$12,458,000 | 2.0 | Yes | Yes | \$6,358,000 |
| 4) | New DCS Funding: General Revenue to migrate from the agency's existing cloud environment via Amazon to the new Hybrid Cloud Services (HCS) environment currently offered through DCS. HCS is ten times faster to access and would improve application performance and staff productivity. | \$300,000 | \$300,000 | 0.0 | Yes | No | \$300,000 |
| 5) | Secure Long Term Funding for Existing Operations: General Revenue in place of Appropriated Receipts funding from Texas Water Resources Finance Authority (TWRFA) to preserve and avoid depleting TWRFA proceeds. See also, Selected Fiscal and Policy Issues - Senate #5. | \$5,669,316 | \$5,669,316 | 0.0 | No | No | \$5,669,316 |
| 6) | Water Conservation Education and Assistance Program Funding: General Revenue to continue current funding levels for a research project contract on the implementation of recommended municipal water conservation strategies. Funding in this area was offered up to meet the 4 percent reduction requirement. See also, Selected Fiscal and Policy Issues - Senate #1. | \$2,122,140 | \$2,122,140 | 0.0 | No | No | \$2,122,140 |

| | | | | | | |
|--|---------------------|---------------------|------------|--|--|---------------------|
| TOTAL Items Not Included in Recommendations | \$25,857,239 | \$31,957,239 | 8.0 | | | \$24,480,706 |
|--|---------------------|---------------------|------------|--|--|---------------------|

**Texas Water Development Board
Appendices - Senate**

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* Appendix is not included - no significant information to report

Water Development Board
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

| Strategy/Goal | 2016-17 Base | 2018-19 Recommended | Biennial Change | % Change | Comments |
|---|-------------------------|--------------------------------|----------------------------|---------------------|--|
| ENVIRONMENTAL IMPACT INFORMATION A.1.1 | \$3,303,843 | \$1,995,398 | (\$1,308,445) | (39.6%) | Recommendations include a decrease of \$1.3 million in All Funds resulting from: a) a GR decrease of \$1.0 million in Environmental Flows Grants as funds are shifted to Strategy A.1.2, and b) a decrease of \$0.3 million for Interagency contracts (Other Funds) from fiscal year 2016 not carried forward in 2018-19. The interagency contract that did not continue is associated with the General Land Office (GLO) Coastal Assistance Impact Program (CIAP). The contract focused on studying the interactions of ecology and hydrology in San Antonio Bay. The work has been subcontracted to the University of Texas at Austin Center for Research in Water Resources. Renewal of the contract is not expected in 2018-19 biennium. |
| WATER RESOURCES DATA A.1.2 | \$5,114,042 | \$5,936,836 | \$822,794 | 16.1% | Recommendations include an increase of \$0.8 million in All Funds resulting from a \$1.0 million increase from GR for Environmental Flows Grants moved from Strategy A.1.1 along with numerous smaller decreases, mostly from Federal Funds. |
| AUTO INFO COLLECT., MAINT. & DISSEM A.1.3 | \$4,741,336 | \$4,780,910 | \$39,574 | 0.8% | |
| TECHNICAL ASSISTANCE & MODELING A.2.1 | \$6,644,664 | \$4,516,494 | (\$2,128,170) | (32.0%) | Recommendations include a decrease of \$2.1 million in All Funds resulting from: a) a decrease of \$0.7 million in GR to correct for fiscal 2016-17 allocation; b) a decrease of \$1.6 million from Water Assistance Fund No. 480 (Other Funds) for grants and contracts in 2016-17; and c) an increase of \$0.2 million for appropriated receipts (Other Funds). For fiscal year 2017, local entities have contracted with TWDB for groundwater availability modelling for the high plains area that are projected to continue to the next biennium. |
| WATER RESOURCES PLANNING A.2.2 | \$17,937,968 | \$18,714,324 | \$776,356 | 4.3% | Recommendations include an increase of \$0.8 million in all funds resulting from: a) an increase of \$0.4 in GR for shifting funds between strategies and maintenance costs; b) a decrease of \$0.1 in Federal Funds grants; c) a decrease of \$0.2 in Water Assistance Fund No. 480 (Other Funds) for one-time grants and contracts in 2016-17; and |

Water Development Board
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

| Strategy/Goal | 2016-17 Base | 2018-19 Recommended | Biennial Change | % Change | Comments |
|---|----------------------|------------------------|-----------------------|----------------|---|
| | | | | | d) an increase of \$0.6 million in appropriated receipts (Other Funds) related to Texas Water Resources Finance Authority (TWRFA) funds for Regional Water Planning grants or other activities. |
| WATER CONSERVATION EDUCATION & ASST A.3.1 | \$5,123,223 | \$3,000,492 | (\$2,122,731) | (41.4%) | Recommendations include a decrease of \$2.1 million in GR resulting from reductions in water conservation programs. The requested 4 percent reduction is taken from this strategy. |
| PERFORM COMM ASSIST RELATED TO NFIP A.4.1 | \$104,162,035 | \$82,161,442 | (\$22,000,593) | (21.1%) | Recommendations include a decrease of \$22.0 million from All Funds resulting from: a) a decrease of \$0.2 in GR for shifting funds between strategies; b) a decrease of \$11.0 million resulting from a decrease in Federal Funds due to one-time federal funds received in 2016-17 for weather-related flood events which are not expected to continue in 2018-19; and c) a decrease of \$10.8 million from Interagency Contracts (Other Funds), of which \$6.8 million is associated with the emergency flood funds that were transferred to TWDB from the Governor's Disaster Contingency Fund which will not be continuing into the 2018-19, and \$4.0M from an Interagency Contract with the General Land Office (GLO) for a drainage study that will be completed in this biennium. |
| Total, Goal A, WATER RESOURCE PLANNING | \$147,027,111 | \$121,105,896 | (\$25,921,215) | (17.6%) | |
| STATE & FEDERAL FIN ASSIST PROGRAM B.1.1 | \$20,426,376 | \$20,577,948 | \$151,572 | 0.7% | Recommendations include an increase of \$0.1 in GR for shifting funds between strategies. |
| ECONOMICALLY DISTRESSED AREAS B.1.2 | \$918,068 | \$1,031,394 | \$113,326 | 12.3% | Recommendations include an increase of \$0.1 in GR for shifting funds between strategies. |
| Total, Goal B, WATER PROJECT FINANCING | \$21,344,444 | \$21,609,342 | \$264,898 | 1.2% | |
| EDAP DEBT SERVICE C.1.1 | \$61,959,552 | \$59,492,662 | (\$2,466,890) | (4.0%) | Recommendations include a decrease of \$2.5 million resulting from: a) a decrease of \$0.4 million in GR based on debt service requirements for EDAP, and b) a decrease of \$2.0 million from Other Funds for bond payments in the Economically Distressed Areas Program (EDAP) in Fund No. 357. |
| WIF DEBT SERVICE C.1.2 | \$145,687,908 | \$139,801,019 | (\$5,886,889) | (4.0%) | Recommendations include a decrease of \$5.9 million from All Funds resulting from: |

Water Development Board
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

| Strategy/Goal | 2016-17 Base | 2018-19 Recommended | Biennial Change | % Change | Comments |
|--|----------------------|------------------------|-----------------------|----------------|---|
| | | | | | a) a decrease of \$13.8 million in GR based on debt service requirements for Water Infrastructure Fund (WIF) No. 302, resulting from a greater portion of outstanding debt beoming self-supporting, and b) an increase of \$7.9 million from Other Funds for bond payments in WIF, reflecting an increase in revenue available from borrower payments to cover debt service. |
| Total, Goal C, NON-SELF SUPPORTING G O DEBT SVC | \$207,647,460 | \$199,293,681 | (\$8,353,779) | (4.0%) | |
| CENTRAL ADMINISTRATION D.1.1 | \$10,005,839 | \$10,331,522 | \$325,683 | 3.3% | Recommendations include an increase of \$0.3 million from All Funds resulting from: a) an increase of \$0.5 million from GR for shifting funds between strategies. A majority of the amount came from strategy D.1.2 based on projected budget needs of the D.1.1 strategy which included increases in some key leadership positions as well as increasing the size of the accounting staff. b) a decrease of \$0.3 million from Federal Funds related to one-time grants from 2016-17 in the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). |
| INFORMATION RESOURCES D.1.2 | \$7,176,703 | \$4,943,653 | (\$2,233,050) | (31.1%) | Recommendations include a decrease of \$2.2 million from All Funds resulting from: a) a decrease of \$0.5 million in GR for revenue shifting to Strategy D.1.1; b) a decrease of \$1.1 million from appropriated receipts (Other Funds) that were received for one-time information technology projects such as TxWise enhancements and reports; and c) a decrease of \$0.7 million in GR to continue existing obligations through DCS. |
| OTHER SUPPORT SERVICES D.1.3 | \$1,534,327 | \$1,456,752 | (\$77,575) | (5.1%) | |
| Total, Goal D, INDIRECT ADMINISTRATION | \$18,716,869 | \$16,731,927 | (\$1,984,942) | (10.6%) | |
| Grand Total, All Strategies | \$394,735,884 | \$358,740,846 | (\$35,995,038) | (9.1%) | |

Texas Water Development Board
FTE Highlights - Senate

| Full-Time-Equivalent Positions | Expended 2015 | Estimated 2016 | Budgeted 2017 | Recommended 2018 | Recommended 2019 |
|--------------------------------|------------------|-------------------|------------------|---------------------|---------------------|
| Cap | 325.1 | 327.1 | 327.1 | 327.1 | 327.1 |
| Actual/Budgeted | 276.7 | 276.1 | 327.1 | NA | NA |

| Schedule of Exempt Positions (Cap) | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Executive Administrator, Group 5 | \$141,847 | \$177,572 | \$177,572 | \$177,572 | \$177,572 |
| Commissioner (Chair), Group 6 | \$150,000 | \$189,500 | \$189,500 | \$189,500 | \$189,500 |
| Commissioner, Group 6 (2) | \$150,000 | \$189,500 | \$189,500 | \$189,500 | \$189,500 |

Notes:
The Governor's office authorized an exempt salary rate of \$189,500 effective September 1, 2015, for the chair and two commissioners for TWDB.

Water Development Board
Summary of Ten Percent Biennial Base Reduction Options - Senate

| Priority | Item | Description/Impact | Biennial Reduction Amounts | | | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Included in Introduced Bill? |
|-------------------------------------|--|--|----------------------------|--------------------|------------|------------------------|---|------------------------------|
| | | | GR & GR-D | All Funds | FTEs | | | |
| 1) | Rider 24: Demonstration Projects for Alternative Water Supplies | Rider 24 provides grants for demonstration projects or feasibility studies to prove up certain aquifer storage and recovery projects or any other demonstration projects or feasibility studies that will create new water supplies or otherwise increase the availability of water through use of innovative storage approaches that improve operational efficiencies. This budget reduction would eliminate funding for the rider. | \$1,000,000 | \$1,000,000 | 0.0 | \$0 | 100% | No |
| 2) | Rider 25: Quantifying and Installing Water Conservation Strategies | The funds in Rider 25 are used to identify the most effective and accurate process by which to measure water conservation statewide to meet the goals of the state water plan. The agency selected Rider 25 funding to meet its 4 percent reduction. The impact of the budget reduction to meet the 10 percent reduction would remove the remaining funds allocated to water conservation strategies. | \$127,860 | \$127,860 | 0.0 | \$0 | 100% | No |
| 3) | Environmental Flows | The budget reduction would significantly decrease the amount of funds available for the study of environmental flows and instream flows for river basins. | \$1,418,707 | \$1,418,707 | 0.0 | \$0 | 71% | No |
| 4) | Environmental Flows | The budget reduction would eliminate the remaining funds available for the study of environmental flows and instream flows for river basins. | \$581,293 | \$581,293 | 0.0 | \$0 | 100% | No |
| 5) | State Match State Revolving Fund | The impact of reducing the state match would require that additional match costs be passed on to the State Revolving Fund (SRF) loan recipients. Loan recipients would pay a higher rate to borrow SRF funds. It would also reduce the amount of funds that can be loaned out. | \$1,965,275 | \$1,965,275 | 0.0 | \$0 | 21% | No |
| TOTAL, 10% Reduction Options | | | \$5,093,135 | \$5,093,135 | 0.0 | \$0 | | |