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Third Quarter Report on Performance Measures

Fiscal Year 2008

Budget & Planning Division - Strategic Planning and Assessment

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



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Strategic Planning Structure Fiscal Year 2008

Goal 01 — ASSESSMENT, PLANNING, AND PERMITTING

To protect public health and the environment by accurately assessing environmental conditions; by preventing or minimizing the level of contaminants released to the environment through regulation and permitting of facilities, individuals, or activities with potential to contribute to pollution levels.

Objective 01: To decrease the amount of toxics released and disposed of in Texas by 40 percent by 2007 from the 1992 level and reduce air, water, and waste pollutants through assessing the environment.

Strategy 01 — Air Quality Assessment and Planning: Reduce and prevent air pollution by monitoring and assessing air quality, developing and/or revising plans to address identified air quality problems, and assist in the implementation of approaches to reduce motor vehicle emissions.

Strategy 02 — Water Resource Assessment and Planning: Develop plans to ensure an adequate, affordable supply of clean water by monitoring and assessing water quality and availability.

Strategy 03 — Waste Assessment and Planning: Ensure the proper and safe disposal of pollutants by monitoring the generation, treatment, and storage of solid waste and assessing the capacity of waste disposal facilities; and by providing financial and technical assistance to municipal solid waste planning regions for the development and implementation of waste reduction plans.

Objective 02: To review and process 90% of air, water, and waste authorization applications within established time frames.

Strategy 01 — Air Quality Permitting: Perform complete and timely reviews of applications to release pollutants into the air.

Strategy 02 — Water Resource Permitting: Perform complete and timely reviews of applications to utilize the state's water resources or to discharge to the state's waterways.

Strategy 03 — Waste Management and Permitting: Perform complete and timely reviews of applications relating to the management and disposal of municipal and industrial solid and hazardous waste.

Strategy 04 — Occupational Licensing: Establish and maintain occupational certification programs to ensure compliance with statutes and regulations that protect public health and the environment.

Objective 03: To ensure the proper and safe disposal of low-level radioactive waste.

Strategy 01 — Low-Level Radioactive Waste Management: To ensure the proper and safe disposal of low-level radioactive waste.

Goal 02 — DRINKING WATER AND WATER UTILITIES

To protect public health and the environment by assuring the delivery of safe drinking water to the citizens of Texas consistent with requirements in the Safe Drinking Water Act; by providing regulatory oversight of water and sewer utilities; and by promoting regional water strategies.

Objective 01: To supply 95% of Texans served by public drinking water systems with drinking water consistent with requirements in the Safe Drinking Water Act. To provide regulatory oversight of water and sewer utilities and to promote regional water strategies.

Strategy 01 — Safe Drinking Water: Ensure the delivery of safe drinking water to all citizens through monitoring and oversight of drinking water sources consistent with the requirements of the Safe Drinking Water Act.

Strategy 02 — Water Utilities Oversight: Provide regulatory oversight of water and sewer utilities to ensure that charges to customers are necessary and cost-based and ensure adequate customer service.

Goal 03 — ENFORCEMENT AND COMPLIANCE ASSISTANCE

To protect public health and the environment by administering enforcement and environmental assistance programs that promote compliance with environmental laws and regulations, voluntary efforts to prevent pollution, and offer incentives for demonstrated environmental performance while providing strict, sure, and just enforcement when environmental laws are violated.

Objective 01: By fiscal year 2008, to maintain at least 95 percent of all regulated facilities in compliance with state environmental laws and regulations, and to respond appropriately to citizen inquiries and complaints and to achieve pollution prevention, resource conservation, and enhanced compliance.

Strategy 01 — Field Inspections and Complaints: Promote compliance with environmental laws and regulations by conducting field inspections and responding to citizen complaints.

Strategy 02—Enforcement and Compliance Support: Maximize voluntary compliance with environmental laws and regulations by providing educational outreach and assistance to businesses and units of local governments; and assure compliance with environmental laws and regulations by taking swift, sure and just enforcement actions to address violation situations.

Strategy 03 — Pollution Prevention and Recycling: Enhance environmental performance, pollution prevention, recycling, and innovative programs through technical assistance, public education, and innovative programs implementation.

Goal 04 — POLLUTION CLEANUP

To protect public health and the environment by identifying, assessing, and prioritizing contaminated sites, and by assuring timely and cost-effective cleanup based on good science and current risk factors.

Objective 01: By fiscal year 2008, to identify, assess and remediate up to 56 percent of the known Superfund sites and/or other sites contaminated by hazardous materials. To identify, assess and remediate up to 85% of the leaking petroleum storage tank sites.

Strategy 01 — Storage Tank Administration and Cleanup: Regulate the installation and operation of underground storage tanks and administer a program to identify and remediate sites contaminated by leaking storage tanks. Provide prompt and appropriate reimbursement to contractors and owners for the cost of remediating sites contaminated by leaking storage tanks.

Strategy 02 — Hazardous Materials Cleanup: Aggressively pursue the investigation, design and cleanup of federal and state Superfund sites; and facilitate voluntary cleanup activities at other sites and respond immediately to spills which threaten human health and environment.

Goal 05 — TEXAS RIVER COMPACTS

To ensure the delivery of Texas' equitable share of water.

Objective 01: To ensure the delivery of 100% of Texas' equitable share of water as apportioned by the River Compacts.

Goal — HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

To establish and carry out policies and practices governing purchasing and public works contracts that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs). The agency strives to conduct a good faith effort program that will encourage inclusion of HUBs in all purchasing and procurement opportunities as set forth by 1 TAC 111.11 - 111.23, as adopted by the TCEQ. The HUB program will develop and implement a plan for increasing the use of HUBs in purchasing and public works contracts and subcontracts.

Strategy 01-01-01: Assessment, Planning, and Permitting

**Output Measure 01:
Number of Point Source Air Quality Assessments (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	500	809	40.45%
2 nd Quarter	500	224	11.20%
3 rd Quarter	500	320	16.00%
4 th Quarter	500		0.00%
Total Performance	2,000	1,353	67.65%

Variance Explanation:
 BELOW PROJECTED LEVEL
 The number of Point Source Air Quality Assessments was below projections for the third quarter of FY 2008. This measure counts the number of point source air emissions inventories that have been reviewed and entered into the State of Texas Air Reporting System (STARS) database. The majority of the point source air quality inventories for the current reporting year were received in the first month of the third quarter, and the review and data entry into the STARS database for these inventories began in the remaining two months of the quarter. The number of projected assessments for the year is expected to be met in the fourth quarter.

**Output Measure 02:
Number of Area Source Air Quality Assessments (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	625	641	25.64%
2 nd Quarter	625	625	25.00%
3 rd Quarter	625	660	26.40%
4 th Quarter	625		0.00%
Total Performance	2,500	1,926	77.04%

Variance Explanation:
 Performance met projections. No variance explanation required.

Strategy 01-01-01: Assessment, Planning, and Permitting

Output Measure 03:

Number of Mobile Source Air Quality Assessments (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	312.50	321	25.68%
2 nd Quarter	312.50	162	12.96%
3 rd Quarter	312.50	306	24.48%
4 th Quarter	312.50		0.00%
Total Performance	1,250	789	63.12%

Variance Explanation:

BELOW PROJECTED LEVEL

The number of Mobile Source Air Quality Assessments met projections for the third quarter, but is below projections for the fiscal year. This measure depicts the number of on-road mobile source/transportation related scenarios evaluated by the Air Quality Division. During the second quarter, staff resources were reallocated to other priority tasks including: airport inventory technical support for the Dallas-Fort Worth State Implementation Plan (SIP), along with other SIP technical support, and project management of contracted activities. This reallocation of resources in the second quarter resulted in lower year to date performance through the third quarter. Since the mobile source team's responsibilities involve many activities, the quarterly variance is typical and is not expected to affect the annual performance for this measure.

Output Measure 04:

Number of Air Monitors Operated

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	600	589	98.17%
2 nd Quarter	600	594	99.00%
3 rd Quarter	600	593	98.83%
4 th Quarter	600		0.00%
Annual Target	600	593	98.83%

Variance Explanation:

Performance met projections. No variance explanation required.

Strategy 01-01-01: Assessment, Planning, and Permitting

Output Measure 05:

Tons of Nitrogen Oxide (NOx) Reduced through the Texas Emissions Reduction Plan (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	7,152.75	909 61	.22%
2 nd Quarter	7,152.75	2,104	7.35%
3 rd Quarter	7,152.75	1,363	4.76%
4 th Quarter	7,152.75		0.00%
Total Performance	28,611	3,528	12.33%

*Note: The results for the first quarter are revised to show 61 tons of NOx reduced by grants awarded in the first quarter of FY 2008. Most of the 909 tons originally shown were actually accounted for in the FY 2007 final report and should not have been included in the 2008 results.

Variance Explanation:

BELOW PROJECTED LEVEL

The Tons of NOx Reduced through the Texas Emissions Reduction Plan (TERP) was below projections for the third quarter of FY 2008. This measure reports the amount of NOx emissions projected to be reduced through projects funded by TERP incentive grants awarded each year. The results for this quarter are due to \$13.3 million in Rebate Grant projects awarded. The Rebate Grant program has approximately \$106 million remaining in unobligated grant funds for FY 2008. The application period for the larger Emissions Reduction Incentive Grants Program ended April 11, 2008. Over 1,400 applications were received with a total requested grant amount of over \$200 million. Those grants will be awarded in the fourth quarter of FY 2008 and the associated NOx reductions will be reflected in the fourth quarter.

Output Measure 06:

Number of New Technology Grant Proposals Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	15.5	11	17.74%
2 nd Quarter	15.5	48	77.42%
3 rd Quarter	15.5	1	1.61%
4 th Quarter	15.5		0.00%
Total Performance	62	60	96.77%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of New Technology Grant Proposals Reviewed was above projections through the third quarter of FY 2008. This measure reports the number of grant proposals reviewed that identify and evaluate new technologies to improve air quality and to facilitate the deployment of those technologies. The administration of the New Technology Research and Development (NTRD) program was transferred to the Texas Environmental Research Consortium (TERC) by the 79th Legislature. The TCEQ does not perform the public outreach functions for the NTRD grant program and has no control over the number of grant proposals received or reviewed by TERC.

Strategy 01-01-01: Assessment, Planning, and Permitting

Output Measure 07:

Number of Vehicles Repaired or Replaced through Low Income Vehicle Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program (LIRAP) Assistance (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	3,750	1,565	10.43%
2 nd Quarter	3,750	4,616 2,981	19.87%
3 rd Quarter	3,750	6,915 8,560	57.07%
4 th Quarter	3,750		0.00%
Total Performance	15,000	13,106	87.37%

*Note: For the third quarter of fiscal year 2008, the LIRAP had a figure of 8,560. The DFW and HGB quarter reports are not due until 30 days after the end of the quarter. Program administrators were able to process all paperwork not posted at the initial reporting, resulting in a more accurate number .

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Vehicles Repaired or Replaced was above projections for the third quarter of FY 2008. Total repairs and replacements for the five-county Houston/Galveston/Brazoria (HGB) area, nine-county Dallas Fort Worth (DFW) Area, and two-county Austin area, were used to determine the total LIRAP participation figures. The HGB area repaired 751 vehicles and replaced 2,947 vehicles for a quarter total of 3,698 vehicles. The DFW area repaired 592 vehicles and replaced 3,923 vehicles for a quarter total of 4,515 vehicles. The Austin area repaired 58 vehicles and replaced 289 vehicles for a quarter total of 347 vehicles. The third quarter participation number for all 16 counties is 8,560. The total YTD participation number for all 16 counties is 13,106, or 87.37% of the anticipated 15,000 units. Since December 12, 2007, the counties have begun implementing the SB 12 enhanced activities and the results should meet the projected performance goal of 15,000 units in the next reporting period.

Efficiency Measure 01:

Percent of Data Collected by TCEQ Continuous and Non-Continuous Air Monitoring Networks

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	90%	93%	103.33%
2 nd Quarter	90%	94%	104.44%
3 rd Quarter	90%	95%	105.56%
4 th Quarter	90%		0.00%
Annual Target	90%	95%	105.56%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Percent of Data Collected by TCEQ was above projections for the third quarter of FY 2008. This measure is a comparison of state performance to federal monitoring requirements. Performance has been rising during the year and is now above projections because of improving data return for the PM 10 and lead monitoring networks. It is expected that performance will meet or exceed projections for the fourth quarter of FY 2008.

Strategy 01-01-01: Assessment, Planning, and Permitting

**Efficiency Measure 02:
Average Cost per Air Quality Assessment**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$370	\$332	89.73%
2 nd Quarter	\$370	\$516 \$463	125.00%
3 rd Quarter	\$370	\$364	98.38%
4 th Quarter	\$370		0.00%
Annual Target	\$370	\$386.33	104.41%

Variance Explanation:
Performance met projections. No variance explanation required.

Note: The average cost per air quality assessment changed in the second quarter from \$516 to \$463 due to a mathematical error.

**Efficiency Measure 03:
Average Cost of LIRAP Vehicle Emissions Repairs/Retrofits (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$525	\$500.28	95.29%
2 nd Quarter	\$525	\$497.88 \$491.40	103.73%
3 rd Quarter	\$525	\$522.77 \$519.01	98.86%
4 th Quarter	\$525		0.00%
Annual Target	\$525	\$504.87	96.17%

Variance Explanation:
MEETS PROJECTIONS
The Average Cost of LIRAP Vehicle Emissions Repairs/Retrofits met projections for the third quarter of FY 2008. Costs for the five-county Houston/Galveston/Brazoria (HGB) area, nine-county Dallas Fort Worth (DFW) Area, and two-county Austin area, were used to determine the average LIRAP repair costs. The average LIRAP cost for 751 repaired vehicles in the HGB area program was \$549.50 (total amount spent on repairs= \$412,675.18). The average LIRAP cost for 592 vehicles repaired in the DFW area was \$481.69 (total amount spent on repairs = \$285,162.73). The average LIRAP cost for 58 vehicles repaired in the Austin area was \$505.17 (total amount spent on repairs = \$29,229.57). The measure is 3.83% below the projected repair amount of \$525.00 per vehicle and reflects lower expenses for vehicle owners than anticipated.

*Note: For the third quarter of fiscal year 2008, LIRAP had a figure of \$519.01. The DFW and HGB quarter reports are not due until 30 days after the end of the quarter. Program administrators were able to process all paperwork not posted at the initial reporting, resulting in a more accurate number.

Strategy 01-01-01: Assessment, Planning, and Permitting

Efficiency Measure 04:

Average Cost Per Ton of NOx Reduced through the Texas Emissions Reduction Plan (Key)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	\$5,000	\$5,500 \$7,750	155.00%
2nd Quarter	\$5,000	\$9,792	195.84%
3rd Quarter	\$5,000	\$9,780	195.60%
4th Quarter	\$5,000		0.00%
Annual Target	\$5,000	\$9,752	195.04%

*Note: The results for the first quarter have been revised. The \$5,500/ton originally shown reflected the cost per 909 tons. The \$7,750 reflects the new number of 61 tons of NOx reduced.

Variance Explanation:

ABOVE PROJECTED LEVEL

The Average Cost Per Ton of NOx Reduced through the Texas Emissions Reduction Plan (TERP) exceeded projections for the third quarter of FY 2008. This measure shows the average cost per ton of NOx reduced through projects funded by the TERP incentive grants. Most of the current grant activity has taken place under the Rebate Grants Program and these grants are set at a maximum of \$10,000 per ton. Therefore, the cost per ton average is higher than the projected amount. The grant awards under the larger Emissions Reduction Incentive Grants Program will be completed in the 4th quarter. Because grants under that program are awarded on a competitive basis, with the projects having the lowest cost per ton ranked highest on the selection list, it is expected that the cost per ton averages will be much lower once those awards are completed.

Efficiency Measure 05:

Average Number of Days to Review a Grant Proposal (Key)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	1	1	100.00%
2nd Quarter	1	1	100.00%
3rd Quarter	1	1	100.00%
4th Quarter	1		0.00%
Annual Target	1	1	100.00%

Variance Explanation:

Performance met projections. No variance explanation required.

Strategy 01-01-02: Water Resource Assessment and Planning

**Output Measure 01:
Number of Surface Water Assessments (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	16.75	11	16.42%
2 nd Quarter	16.75	13	19.40%
3 rd Quarter	16.75	9	13.43%
4 th Quarter	16.75		0.00%
Total Performance	67	33	49.25%

Variance Explanation:

BELOW PROJECTED LEVEL

The number of Surface Water Assessments was below projected level for the third quarter FY 2008. This measure attempts to quantify the surface water quality assessment activities of the agency. Assessment of water quality is essential to identification of impacted water bodies, development of water quality standards, and development of effluent standards for waste water discharges and development of watershed implementation strategies. In general, the lower third quarter number for this measure can be attributed to the fact that field sampling is performed primarily during the warmer parts of the year when aquatic systems are most responsive to environmental conditions. Most of the Special Studies and Clean River Assessments will not be completed until the fourth quarter. Also, three receiving water assessment studies were scheduled for the third quarter, but all were delayed due to heavy rains. Ten TMDLs and 1 I-Plan were proposed in the third quarter, with adoption scheduled for the fourth quarter. This measure is still expected to reach its FY 2008 target.

**Output Measure 02:
Number of Groundwater Assessments (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	15	4	6.67%
2 nd Quarter	15	10	16.67%
3 rd Quarter	15	13	21.67%
4 th Quarter	15		0.00%
Total Performance	60	27	45.00%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Groundwater Assessments was below projections for the third quarter of FY 2008. This measure counts the number of reports completed which evaluate environmental or programmatic data related to groundwater quality or quantity issues. This level of performance is expected as longer term projects comprise most of these assessments, and the projects are generally not counted until completed. Most of these assessments are anticipated for fourth quarter completion.

Strategy 01-01-02: Water Resource Assessment and Planning

**Output Measure 03:
Number of Dam Safety Assessments**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	107.5	153	35.58%
2 nd Quarter	107.5	98	22.79%
3 rd Quarter	107.5	99	23.02%
4 th Quarter	107.5		0.00%
Total Performance	430	350	81.40%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Dam Safety Assessments was above projections for the third quarter of FY 2008. This measure includes on-site investigations as well as in-house review of plans, engineering reports, and water use permit applications involving dams. The Dam Safety program received more final reports from the two contractors, especially in the first quarter, significantly impacting year to date performance. The Dam Safety program anticipates being above projections for the fourth quarter of FY 2008.

**Efficiency Measure 01:
Average Cost per Dam Safety Assessment**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$1,200	\$622	51.83%
2 nd Quarter	\$1,200	\$935	77.92%
3 rd Quarter	\$1,200	\$1,515	126.25%
4 th Quarter	\$1,200		0.00%
Annual Target	\$1,200	\$955	79.58%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Cost per Dam Safety Assessment was above projections for the third quarter, but still below projections for the fiscal year. This measure reports the average cost for each dam safety assessment performed by TCEQ staff and contractors. The cost for the third quarter is due to the receipt of two large invoices from one of the dam inspection contractors. Due to the fact that contracted inspections cost significantly more than in-house inspections, and that the increased number of contracted inspections for the second half of the fiscal year has increased, it is anticipated that the average cost per inspection will also be higher during the fourth quarter of FY 2008.

Strategy 01-01-03: Waste Management Assessment and Planning

Output Measure 01:

Number of Municipal Solid Waste Facility Capacity Assessments (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	62.50	65	26.00%
2 nd Quarter	62.50	44	17.60%
3 rd Quarter	62.50	179	71.60%
4 th Quarter	62.50		0.00%
Total Performance	250	288	115.20%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Municipal Solid Waste Facility Capacity Assessments was above projections for the third quarter of FY 2008. Capacity information is gathered through “The Annual Report for Permitted Solid Waste Facilities” submitted to the TCEQ by each municipal solid waste landfill. A greater number of MSW landfills submit their Facility Capacity Assessments in the third quarter than in any other quarter of the year. Additionally, database automation improvements have resulted in higher number of facility capacity assessments being processed.

Efficiency Measure 01:

Average Cost Per Municipal Solid Waste Facility Capacity Assessment (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$35	\$28.84	82.40%
2 nd Quarter	\$35	\$32.38	92.51%
3 rd Quarter	\$35	\$26.40	75.43%
4 th Quarter	\$35		0.00%
Annual Target	\$35	\$30.61	87.46%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Cost per Municipal Solid Waste Facility Capacity Assessment was below projections for the third quarter of FY 2008. This measure reflects agency efforts to conduct municipal solid waste facility capacity assessments in an efficient manner, particularly through the use of automation. The desired performance for this measure is to be below projections.

Strategy 01-02-01: Air Quality Permitting

Output Measure 01:

Number of State and Federal New Source Review Air Quality Permit Applications Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	1,450	1,013	17.47%
2 nd Quarter	1,450	1,199	20.67%
3 rd Quarter	1,450	1,182	20.38%
4 th Quarter	1,450		0.00%
Total Performance	5,800	3,394	58.52%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of State and Federal New Source Air Quality Permit Applications Reviewed was below projections for the third quarter FY 2008. This measure quantifies the permitting workload of the Air Permits Division (APD) staff assigned to review state and federal new source review permit applications. The reported performance may be attributable to applications submitted to authorize planned maintenance, startup, and shutdown (MSS) emissions. Changes to the General Air Quality Rules required an owner or operator to apply to authorize planned MSS emissions. These emissions did not need air quality authorizations before the change. Initial MSS emission authorization reviews for refineries have taken much longer than anticipated due to significant technical issues. In addition, APD has received approximately 400 New Source Review chemical plant applications this year. The high level of effort has extended the time to review and issue other permits. Projections are still expected to be met for FY 2008.

Output Measure 02:

Number of Federal Air Quality Operating Permits Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	275	215	19.55%
2 nd Quarter	275	277	25.18%
3 rd Quarter	275	162	14.73%
4 th Quarter	275		0.00%
Total Performance	1,100	654	59.45%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Federal Air Quality Operating Permits Reviewed was below projections for the third quarter FY 2008. This measure quantifies the permitting workload of the Air Permits Division staff assigned to review federal operating permit applications. The reported variance may be attributable to the complexity of projects received and the greater amount of time needed to complete the associated technical review. The review of approximately 100 federal operating permit renewal projects for chemical plants is further complicated due to changes to the General Air Quality Rules that required an owner or operator to apply to authorize planned maintenance, startup, and shutdown (MSS) emissions. In addition, federal court decisions struck down key federal rules. These court decisions within the last year now require permit reviews that would not have been previously required and have extended the time needed to review and issue federal operating permits. The division does not expect to meet the annual projected target.

Strategy 01-02-01: Air Quality Permitting

Output Measure 03:

Number of Emissions Banking and Trading Transaction Applications Reviewed

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	250	142	14.20%
2nd Quarter	250	222	22.20%
3rd Quarter	250	425	42.50%
4th Quarter	250		0.00%
Total Performance	1,000	789	78.90%

Variance Explanation:

Performance met projections. No variance explanation required.

Strategy 01-02-02: Water Resource Permitting

Output Measure 01:

Number of Applications to Address Water Quality Impacts Applications Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	4,539.50	4,064	22.38%
2nd Quarter	4,539.50	2,759	15.19%
3rd Quarter	4,539.50	6,583	36.25%
4th Quarter	4,539.50		0.00%
Total Performance	18,158	13,406	73.83%

<p><u>Variance Explanation:</u> Performance met projections. No variance explanation required.</p>
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Output Measure 02:

Number of Applications to Address Water Rights Impacts Reviewed

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	148.75	159	26.72%
2nd Quarter	148.75	144	24.20%
3rd Quarter	148.75	162	27.23%
4th Quarter	148.75		0.00%
Total Performance	595	465	78.15%

<p><u>Variance Explanation:</u> Performance met projections. No variance explanation required.</p>
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Strategy 01-02-02: Water Resource Permitting

Output Measure 03:

Number of Concentrated Animal Feeding Operation (CAFO) Authorizations Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	22.5	28	31.11%
2nd Quarter	22.5	26	28.89%
3rd Quarter	22.5	40	44.44%
4th Quarter	22.5		0.00%
Total Performance	90	94	104.44%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Concentrated Animal Feeding Operation (CAFO) Authorizations Reviewed was above projections for the third quarter of FY 2008. This measure counts the number of CAFO Individual Permits filed with the Chief Clerk's Office and General Permit (GP) Notice of Intents (NOIs) acknowledged for new and existing facilities. The number of existing NOIs received was larger than expected for the first three quarters and is expected to exceed fourth quarter projections as well.

Strategy 01-02-03: Waste Management and Permitting

Output Measure 01: Number of New System Waste Evaluation Conducted

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	142.50	138	24.21%
2 nd Quarter	142.50	139	24.39%
3 rd Quarter	142.50	158	27.72%
4 th Quarter	142.50		0.00%
Total Performance	570	435	76.32%

Variance Explanation:
Performance met projections. No variance explanation required.

Output Measure 02: Number of Non-Hazardous Waste Permit Applications Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	59	75	31.78%
2 nd Quarter	59	52	22.03%
3 rd Quarter	59	51	21.61%
4 th Quarter	59		0.00%
Total Performance	236	178	75.42%

Variance Explanation:
Performance met projections. No variance explanation required.

Strategy 01-02-03: Waste Management and Permitting

Output Measure 03:

Number of Hazardous Waste Permit Applications Reviewed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	40	46	28.75%
2 nd Quarter	40	37	23.13%
3 rd Quarter	40	52	32.50%
4 th Quarter	40		0.00%
Total Performance	160	135	84.38%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Hazardous Waste Permit Applications Reviewed was above projections for the third quarter FY 2008. This measure quantifies the number of environmentally protective authorizations recommended by TCEQ staff. The largest categories of applications reviewed during the third quarter continue to be for Class 1 and 1ED modifications and Class V authorizations. These applications reflect minor permit modifications and requests for authorization made by the regulated community in response to changing business needs. These types of applications are difficult to project.

Strategy 01-02-04: Occupational Licensing

**Output Measure 01:
Number of Applications for Occupational Licensing**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	6,000	5,198 6,820	28.42%
2 nd Quarter	6,000	4,485 4,483	18.68%
3 rd Quarter	6,000	7,080	29.50%
4 th Quarter	6,000		0.00%
Total Performance	24,000	18,383	76.60%

Variance Explanation:
Performance met projections. No variance explanation required.

Note: A process developed to transfer Online Renewal Applications into the Consolidated Compliance Enforcement Database (CCEDS) resulted in incorrect numbers for the first two quarters of FY 08. A permanent enhancement has been added to CCEDS to prevent future errors.

**Output Measure 02:
Number of Examinations Administered (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	2,625	2,865 2,861	27.25%
2 nd Quarter	2,625	2,423 2,749	26.18%
3 rd Quarter	2,625	3,205	30.52%
4 th Quarter	2,625		0.00%
Total Performance	10,500	8,815	83.95%

Variance Explanation:
ABOVE PROJECTED LEVEL
Performance for the Number of Examinations Administered was above projections for the third quarter of FY 2008. This measure reports the number of occupational licensing examinations administered by the agency and its agents. This measure is an on demand activity. The increase in the number of examinations could be attributed to several factors: more individuals retesting following the failure of an exam; an increase in the number of individuals to renew their licenses in a timely manner and having to retest to obtain a new license; and individuals applying for license upgrades and testing in anticipation of changes to the occupational licensing rules. If the increase in the number of exams administered continues, TCEQ anticipates exceeding projections for the fourth quarter of FY 2008.

Note: Exams toward the end of a quarter may not get processed until the following quarter. However, because the actual date of the exam is from the previous quarter the exam is credited to that quarter, thus increasing the number that was reported.

Strategy 01-02-04: Occupational Licensing

**Output Measure 03:
Number of Licenses and Registrations Issued**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	5,750	4,651 4,654	20.23%
2 nd Quarter	5,750	5,241 5,248	22.81%
3 rd Quarter	5,750	6,060	26.35%
4 th Quarter	5,750		0.00%
Total Performance	23,000	15,962	69.40%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Licenses and Registrations Issued was below projections for the third quarter FY 2008. This measure reports the number of new and upgraded licenses and registrations issued. This is an on-demand activity. The agency has no control over how many individuals apply for a new license, renew an existing license or upgrade a license. We expect the license and registration issuances to increase during the next quarter.

**Efficiency Measure 01:
Average Annualized Cost Per License and Registration**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$18	\$18.67	103.72%
2 nd Quarter	\$18	\$17.95	99.72%
3 rd Quarter	\$18	\$17.80	98.89%
4 th Quarter	\$18		0.00%
Annual Target	\$18	\$18	100.00%

Variance Explanation:

Performance met projections. No variance explanation required.

Strategy 02-01-01: Safe Drinking Water

Output Measure 01:

Number of Public Drinking Water Systems which Meet Primary Drinking Water Standards (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	6,200	6,260	100.97%
2 nd Quarter	6,200	6,320	101.94%
3 rd Quarter	6,200	6,372	102.77%
4 th Quarter	6,200		0.00%
Total Performance	6,200	6,372	102.77%

Variance Explanation:

Performance met projections. No variance explanation required.

Output Measure 02:

Number of Drinking Water Samples Collected (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	9,012.75	11,973	33.21%
2 nd Quarter	9,012.75	10,751	29.82%
3 rd Quarter	9,012.75	11,105	30.80%
4 th Quarter	9,012.75		0.00%
Total Performance	36,051	33,829	93.84%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Drinking Water Samples Collected was above projections for the third quarter of FY 2008. The variance in the number of chemical samples collected resulted from normal fluctuations in the seasonality of required sampling at public water systems and from an increase in the number of chemical samples that will be required in FY 2008 due to rule changes. During the fall, less sampling is required. This is offset by increased sampling in the spring and summer. In spring, the required sampling for organic chemicals such as pesticides and herbicides increases. For the summer, required sampling for disinfection by-products increases. In FY 2008, this effect is projected to be more pronounced due to an overall increase in sampling due to adoption of the Stage 2 Disinfection Byproducts Rule (DBP2).

Strategy 02-01-02: Water Utilities Oversight

**Output Measure 01:
Number of Utility Rate Reviews Performed (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	25	29	29.00%
2 nd Quarter	25	26	26.00%
3 rd Quarter	25	18	18.00%
4 th Quarter	25		0.00%
Total Performance	100	73	73.00%

Variance Explanation:
Performance met projections. No variance explanation required.

**Output Measure 02:
Number of District Applications Processed**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	137.5	158	28.73%
2 nd Quarter	137.5	199	36.18%
3 rd Quarter	137.5	223	40.55%
4 th Quarter	137.5		0.00%
Total Performance	550	580	105.45%

Variance Explanation:
ABOVE PROJECTED LEVEL
The Number of District Applications Processed was above projections for the third quarter of FY 2008. This measure reflects the number of major and minor district applications reviewed and includes: applications for district creation, bond issues, and other approvals required under the Texas Water Code. Performance is directly tied to the needs of the regulated community. With the rapid expansion of the housing markets in the state, the needs of water districts have expanded as well. This has resulted in a greater number of applications being filed and processed. This performance is expected to continue as long as economic activity remains high.

Strategy 02-01-02: Water Utilities Oversight

**Output Measure 03:
Number of Certificates of Convenience and Necessity Applications Processed**

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	56.25	65	28.89%
2nd Quarter	56.25	46	20.44%
3rd Quarter	56.25	67	29.78%
4th Quarter	56.25		0.00%
Total Performance	225	178	79.11%

Variance Explanation:
Performance met projections. No variance explanation required.

Strategy 03-01-01: Field Inspections and Complaints

**Output Measure 01:
Number of Inspections and Investigations of Air Sites (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	3,250	2,724	20.95%
2 nd Quarter	3,250	3,080	23.69%
3 rd Quarter	3,250	2,749	21.15%
4 th Quarter	3,250		0.00%
Total Performance	13,000	8,553	65.79%

Variance Explanation:
BELOW PROJECTED LEVEL
 The Number of Inspections and Investigations of Air Sites was below projections for the third quarter of FY2008. This measure reports the number of inspections and investigations completed at regulated air sites. More emission event investigations were performed than anticipated. Emission event investigations are on demand, statutorily required activities and are not captured under this measure. These activities have taken resources away from air investigation commitments. The TCEQ anticipates being below projections for the fourth quarter of FY 2008.

**Output Measure 02:
Number of Inspections and Investigations of Water Rights Sites (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	8,500	8,381	24.65%
2 nd Quarter	8,500	8,938	26.29%
3 rd Quarter	8,500	10,617	31.23%
4 th Quarter	8,500		0.00%
Total Performance	34,000	27,936	82.16%

Variance Explanation:
ABOVE PROJECTED LEVEL
 The Number of Inspections and Investigations of Water Rights Sites was above projections for the third quarter of FY 2008. This measure reports the number of inspections and investigations completed at regulated water rights sites. The peak irrigation season is May through July so more investigations are conducted. Staff needs to verify that pumping corresponds to the declarations of intent for water use as well as request for water. The TCEQ anticipates exceeding performance for the fourth quarter of FY 2008.

Strategy 03-01-01: Field Inspections and Complaints

Output Measure 03:

Number of Inspections and Investigations of Water Sites and Facilities (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	2,125	2,037	23.96%
2 nd Quarter	2,125	2,069	24.34%
3 rd Quarter	2,125	2,274	26.75%
4 th Quarter	2,125		0.00%
Total Performance	8,500	6,380	75.06%

Variance Explanation:

Performance met projections. No variance explanation required.

Output Measure 04:

Number of Inspections and Investigations of Livestock and Poultry Operation Sites (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	175	120	17.14%
2 nd Quarter	175	174	24.86%
3 rd Quarter	175	160	22.86%
4 th Quarter	175		0.00%
Total Performance	700	454	64.86%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Inspections and Investigations of Livestock and Poultry Operations Sites was below projections for the third quarter of FY 2008. This measure reports the regulated entities that are investigated to assure compliance with rules, regulations, and statutes designed to protect human health and the environment. Concentrated Animal Feeding Operations (CAFOs) are not risk-ranking as high as some other water investigations, therefore, resources are being focused on other water investigations that present more risk. Additionally, some of the investigation activities that make up the commitment are on-demand type activities such as CAFO reconnaissance investigations which are conducted during and after significant rain events in the Dairy Outreach Program areas. There have not been many rain events this quarter, thus some of the investigations did not occur. The TCEQ anticipates being below projections during the fourth quarter of FY 2008.

Strategy 03-01-01: Field Inspections and Complaints

**Output Measure 05:
Number of Inspections and Investigations of Waste Sites (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	1,839.50	1,911	25.97%
2 nd Quarter	1,839.50	2,142	29.11%
3 rd Quarter	1,839.50	2,339	31.79%
4 th Quarter	1,839.50		0.00%
Total Performance	7,358	6,392	86.87%

Variance Explanation:
ABOVE PROJECTED LEVEL
 The Number of Inspections and Investigations of Waste Sites is above projections for the third quarter of FY 2008. This measure is the total number of inspections/investigations conducted in all waste programs. In FY 2007, the TCEQ conducted a statewide PST initiative in order to comply with Federal Energy Bill requirements. Approximately 1,900 PST inspections were performed in FY 2007. As a result of the increased number of inspections, there is a corresponding increase in the number of follow up inspections conducted at those same PST facilities to confirm compliance in FY 2008. The TCEQ anticipates being above projections during the fourth quarter of FY 2008.

**Output Measure 06:
Number of Spill Cleanup Inspections**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	100	169	42.25%
2 nd Quarter	100	132	33.00%
3 rd Quarter	100	126	31.50%
4 th Quarter	100		0.00%
Total Performance	400	427	106.75%

Variance Explanation:
ABOVE PROJECTED LEVEL
 The Number of Spill Cleanup Inspections was above projections for the third quarter of FY 2008. This measure is the total number of initial, on-site spill incident inspections/investigations conducted. Spill investigations are an on-demand activity and are based upon the number of spills of regulated materials reported by citizens, industry representatives, and state law enforcement officials. This number can vary widely from quarter to quarter. During the third quarter, more reported spills required investigations.

Strategy 03-01-01: Field Inspections and Complaints

Efficiency Measure 01:

Average Inspection and Investigation Cost of Livestock and Poultry Operations

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	\$770	\$550	71.43%
2 nd Quarter	\$770	\$509	66.10%
3 rd Quarter	\$770	\$557	72.34%
4 th Quarter	\$770		0.00%
Annual Target	\$770	\$537	69.74%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Inspection and Investigation Cost of Livestock and Poultry Operations was below projections for the third quarter of FY 2008. The measure data represents the total funds expended during the reporting period for TCEQ monitoring of livestock and poultry operations, divided by the number of inspections/investigations, and other compliance inspections and complaint investigations for livestock and poultry operations completed during the reporting period. The lower cost is the result of a refined accounting of time spent on investigations. Many costs used to calculate this measure increase on an annual basis, but the more accurate time accounting resulted in a lower cost per inspection. It is desirable to be below projections for this measure. The agency expects to be below projections for the fourth quarter of FY 2008.

Efficiency Measure 02:

Average Time (days) from Air, Water, and Waste Inspections to Report Completion

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	35	29	82.86%
2 nd Quarter	35	28	80.00%
3 rd Quarter	35	28	80.00%
4 th Quarter	35		0.00%
Annual Target	35	28	80.00%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Time (days) from Air, Water, and Waste Inspections to Report Completion was below projections for the third quarter of FY 2008. This measure reports the total number of calendar days between date of investigation and date of completion divided by the total number of completed investigations reported during the reporting period. Field Operations Support Division (FOSD) had an increased number of investigations that do not take as much time to complete. For example, FOSD had an increase in the number of on-site follow up investigation and record reviews associated with the implementation of last year's Energy Bill inspections. The desired performance for this measure is to below projections. The TCEQ anticipates being below projections for the fourth quarter of FY 2008.

Strategy 03-01-02: Enforcement and Compliance Support

**Output Measure 01:
Number of Environmental Laboratories Accredited (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	75	80	26.67%
2nd Quarter	75	10	3.33%
3rd Quarter	75	14	4.67%
4th Quarter	75		0.00%
Total Performance	300	104	34.67%

Variance Explanation:
 BELOW PROJECTED LEVEL
 The Number of Environmental Laboratories Accredited was below projections for the third quarter of FY 2008. This measure reports the number of laboratories accredited under national standards. A total of 132 applications are under review. It is anticipated that 118 of these applications will be approved by the end of the fiscal year which will increase the number of accredited laboratories to 222 by the end of the fiscal year. TCEQ will be below projections for the fourth quarter of FY 2008.

**Output Measure 02:
Number of Small Business and Local Governments Assisted (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	13,500	24,370	45.13%
2nd Quarter	13,500	28,389	52.57%
3rd Quarter	13,500	20,537	38.03%
4th Quarter	13,500		0.00%
Total Performance	54,000	73,296	135.73%

Variance Explanation:
 ABOVE PROJECTED LEVEL
 The Number of Small Businesses and Local Governments Assisted was above projections for the third quarter of FY 2008. This measure provides an indication of the number of notifications provided to the state's small businesses and local governments to keep them informed of regulatory changes that might affect them. Performance for this measure exceeded expectations due to an increase in special compliance alerts which were communicated via mail outs to our regulated customers. Performance is expected to continue to exceed expectations for the remainder of the year.

Strategy 03-01-02: Enforcement and Compliance Support

**Output Measure 03:
Number of Drinking Water Laboratories Certified**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	0	92	9,200%
2 nd Quarter	0	90	9,000%
3 rd Quarter	0	87	8,700%
4 th Quarter	0		0.00%
Total Performance	0	87	8,700%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Drinking Water Laboratories Certified was above projections for the third quarter of FY 2008. This measure reports the number of labs certified to analyze public water supply samples. The number of labs is projected to be zero as laboratories are switching from the Drinking Water Certification Program to the Environmental Laboratory Accreditation Program. The drinking water certification program will end June 30, 2008.

**Efficiency Measure 01:
Average Number of Days to File an Initial Settlement Offer**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	70	59	84.29%
2 nd Quarter	70	61	87.14%
3 rd Quarter	70	56	80.00%
4 th Quarter	70		0.00%
Annual Target	70	56	80.00%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Number of Days to File an Initial Settlement Offer was below projections for the third quarter of FY 2008. This measure represents the average number of days from the date the case was assigned, to the mailing date of the initial document that explains the violations and calculated penalty included in the enforcement action. The average number of days was lower than projected because the agency has revised enforcement processing procedures to process all new cases within a 60 day or less average time frame. For this type of measure, performance below the target level reflects positively on agency efforts to expedite cases. The agency anticipates being below projections for the remainder of FY 2008.

Strategy 03-01-03: Pollution Prevention and Recycling

Output Measure 01:

Number of On-Site Technical Assistance Visits, Audits, Presentations and Workshops on Pollution Prevention/Waste Minimization and Environmental Management Systems Conducted

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	62.5	89	35.60%
2nd Quarter	62.5	40	14.40%
3rd Quarter	62.5	49	19.60%
4th Quarter	62.5		0.00%
Total Performance	250	178	71.20%

Variance Explanation:

Performance met projections. No variance explanation required.

Output Measure 02:

Number of Entities Participating in Performance-Based Regulatory Programs

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	370	148	40.00%
2nd Quarter	370	171	46.22%
3rd Quarter	370	188	50.81%
4th Quarter	370		0.00%
Total Performance	370	188	50.81%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Entities Participating in Performance-Based Regulatory Programs was below projections for the third quarter of FY 2008. This measure reflects the number of entities participating in voluntary programs. Drastic changes to the Clean Texas program mid year in FY 2007 elevated requirements for participants. Members are now expected to continually enhance their pollution prevention efforts and members unwilling to actively participate are no longer included. This change in strategy makes the projected performance value difficult to achieve. Increased marketing and public outreach will continue in an effort to increase participation in these programs.

Strategy 03-01-03: Pollution Prevention and Recycling

Output Measure 03:

Number of Quarts of Used Oil Diverted from Landfills and Processed (in millions)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	8.25	0.18	0.55%
2nd Quarter	8.25	0.0	0.0%
3rd Quarter	8.25	41.9	127.0%
4th Quarter	8.25		0.0%
Total Performance	33	42.08	127.55%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Quarts of Used Oil Diverted from Landfills and Processed (in millions) was above projections for the third quarter of FY 2008. This measure reports the amount of used oil diverted from landfills and processed via registered collection centers. Annual reports regarding this activity are due January 25th. As a result the bulk of this year's information collected, reviewed and processed by the third quarter. No significant increase is expected in the fourth quarter. Performance is above the yearly projection because collection centers reported diverting a greater amount of used oil.

Efficiency Measure 01:

Average Cost Per On-Site Technical Assistance Visit

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	\$600	\$276.00	46.00%
2nd Quarter	\$600	\$259.39	43.23%
3rd Quarter	\$600	\$382.33	63.72%
4th Quarter	\$600		0.00%
Annual Target	\$600	\$338.30	56.38%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Cost Per On-Site Technical Assistance Visit was below projections for the third quarter of FY 2008. This measure reports the average cost of each technical site assistance visit performed by Pollution Prevention Staff. The reported cost now tracks the actual time spent onsite instead of using an average that is no longer correct. Additionally, due to the local nature of these visits, few travel costs were incurred. Future performance is expected to remain below \$600.00.

Strategy 04-01-01: Storage Tank Administration and Cleanup

**Output Measure 01:
Number of Petroleum Storage Tank Self-Certifications Processed**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	4,500	2,392	13.29%
2 nd Quarter	4,500	3,942	21.90%
3 rd Quarter	4,500	5,512	30.62%
4 th Quarter	4,500		0.00%
Total Performance	18,000	11,846	65.81%

Variance Explanation:
BELOW PROJECTED LEVEL
 The Number of Petroleum Storage Tank Self-Certifications Processed was below projections for the third quarter of FY 2008. Self-Certification is an annual requirement of owners or operators to certify that required facilities are in compliance with certain technical and administrative requirements. The numbers of Self-Certifications processed through the third quarter are below the projected numbers. A new requirement to file proof of financial assurance with the annual Self-Certification has resulted in many submittals being returned with a delay in processing forms. We anticipate that projected future performance for the fourth quarter should be consistent with past fiscal years.

**Output Measure 02:
Number of Emergency Response Actions at Petroleum Storage Tank Sites**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	4	7	43.75%
2 nd Quarter	4	3	18.75%
3 rd Quarter	4	4	25.00%
4 th Quarter	4		0.00%
Total Performance	16	14	87.50%

Variance Explanation:
ABOVE PROJECTED LEVEL
 The Number of Emergency Response Actions at Petroleum Storage Tank Sites was above projections for the third quarter of FY 2008. This measure reports the number of sites to which a state lead contractor is dispatched to address an immediate threat to human health or safety. This is an on-demand activity and fluctuations in performance are likely to occur.

Strategy 04-01-01: Storage Tank Administration and Cleanup

Output Measure 03:

Number of Petroleum Storage Tank Reimbursement Fund Applications Processed (Key)

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	875	785	22.43%
2 nd Quarter	875	665	19.00%
3 rd Quarter	875	646	18.46%
4 th Quarter	875		0.00%
Total Performance	3,500	2,096	59.89%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Petroleum Storage Tank Reimbursement Fund Applications Processed was below projections for the third quarter FY 2008. This measure reflects program performance in processing reimbursement applications for petroleum storage tank cleanups. Program performance is dependent upon the number of claims received. The reduced number of applications received and processed is a direct result of the increased reduction of sites undergoing remediation. At the close of FY 2007, 87% of the known LPST sites have been closed. With the fewer number of sites remaining open, and the larger number of sites requiring annual groundwater monitoring, the corresponding number of reimbursement applications submitted has also substantially decreased.

Output Measure 04:

Number of Petroleum Storage Tank Cleanups Completed

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	100	115	28.75%
2 nd Quarter	100	101	25.25%
3 rd Quarter	100	128	32.00%
4 th Quarter	100		0.00%
Total Performance	400	344	86.00%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Petroleum Storage Tank Cleanups Completed was above the projection for the third quarter. Most cleanups are finalized after responsible parties are complete all field work and formally request closure review. The TCEQ has limited control over the number of requests for closure that are submitted within a given period of time. Performance is expected to remain near the quarterly projection in future reporting periods.

Strategy 04-01-01: Storage Tank Administration and Cleanup

Efficiency Measure 01:

Average Time (days) to Review and Respond to Remedial Action Plans

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	30	24.3	81.00%
2 nd Quarter	30	26.5	88.33%
3 rd Quarter	30	25.8	86.00%
4 th Quarter	30		0.00%
Annual Target	30	25.7	85.67%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Time (days) to Review and Respond to Remedial Action Plans was below projections for the third quarter of FY 2008. The TCEQ has implemented procedures for reviewing remedial action plans to ensure average review times meet the legislatively mandated time frame of 30 days. Performance is expected to remain at or below the target for future reporting periods.

Efficiency Measure 02:

Average Time (days) to Review and Respond to Risk-Based Site Assessments

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	30	24	80.00%
2 nd Quarter	30	24	80.00%
3 rd Quarter	30	24	80.00%
4 th Quarter	30		0.00%
Annual Target	30	24	80.00%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Time (days) to Review and Respond to Risk-Based Site Assessments was below projections for the third quarter of FY 2008. This measure reports the average number of days for the agency to review and respond to risk-based site assessments over the reporting period. The TCEQ has implemented procedures for reviewing risk-based site assessments to ensure average review times remain below the legislatively mandated time frame of 30 days. Projections for this measure are expected to remain at this level for future reporting periods.

Strategy 04-01-01: Storage Tank Administration and Cleanup

Efficiency Measure 03:

Average Time (days) to Process Petroleum Storage Tank Remediation Fund Reimbursement Claims

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	90	46	51.11%
2nd Quarter	90	41	45.56%
3rd Quarter	90	33	36.67%
4th Quarter	90		0.00%
Annual Target	90	40	44.44%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Time (Days) to Process Petroleum Storage Tank (PST) Remediation Fund Reimbursement Claims was below projections for the third quarter of FY 2008. This measure reflects how efficiently the agency processes claims for reimbursements from the PST remediation fund. The program is required by rule to process new claims from the date of receipt to date that a payment is mailed out to be no more than 90 days. Due to efficiencies in processing new claims, the program has consistently operated within established timelines.

Strategy 04-01-02: Hazardous Materials Cleanup

Output Measure 01:

Number of Immediate Response Actions Completed to Protect Human Health and the Environment

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	1.25	1	20.00%
2nd Quarter	1.25	1	20.00%
3rd Quarter	1.25	2	40.00%
4th Quarter	1.25		0.00%
Total Performance	5	4	80.00%

<p><u>Variance Explanation:</u> Performance met projections. No variance explanation required.</p>
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Output Measure 02:

Number of Superfund Site Assessments

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	18	18	25.00%
2nd Quarter	18	18	25.00%
3rd Quarter	18	21	29.17%
4th Quarter	18		0.00%
Total Performance	72	57	79.17%

<p><u>Variance Explanation:</u> Performance met projections. No variance explanation required.</p>
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Strategy 04-01-02: Hazardous Materials Cleanup

**Output Measure 03:
Number of Voluntary and Brownfield Cleanups Completed (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	20	23	28.75%
2nd Quarter	20	35	43.75%
3rd Quarter	20	31	38.75%
4th Quarter	20		0.00%
Total Performance	80	89	111.25%

Variance Explanation:
ABOVE PROJECTED LEVEL
 The Number of Voluntary Brownfield Cleanups Completed was above projections for third quarter of FY 2008. This measure reports the number of voluntary and brownfield cleanups completed. High performance can be attributed to applicants submitting technical documents in a timely manner. The program performance has exceeded the FY 2008 performance goal.

**Output Measure 04:
Number of Superfund sites in Texas Undergoing Evaluation and Cleanup (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	67	47	70.15%
2nd Quarter	67	52	77.61%
3rd Quarter	67	49	73.13%
4th Quarter	67		0.00%
Total Performance	67	49	73.13%

Variance Explanation:
BELOW PROJECTED LEVEL
 The Number of Superfund Sites Undergoing Evaluation and Cleanup was below projections for the third quarter of FY 2008. This measure reports the combined number of state and federal Superfund sites that are undergoing the evaluation and/or cleanup. Due to EPA funding limitations, seven (7) federal sites are pending issuance of work orders to perform the evaluation process. Whether funding will become available for the EPA during the state fiscal year cannot be determined at this time. The program remains optimistic that the projection will be met by the end of the fiscal year.

Strategy 04-01-02: Hazardous Materials Cleanup

**Output Measure 05:
Number of Superfund Cleanups Completed (Key)**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	1	1	25.00%
2 nd Quarter	1	0	0.00%
3 rd Quarter	1	1	25.00%
4 th Quarter	1		0.00%
Total Performance	4	2	50.00%

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Superfund Cleanups Completed was below projections for the third quarter of FY 2008. This measure reports the number of Superfund sites that have been cleaned up and no longer pose a threat to human health and the environment. One site during this period, Hicks Field Sewer Corporation, met the qualifications for cleanups complete. It is not anticipated that cleanups will be completed uniformly for each reporting quarter. The program expects to meet its FY 2008 performance targeted by fiscal year end.

**Output Measure 06:
Number of Corrective Action Documents Approved for Industrial Solid and Municipal Hazardous Waste Sites**

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	137.5	209	38.00%
2 nd Quarter	137.5	155	28.18%
3 rd Quarter	137.5	274	49.82%
4 th Quarter	137.5		0.00%
Total Performance	550	638	116.00%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Corrective Action Documents Approved for Industrial Solid and Municipal Hazardous Waste Sites was above projections for the third quarter of FY 2008. This measure reports the number of corrective action document approvals demonstrating progress towards final cleanup of sites contaminated by industrial solid or municipal hazardous waste. The number of documents reviewed in the first and third quarters is generally higher because most of the semiannual remediation progress reports are received during the second and fourth quarters.

Strategy 04-01-02: Hazardous Materials Cleanup

Output Measure 07:

Number of Dry Cleaner Remediation Program Applications Received (Key)

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	7.5	5	16.67%
2nd Quarter	7.5	11	36.67%
3rd Quarter	7.5	9	30.00%
4th Quarter	7.5		0.00%
Total Performance	30	25	83.33%

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Dry Cleaner Remediation Program applications was above projections for third quarter of FY 2008. This measure reports the number of Dry Cleaner Remediation Application received during the quarter. The TCEQ has limited control over the number of applications received.

Efficiency Measure 01:

Average time (days) to Process Dry Cleaner Remediation Program Applications

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	90	41.7	46.33%
2nd Quarter	90	49	54.44%
3rd Quarter	90	47	52.22%
4th Quarter	90		0.00%
Annual Target	90	46	51.11%

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Time (days) to Process Dry Cleaner Remediation Program Applications was below projections for the third quarter of FY 2008. This measure reports the average number of days required by agency staff to process the dry cleaner remediation program applications. The program area has implemented procedures for screening and reviewing the applications to ensure the average processing time is less than the legislatively mandated time frame of 90 days.

Goal 05-01: Texas River Compacts

Pursuant to Rider 38 for the Texas Commission on Environmental Quality as specified in the General Appropriations Act of the 79th Legislature, the five River Compact Commissions have been incorporated into the budget structure of the TCEQ. Because the River Compact Commissions hold their official meetings in the third and fourth quarters of each fiscal year, there is no performance measure data available until the fourth quarter. Reporting for all performance measures for the River Compacts will be included in the fourth quarter performance measure report.

Historically Underutilized Business Program

Output Measure 01:

Percentage of Professional Services Going to Historically Underutilized Businesses

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	18.1%	34.87%	192.65%
2nd Quarter	18.1%	8.24%	45.52%
3rd Quarter	18.1%	19.48%	107.62%
4th Quarter	18.1%		0.00%
Total Performance	18.1%	23.1%	127.62%

Variance Explanation:

ABOVE PROJECTED LEVEL

The Percent of Professional Services Going to Historically Underutilized Businesses (HUBs) was above projections for the third quarter of FY 2008. The agency has ensured that prime contractors fully comply with their HUB subcontracting goals.

Output Measure 02:

Percentage of Other Services Awarded to Historically Underutilized Businesses

	Projected	Actual	Percent of Annual Projection Attained
1st Quarter	33%	25.10%	76.06%
2nd Quarter	33%	31.61%	95.79%
3rd Quarter	33%	40.04%	121.33%
4th Quarter	33%		0.00%
Total Performance	33%	30.9%	93.64%

Variance Explanation:

BELOW PROJECTED LEVEL

The Percentage of Other Services Awarded to Historically Underutilized Businesses (HUBs) was below projections for the third quarter of FY 2008. The agency has taken the following actions to increase HUB performance: 1) continue to audit contracts on a monthly basis to ensure HUB subcontracting performance and communicate this information to the project managers; 2) proprietary purchases will be monitored to ensure compliance with purchasing rules, 3) insurance requirements will continue to be reviewed to determine whether these requirements restrict small business participation; and 4) continue to provide ongoing training with project managers to enhance knowledge of their HUB reporting requirements and ensure compliance with the subcontracting plan requirements.

Historically Underutilized Business Program

Output Measure 03:

Percentage of Commodity Purchasing Awarded to Historically Underutilized Businesses

	Projected	Actual	Percent of Annual Projection Attained
1 st Quarter	12.6%	37.30%	296.03%
2 nd Quarter	12.6%	26.35%	209.13%
3 rd Quarter	12.6%	38.45%	305.16%
4 th Quarter	12.6%		0.00%
Total Performance	12.6%	35.6%	282.54%

Variance Explanation:

ABOVE PROJECTED LEVEL.

The Percentage of Commodity Purchasing Awarded to Historically Underutilized Businesses (HUBs) was above projections for the third quarter of FY 2008. The TCEQ has successfully focused efforts on identifying HUB vendors in this area. Additionally, there is a large number of certified HUB vendors within the category.