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July 2010
SFR-055/10-03

Third Quarter Report on Performance Measures

Fiscal Year 2010

Third Quarter Report on Performance Measures Fiscal Year 2010

Prepared by
Chief Financial Officer Division

SFR-055/10-03
July 2010



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Strategic Planning Structure

Fiscal Year 2010

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 52 percent by the 2011 Toxic Release Inventory (TRI) reporting year from the 1992 reporting year levels 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 recovery of source material and 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 to promote 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: Through fiscal year 2011, 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 2011, 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 91% 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

Ensure the delivery of Texas' equitable share of water.

Objective 01: 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: Air Quality Assessment and Planning

Output Measure 01:

Number of Point Source Air Quality Assessments (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 575 | 603 | 26.22% |
| 2nd Quarter | 575 | 26 | 1.13% |
| 3rd Quarter | 575 | 731 | 31.78% |
| 4th Quarter | 575 | 0 | 0.00% |
| Total Performance | 2,300 | 1,360 | 59.13% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Point Source Air Quality Assessments was below projections at the end of the third quarter for FY 2010. 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. Point source emissions inventories for the current reporting year were received during the third quarter, and staff began entry of the required assessments and inventories. The majority of point source air quality assessments will be performed during the third and fourth quarters of FY 2010 and the first quarter of FY 2011. Fourth quarter and end of year FY 2010 performance is expected to meet projections.

Output Measure 02:

Number of Area Source Air Quality Assessments (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 625 | 680 | 27.20% |
| 2nd Quarter | 625 | 627 | 25.08% |
| 3rd Quarter | 625 | 674 | 26.96% |
| 4th Quarter | 625 | 0 | 0.00% |
| Total Performance | 2,500 | 1,981 | 79.24% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Strategy 01-01-01: Air Quality Assessment and Planning

Output Measure 03:

Number of Mobile Source On-Road Air Quality Assessments (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 375.00 | 168 | 11.20% |
| 2nd Quarter | 375.00 | 156 | 10.40% |
| 3rd Quarter | 375.00 | 1,767 | 117.80% |
| 4th Quarter | 375.00 | 0 | 0.00% |
| Total Performance | 1,500 | 2,091 | 139.40% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Mobile Source On-Road Air Quality Assessments was above projections for the third quarter of FY 2010. This measure depicts the number of on-road mobile source/transportation related scenarios evaluated by the Air Quality Division. During the third quarter, the on-road mobile source staff performed work tasks that relate to the possible designation of new ozone nonattainment counties under proposed revisions to the eight hour ozone standard. Tasks included analyses of various factors that affect air quality planning and required analyzing a number of scenarios in order to provide planning information for the possible new nonattainment areas. These additional tasks were not anticipated. Staff performed analyses of reformulated gasoline per legislative request, California Level II standards, accelerated vehicle retirement, and telecommuting during the third quarter. Analyses for the new nonattainment areas may continue during the next quarter, and the cumulative annual performance for this measure may exceed the projected level.

Output Measure 04:

Number of Non-Road Mobile Source Air Quality Assessments

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 516.50 | 1,108 | 53.63% |
| 2nd Quarter | 516.50 | 770 | 37.27% |
| 3rd Quarter | 516.50 | 183 | 8.86% |
| 4th Quarter | 516.50 | 0 | 0.00% |
| Total Performance | 2,066 | 2,061 | 99.76% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Non-Road Mobile Source Air Quality Assessments was above projections as of the third quarter of FY 2010. This measure reflects the number of non-road mobile source emissions inventories developed at the county level for State Implementation Plan (SIP) development and other analyses. Performance is well above the projected level due to additional emissions inventories developed during the first quarter for the upcoming Dallas Fort Worth Rate of Further Progress SIP and the Houston Galveston Brazoria Attainment Demonstration SIP. A relatively low number of assessments are anticipated for the fourth quarter. The quarterly variance is typical of this measure, and annual performance is expected to meet the projected target.

**Output Measure 05:
Number of Air Monitors Operated**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 630 | 604 | 95.87% |
| 2nd Quarter | 630 | 600 | 95.24% |
| 3rd Quarter | 630 | 607 | 96.35% |
| 4th Quarter | 630 | 0 | 0.00% |
| Total Performance | 630 | 607 | 96.35% |

| |
|--|
| <p><u>Variance Explanation:</u> MEETS PROJECTIONS Performance met projections. No variance explanation required.</p> |
|--|

**Output Measure 06:
Tons of NOx Reduced through the Texas Emissions Reduction Plan (TERP) (Key)**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 3,700.75 | 4,775 | 32.26% |
| 2nd Quarter | 3,700.75 | 904 | 6.11% |
| 3rd Quarter | 3,700.75 | 974 | 6.58% |
| 4th Quarter | 3,700.75 | 0 | 0.00% |
| Total Performance | 14,803 | 6,653 | 44.95% |

| |
|---|
| <p><u>Variance Explanation:</u> BELOW PROJECTED LEVEL The Tons of NOx Reduced through the Texas Emissions Reduction Plan (TERP) was below projections for the third quarter of FY 2010. This measure shows the amount of NOx emissions projected to be reduced through TERP incentive grants. Grant application periods do not conform to a quarterly schedule and the amount of funding awarded each quarter and the resulting NOx reductions do not always coincide with quarterly projections. For FY 2010, the agency was appropriated \$111 million for these grants and received a federal American Recovery and Rehabilitation Act (ARRA) grant totaling an additional \$13 million. Grants awarded in the first three quarters of FY 2010 totaled \$58 million, which is approximately 52 percent of the budgeted grant funds. The TERP Incentive Grants Program will be opened for additional applications in the near future. However, the majority of additional grant awards will not be made until the first quarter of FY 2011, so the total performance target for FY 2010 will not be met. Unobligated FY 2010 funds will be carried forward to FY 2011, which will result in a higher than projected performance in FY 2011.</p> |
|---|

Strategy 01-01-01: Air Quality Assessment and Planning

Output Measure 07:

Number of Vehicles Repaired and/or Replaced through LIRAP Assistance (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 4,250 | 6,131 | 36.06% |
| 2nd Quarter | 4,250 | 4,133 | 24.31% |
| 3rd Quarter | 4,250 | 4,887 | 28.75% |
| 4th Quarter | 4,250 | 0 | 0.00% |
| Total Performance | 17,000 | 15,151 | 89.12% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Vehicles Repaired or Replaced through LIRAP is above projections at the end of the third quarter for FY 2010. This measure determines the number of vehicle repairs and replacements that have taken place in the five county Houston/Galveston/Brazoria HGB) area, nine county Dallas Fort Worth (DFW) area, and two county Austin area. In the third quarter of FY 2010, the DFW area repaired and retired 2,419 vehicles. The HGB area repaired and retired 2,172 vehicles. The Austin area repaired and retired 296 vehicles. Slight increases in repairs and replacement in the third quarter of FY 2010 are due to seasonal buying trends in the early spring and program areas increasing outreach activities. Program performance is expected to remain stable for the fourth quarter of FY 2010 and the cumulative annual performance projection is expected to be met.

Output Measure 08:

Number of New Technology Grants Approved to Fund Technologies to be Submitted for Verification or Certification by the EPA or CARB

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 2 | 0 | 0.00% |
| 2nd Quarter | 2 | 0 | 0.00% |
| 3rd Quarter | 2 | 0 | 0.00% |
| 4th Quarter | 2 | 0 | 0.00% |
| Total Performance | 8 | 0 | 0.00% |

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of New Technology Grants Approved to Fund Technologies to be Submitted for Verification or Certification by the EPA or CARB was below projections for the third quarter of FY 2010. The implementation of the NTRD program was transferred by HB 1796, 81st Legislature, Regular Session, back to the TCEQ after being managed by the Texas Environmental Research Consortium (TERC) for the last four years. The TCEQ opened and closed a grant solicitation during the third quarter of FY 2010 with grant awards to be made during the fourth quarter of FY 2010. Performance at or above projected levels is anticipated by the end of the fiscal year.

Strategy 01-01-01: Air Quality Assessment and Planning

Efficiency Measure 01:

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 94% | 95% | 101.06% |
| 2nd Quarter | 94% | 94% | 100.00% |
| 3rd Quarter | 94% | 94% | 100.00% |
| 4th Quarter | 94% | 0% | 0.00% |
| Total Performance | 94% | 94% | 100.00% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Efficiency Measure 02:

Average Cost Per Air Quality Assessment

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | \$ 286 | \$ 208 | 72.73% |
| 2nd Quarter | \$ 286 | \$ 365 | 127.62% |
| 3rd Quarter | \$ 286 | \$ 178 | 62.24% |
| 4th Quarter | \$ 286 | \$ 0 | 0.00% |
| Total Performance | \$ 286 | \$ 250 | 87.53% |

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Cost Per Air Quality Assessment was below projections as of the end of the third quarter for FY 2010. This measure accounts for the funds expended on salaries and other operating expenses related to staff work on air quality assessments. The number of air quality assessments completed year to date is higher than projected resulting in a lower cost per assessment for the year.

Strategy 01-01-01: Air Quality Assessment and Planning

Efficiency Measure 03:

Average Cost of LIRAP Vehicle Emissions Repairs/Retrofits (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | \$ 525 | \$ 511.48 | 97.42% |
| 2nd Quarter | \$ 525 | \$ 529.90 | 100.93% |
| 3rd Quarter | \$ 525 | \$ 526.29 | 100.25% |
| 4th Quarter | \$ 525 | \$ 0 | 0.00% |
| Total Performance | \$ 525 | \$ 522.73 | 99.57% |

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

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 | \$ 7,500 | \$ 9,089 | 121.19% |
| 2nd Quarter | \$ 7,500 | \$ 9,435 | 125.80% |
| 3rd Quarter | \$ 7,500 | \$ 9,611 | 128.15% |
| 4th Quarter | \$ 7,500 | \$ 0 | 0.00% |
| Total Performance | \$ 7,500 | \$ 9,144 | 121.92% |

Variance Explanation:
 ABOVE PROJECTED LEVEL
 Performance for The Average Cost Per Ton of NOx Reduced through the Texas Emissions Reduction Plan (TERP) exceeded projections for the third quarter of FY 2010. This measure shows the average cost per ton of NOx reduced through projects funded by the TERP grant programs. The majority of grant awards in FY 2010 will be under the TERP Rebate Grants Program. TERP Rebate Grants are not competitive grants and usually have a higher average cost per ton than the other TERP grants. Mandated budget reductions for FY 2010 have decreased funding available for TERP grant programs, some of which are awarded on a competitive basis and typically have a lower average cost per ton of NOx reduction. The agency expects that the average cost per ton will be higher than projections for the remainder of the fiscal year.

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 |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 17.50 | 2 | 2.86% |
| 2nd Quarter | 17.50 | 2 | 2.86% |
| 3rd Quarter | 17.50 | 14 | 20.00% |
| 4th Quarter | 17.50 | 0 | 0.00% |
| Total Performance | 70 | 18 | 25.71% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Surface Water Assessments was below projections for the third quarter of FY 2010. This measure quantifies the surface water assessment activities of the agency. Assessment of water quality is essential to the identification of impaired water bodies, development of water quality standards, development of effluent standards for discharges, and development of watershed restoration and implementation strategies. In general, water quality assessment activities are scheduled for completion later in the fiscal year after they have been planned and coordinated and/or field sampling has been completed. Total Maximum Daily Load (TMDL) projects have required more coordination with other state agencies and stakeholder groups than anticipated. This has led to delays in completion of some TMDL projects. The agency anticipates that performance will be below projections for FY 2010.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 15 | 6 | 10.00% |
| 2nd Quarter | 15 | 11 | 18.33% |
| 3rd Quarter | 15 | 10 | 16.67% |
| 4th Quarter | 15 | 0 | 0.00% |
| Total Performance | 60 | 27 | 45.00% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Groundwater Assessments was below projections for the third quarter of FY 2010. This measure quantifies groundwater assessment activities of the agency. This level of performance is the norm through the third quarter. Many of the assessments are long term projects and include regional studies requiring four months or longer of preparation or ongoing tasks where data or the number of coordination activities are compiled at the end of the year. Most of the assessments are expected to be completed in the fourth quarter and it is projected that the total number of groundwater assessments will be met.

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

**Output Measure 03:
Number of Dam Safety Assessments (Key)**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 182.5 | 159 | 21.78% |
| 2nd Quarter | 182.5 | 183 | 25.07% |
| 3rd Quarter | 182.5 | 343 | 46.99% |
| 4th Quarter | 182.5 | 0 | 0.00% |
| Total Performance | 730 | 685 | 93.84% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Dam Safety Assessments was above projections as of the third quarter of FY 2010. This measure quantifies the number of dam safety assessments conducted by agency staff and third party contractors to ensure the safety of dams in the state. During the third quarter, the Dam Safety Program conducted a large number of reviews of emergency action plans due to new rule requirements and had a large number of contractor reports completed.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | \$ 1,200 | \$ 2,492 | 207.69% |
| 2nd Quarter | \$ 1,200 | \$ 2,382 | 198.54% |
| 3rd Quarter | \$ 1,200 | \$ 1,354 | 112.83% |
| 4th Quarter | \$ 1,200 | \$ 0 | 0.00% |
| Total Performance | \$ 1,200 | \$ 1,893 | 157.75% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Average Cost Per Dam Safety Assessment was above projections for the third quarter of FY 2010. This measure reports the average cost for each dam safety assessment performed by TCEQ staff. New staff continued to be added to the program during FY 2010. The increased salary expenditures, combined with the time needed for staff to be trained and become proficient has resulted in a higher cost per assessment. It is likely that the average cost for the year will exceed the target average due to these factors.

Strategy 01-01-03: Waste Assessment and Planning

Output Measure 01:

Number of Municipal Solid Waste Facility Capacity Assessments (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 62.50 | 0 | 0.00% |
| 2nd Quarter | 62.50 | 0 | 0.00% |
| 3rd Quarter | 62.50 | 212 | 84.80% |
| 4th Quarter | 62.50 | 0 | 0.00% |
| Total Performance | 250 | 212 | 84.80% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Municipal Solid Waste (MSW) Facility Capacity Assessments is above projections for the third quarter of FY 2010. This measure quantifies the number of MSW Annual Reports reviewed by staff. All reports received have been entered, and review of the reports is near completion. However, only 217 reports have been received (212 have been reviewed), and the agency does not expect to receive the 250 reports projected as a target. Performance is expected to be below the projected target for the year.

Efficiency Measure 01:

Average Number of Hours Spent Per Municipal Solid Waste Facility Capacity Assessment

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 2.3 | 0 | 0.00% |
| 2nd Quarter | 2.3 | 0.4 | 17.39% |
| 3rd Quarter | 2.3 | 0.6 | 26.09% |
| 4th Quarter | 2.3 | 0 | 0.00% |
| Total Performance | 2.3 | 0.6 | 26.09% |

Variance Explanation:

BELOW PROJECTED LEVEL

The Average Number of Hours Spent Per Municipal Solid Waste Facility Capacity Assessment is below projections for the third quarter of FY 2010. This measure quantifies the time spent reviewing Annual Reports. The responsibility for reviewing and processing the Facility Capacity Assessment reports was assigned to new staff which developed a new system to streamline the process. Reviews of Facility Capacity Assessment were near completion in the third quarter. Performance is expected to be below the projected level for the year. The desired performance for this measure is to be below the projected target.

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 |
|--------------------------|--------------|--------------|---------------------------------------|
| 1st Quarter | 1,400 | 1,053 | 18.80% |
| 2nd Quarter | 1,400 | 964 | 17.21% |
| 3rd Quarter | 1,400 | 1,183 | 21.13% |
| 4th Quarter | 1,400 | 0 | 0.00% |
| Total Performance | 5,600 | 3,200 | 57.14% |

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 of FY 2010. 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 majority of New Source Review applications require complex analysis and more time to perform necessary technical reviews than in the past to ensure no adverse impacts to public health and/or the environment and related permitting and compliance issues. A decrease in economic activity has also caused applicants to submit 12% fewer applications in the third quarter of FY 2010 compared to previous years. The economic environment and uncertainty of Environmental Protection Agency (EPA) decisions regarding air permitting activities may continue to influence performance for this measure for the remainder of FY 2010.

Output Measure 02:

Number of Federal Air Quality Operating Permits Reviewed (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------|------------|---------------------------------------|
| 1st Quarter | 200 | 258 | 32.25% |
| 2nd Quarter | 200 | 212 | 26.50% |
| 3rd Quarter | 200 | 162 | 20.25% |
| 4th Quarter | 200 | 0 | 0.00% |
| Total Performance | 800 | 632 | 79.00% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

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 | 224 | 22.40% |
| 2nd Quarter | 250 | 320 | 32.00% |
| 3rd Quarter | 250 | 490 | 49.00% |
| 4th Quarter | 250 | 0 | 0.00% |
| Total Performance | 1,000 | 1,034 | 103.40% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Emissions Banking and Trading Transaction (EBT) Applications Reviewed is above projections at the end of the third quarter for FY 2010. This measure quantifies the workload of the Air Quality Division staff assigned to review EBT applications. Performance is above projections due to increased market activity resulting from increased rule applicability, program awareness, and the costs of alternatives. It is projected that performance for this measure will remain above projected levels for the fourth quarter and the cumulative annual performance for this measure will be above projected levels.

Strategy 01-02-02: Water Resource Permitting

Output Measure 01:

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 4,746.00 | 1,796 | 9.46% |
| 2nd Quarter | 4,746.00 | 2,087 | 10.99% |
| 3rd Quarter | 4,746.00 | 2,309 | 12.16% |
| 4th Quarter | 4,746.00 | 0 | 0.00% |
| Total Performance | 18,984 | 6,192 | 32.62% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for The Number of Applications to Address Water Quality Impacts Reviewed was below projections for the third quarter of FY2010. This measure reflects agency workload with regard to the review of water quality permit applications. The number of notice of intents (NOIs) for authorization under TCEQ's storm water construction general permit is below historically experienced levels. TCEQ believes this is a reflection of the current state of the economy where new construction projects are being initiated at lower frequencies. TCEQ expects this trend to continue and be below projected levels throughout the fiscal year.

Output Measure 02:

Number of Applications to Address Water Rights Impacts Reviewed

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 148.75 | 133 | 22.35% |
| 2nd Quarter | 148.75 | 189 | 31.76% |
| 3rd Quarter | 148.75 | 248 | 41.68% |
| 4th Quarter | 148.75 | 0 | 0.00% |
| Total Performance | 595 | 570 | 95.80% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Applications to Address Water Rights Impacts Reviewed was above projections as of the third quarter of FY 2010. This measure reflects agency workload with regard to the review of water rights permit applications. During the third quarter, the number of temporary water rights applications reviewed increased due to oil and gas related activities in the Dallas-Fort Worth and Tyler regions. Temporary water rights allow surface water to be used for hydraulic fracturing. In addition, a backlog of application reviews was entered into the CCEDS database during the third quarter.

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 | 223.3 | 377 | 42.22% |
| 2nd Quarter | 223.3 | 188 | 21.05% |
| 3rd Quarter | 223.3 | 14 | 1.57% |
| 4th Quarter | 223.3 | 0 | 0.00% |
| Total Performance | 893 | 579 | 64.84% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Concentrated Animal Feeding Operation (CAFO) Authorizations Reviewed was below projections at the end of the third quarter of FY 2010. This measure counts the number of CAFO individual permits filed with the Chief Clerk's Office and General Permit (GP) Notice of Intent (NOI) acknowledged for new and existing facilities. The TCEQ believes the current economic climate has impacted the CAFO industry, and fewer new CAFOs are seeking authorization. Existing CAFOs are seeking fewer authorizations for expansion or changes in ownership as well. This trend is expected to continue to impact the number of authorizations received, and the agency anticipates that performance will be below projected targets for the remainder of FY 2010.

Strategy 01-02-03: Waste Management and Permitting

**Output Measure 01:
Number of New System Waste Evaluations Conducted**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 142.50 | 135 | 23.68% |
| 2nd Quarter | 142.50 | 145 | 25.44% |
| 3rd Quarter | 142.50 | 153 | 26.84% |
| 4th Quarter | 142.50 | 0 | 0.00% |
| Total Performance | 570 | 433 | 75.96% |

Variance Explanation:
MEETS PROJECTIONS
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 |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 59 | 82 | 34.75% |
| 2nd Quarter | 59 | 52 | 22.03% |
| 3rd Quarter | 59 | 89 | 37.71% |
| 4th Quarter | 59 | 0 | 0.00% |
| Total Performance | 236 | 223 | 94.49% |

Variance Explanation:
ABOVE PROJECTED LEVEL
The Number of Non-Hazardous Waste Permit Applications Reviewed exceeded projections through the third quarter of FY 2010. This measure quantifies the number of municipal solid waste permit and registration applications reviewed by TCEQ staff. Increased performance is attributed to the completion of a backlog of groundwater monitoring well spacing permit modifications received in FY 2009, as well as the completion of permit modifications received as a result of the final call-in of Site Operating Plan modifications for Arid Exempt facilities. This measure is expected to exceed performance for the year.

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 |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 40 | 49 | 30.62% |
| 2nd Quarter | 40 | 39 | 24.38% |
| 3rd Quarter | 40 | 43 | 26.88% |
| 4th Quarter | 40 | 0 | 0.00% |
| Total Performance | 160 | 131 | 81.88% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Hazardous Waste Permit Applications Reviewed was above projections for the third quarter of FY 2010. This measure quantifies the number of hazardous waste and underground injection control permits and registration applications reviewed. Increased performance is attributed to the large number of minor permit modifications received and processed. These modifications reflect requests for authorization made by the regulated community in response to changing business needs (updating contingency plans, addresses, contact information, etc.). These requests are difficult to anticipate and project. This measure is expected to meet or exceed performance for the year.

Strategy 01-02-04: Occupational Licensing

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 5,875 | 5,458 | 23.23% |
| 2nd Quarter | 5,875 | 4,966 | 21.13% |
| 3rd Quarter | 5,875 | 5,572 | 23.71% |
| 4th Quarter | 5,875 | 0 | 0.00% |
| Total Performance | 23,500 | 15,996 | 68.07% |

Variance Explanation:
 BELOW PROJECTED LEVEL
 Performance for the Number of Applications for Occupational Licensing received was below projections for the third quarter of FY 2010. This measure reports the number of occupational license and registration applications received by the Occupational Licensing Section. The lower number of applications received can be attributed to several of the licenses which previously had a two year validity period being changed to a three validity period. This change was a part of the rule revisions adopted in August 2007. Because of this rule change there are very few renewal applications for the Irrigators and On-Site Sewage Facility Installer licenses for 2010. Therefore, it is anticipated that the numbers for the fourth quarter will also be below projections.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 3,050 | 2,826 | 23.16% |
| 2nd Quarter | 3,050 | 3,224 | 26.43% |
| 3rd Quarter | 3,050 | 3,137 | 25.71% |
| 4th Quarter | 3,050 | 0 | 0.00% |
| Total Performance | 12,200 | 9,187 | 75.30% |

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

Strategy 01-02-04: Occupational Licensing

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 5,625 | 5,073 | 21.59% |
| 2nd Quarter | 5,625 | 4,170 | 17.74% |
| 3rd Quarter | 5,625 | 4,497 | 19.14% |
| 4th Quarter | 5,625 | 0 | 0.00% |
| Total Performance | 22,500 | 13,740 | 61.07% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Licenses and Registrations Issued was below projections for the third quarter of FY 2010. This measure reports the number of occupational licenses and registrations issued by the Occupational Licensing Section. Recent rule revisions have changed several of the licenses from a two year validity period being to a three year validity period. Because of this rule change, there are fewer license renewals for the Irrigators and On-Site Sewage Facility Installers in FY 2010. The agency expects performance for the remainder of FY 2010 to be below projections.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|----------|---------------------------------------|
| 1st Quarter | \$ 18 | \$ 21.23 | 117.94% |
| 2nd Quarter | \$ 18 | \$ 17.80 | 98.89% |
| 3rd Quarter | \$ 18 | \$ 17.77 | 98.72% |
| 4th Quarter | \$ 18 | \$ 0 | 0.00% |
| Total Performance | \$ 18 | \$ 17.77 | 98.72% |

Variance Explanation:

MEETS PROJECTIONS

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 |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 6,300 | 6,520 | 103.49% |
| 2nd Quarter | 6,300 | 6,585 | 104.52% |
| 3rd Quarter | 6,300 | 6,573 | 104.33% |
| 4th Quarter | 6,300 | 0 | 0.00% |
| Total Performance | 6,300 | 6,573 | 104.33% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Output Measure 02:

Number of Drinking Water Samples Collected (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 9,800 | 9,251 | 23.60% |
| 2nd Quarter | 9,800 | 9,163 | 23.38% |
| 3rd Quarter | 9,800 | 10,113 | 25.80% |
| 4th Quarter | 9,800 | 0 | 0.00% |
| Total Performance | 39,200 | 28,527 | 72.77% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Strategy 02-01-02: Water Utilities Oversight

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 20 | 21 | 26.25% |
| 2nd Quarter | 20 | 43 | 53.75% |
| 3rd Quarter | 20 | 36 | 45.00% |
| 4th Quarter | 20 | 0 | 0.00% |
| Total Performance | 80 | 100 | 125.00% |

Variance Explanation:
ABOVE PROJECTED LEVEL
 Performance for the Number of Utility Rate Reviews Performed is higher than expected for the third quarter of FY 2010. This measure reflects the number of applications received and processed by agency staff and either approved, dismissed, withdrawn, or referred to legal staff as a contested matter during the reporting period. The number of rate and tariff change applications filed by water and/or sewer utilities has increased over this time last year. This may be partially attributed to economic factors involving increased costs of running a business and increased labor costs. As the cost of service for water and/or sewer utilities increases, the need for utilities to increase their rates also increases. Therefore, the number of requests to increase utility rates also increases.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 137.5 | 189 | 34.36% |
| 2nd Quarter | 137.5 | 119 | 21.64% |
| 3rd Quarter | 137.5 | 124 | 22.55% |
| 4th Quarter | 137.5 | 0 | 0.00% |
| Total Performance | 550 | 432 | 78.55% |

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

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 | 53 | 23.56% |
| 2nd Quarter | 56.25 | 57 | 25.33% |
| 3rd Quarter | 56.25 | 66 | 29.33% |
| 4th Quarter | 56.25 | 0 | 0.00% |
| Total Performance | 225 | 176 | 78.22% |

Variance Explanation:

MEETS PROJECTIONS

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 |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 2,869 | 2,939 | 25.61% |
| 2nd Quarter | 2,869 | 2,949 | 25.70% |
| 3rd Quarter | 2,869 | 3,030 | 26.41% |
| 4th Quarter | 2,869 | 0 | 0.00% |
| Total Performance | 11,475 | 8,918 | 77.72% |

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| <p>Variance Explanation: MEETS PROJECTIONS Performance met projections. No variance explanation required.</p> |
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**Output Measure 02:
Number of Inspections and Investigations of Water Rights Sites (Key)**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 8,500 | 6,409 | 18.85% |
| 2nd Quarter | 8,500 | 8,049 | 23.67% |
| 3rd Quarter | 8,500 | 9,920 | 29.18% |
| 4th Quarter | 8,500 | 0 | 0.00% |
| Total Performance | 34,000 | 24,378 | 71.70% |

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| <p>Variance Explanation: MEETS PROJECTIONS Performance met projections. No variance explanation required.</p> |
|--|

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 |
|--------------------------|--------------|--------------|---------------------------------------|
| 1st Quarter | 2,200 | 2,232 | 25.36% |
| 2nd Quarter | 2,200 | 2,189 | 24.88% |
| 3rd Quarter | 2,200 | 2,320 | 26.36% |
| 4th Quarter | 2,200 | 0 | 0.00% |
| Total Performance | 8,800 | 6,741 | 76.60% |

Variance Explanation:

MEETS PROJECTIONS

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 |
|--------------------------|------------|------------|---------------------------------------|
| 1st Quarter | 100 | 115 | 28.75% |
| 2nd Quarter | 100 | 113 | 28.25% |
| 3rd Quarter | 100 | 103 | 25.75% |
| 4th Quarter | 100 | 0 | 0.00% |
| Total Performance | 400 | 331 | 82.75% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Inspections and Investigations of Livestock and Poultry Operation Sites is above projected levels at the end of the third quarter for FY 2010. Inspections and investigations vary in number and complexity from quarter to quarter. Investigations have been completed earlier than projected. The agency anticipates meeting the annual target projection.

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 |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 1,839.50 | 2,028 | 27.56% |
| 2nd Quarter | 1,839.50 | 1,982 | 26.94% |
| 3rd Quarter | 1,839.50 | 2,425 | 32.96% |
| 4th Quarter | 1,839.50 | 0 | 0.00% |
| Total Performance | 7,358 | 6,435 | 87.46% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Inspections and Investigations of Waste Sites is above projected levels at the end of the third quarter for FY 2010. This measure represents the number of regulated entities that are investigated to assure compliance with rules and regulations. Required investigations of Petroleum Storage Tank (PST) sites increased during the third quarter, and this trend is expected to continue in the future. The agency anticipates that performance in FY 2010 will exceed the projected target.

Output Measure 06:
Number of Spill Cleanup Inspections

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 162.50 | 109 | 16.77% |
| 2nd Quarter | 162.50 | 117 | 18.00% |
| 3rd Quarter | 162.50 | 128 | 19.69% |
| 4th Quarter | 162.50 | 0 | 0.00% |
| Total Performance | 650 | 354 | 54.46% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Spill Cleanup Inspections is below projections at the end of the third quarter for FY 2010. 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 this reporting period, fewer spills were reported to the agency that 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 |
|--------------------------|-----------|-----------------------------|---------------------------------------|
| 1st Quarter | \$ 600 | \$ 433 \$ 671 | 111.83% |
| 2nd Quarter | \$ 600 | \$ 573 \$ 600 | 100.00% |
| 3rd Quarter | \$ 600 | \$ 745 | 124.17% |
| 4th Quarter | \$ 600 | \$ 0 | 0.00% |
| Total Performance | \$ 600 | \$ 670 | 111.67% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Average Inspection and Investigation Cost of Livestock and Poultry Operations was above the projected cost at the end of the third quarter for FY 2010. This measure represents total funds expended during the reporting period for monitoring of livestock and poultry operations, divided by the number of compliance inspections and complaint investigations for livestock and poultry operations completed during the reporting period. Average cost figures for the inspection and investigation of livestock and poultry operations vary considerably due to the number and complexity of investigations performed in any given quarter. The desired performance is to meet or be below the target.

NOTE: The agency identified discrepancies in the salary amounts used to calculate the average cost reported for the first and second quarters of FY 2010. The first quarter average cost was originally reported as \$433, and the second quarter average cost was reported as \$573. The above corrections accurately reflect the average cost data for the first two quarters of the fiscal year.

Efficiency Measure 02:

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 35 | 28.0 | 80.00% |
| 2nd Quarter | 35 | 28.0 | 80.00% |
| 3rd Quarter | 35 | 30.0 | 85.71% |
| 4th Quarter | 35 | 0 | 0.00% |
| Total Performance | 35 | 29.0 | 82.86% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Time (days) from Air, Water, and Waste Inspections to Report Completion was below projections for the third quarter of FY 2010. 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. The desired performance for this measure is to be below projections.

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 | 250 | 276 | 110.40% |
| 2nd Quarter | 250 | 281 | 112.40% |
| 3rd Quarter | 250 | 283 | 113.20% |
| 4th Quarter | 250 | 0 | 0.00% |
| Total Performance | 250 | 283 | 113.20% |

Variance Explanation:
ABOVE PROJECTED LEVEL
 Performance for the Number of Environmental Laboratories Accredited was above projected levels for the third quarter of FY 2010. The measure reflects the number of environmental laboratories accredited according to standards adopted by the National Environmental Laboratory Accreditation Conference. TCEQ received and issued additional accreditations via mutual or reciprocal recognition to out-of-state laboratories. These applications were not anticipated and, therefore, not included in the projected number of laboratory accreditations.

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 15,000 | 32,134 | 53.56% |
| 2nd Quarter | 15,000 | 22,283 | 37.14% |
| 3rd Quarter | 15,000 | 16,402 | 27.34% |
| 4th Quarter | 15,000 | 0 | 0.00% |
| Total Performance | 60,000 | 70,819 | 118.03% |

Variance Explanation:
ABOVE PROJECTED LEVEL
 Performance for the Number of Small Businesses and Local Governments Assisted exceeded projections for the third quarter of FY 2010. 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 is above the projected level due to significant outreach aimed at petroleum storage tank facilities to inform them of the availability of newly created compliance assistance tools.

Strategy 03-01-02: Enforcement and Compliance Support

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 70 | 51.0 | 72.86% |
| 2nd Quarter | 70 | 53.0 | 75.71% |
| 3rd Quarter | 70 | 46.0 | 65.71% |
| 4th Quarter | 70 | 0 | 0.00% |
| Total Performance | 70 | 46.0 | 65.71% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Number of Days to File an Initial Settlement Offer was below projections for the third quarter of FY2010. 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 processing procedures in place to ensure that all cases are processed below the average time frame. For this type of measure, performance below the target level is desirable, and performance is expected to be below target for the year.

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 | 64 | 25.60% |
| 2nd Quarter | 62.5 | 49 | 19.60% |
| 3rd Quarter | 62.5 | 85 | 34.00% |
| 4th Quarter | 62.5 | 0 | 0.00% |
| Total Performance | 250 | 198 | 79.20% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Output Measure 02:

Number of Entities Participating in Voluntary Programs

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 240 | 248 | 103.33% |
| 2nd Quarter | 240 | 227 | 94.58% |
| 3rd Quarter | 240 | 226 | 94.17% |
| 4th Quarter | 240 | 0 | 0.00% |
| Total Performance | 240 | 226 | 94.17% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Entities Participating in Voluntary Programs was slightly below projections for the third quarter of FY 2010. This measure counts the number of entities participating in authorized voluntary programs such as the Clean Texas Program and the Site Assistance Visit Plus Program. There has been a slight decrease in the number of entities renewing membership in the Clean Texas Program. The agency is increasing recruitment efforts and expects to meet performance targets for the year.

Strategy 03-01-03: Pollution Prevention and Recycling

Output Measure 03:

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 8.25 | 0.0 | 0.00% |
| 2nd Quarter | 8.25 | 8.3 | 25.12% |
| 3rd Quarter | 8.25 | 11.0 | 33.33% |
| 4th Quarter | 8.25 | 0.0 | 0.00% |
| Total Performance | 33 | 19.3 | 58.45% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Number of Quarts of Used Oil Diverted from Landfills and Processed (in millions) was below projections for the third quarter of FY 2010. This measure reports the amount of used oil which, if not received by registered collection centers, would otherwise be diverted to landfills or disposed of improperly. Performance is below the projection as there are 473 outstanding reports from the regulated community. As late reports are submitted, they will be processed and entered into the database. The actual number of quarts diverted may vary widely from year to year due to voluntary reporting requirements and changes in economic and business conditions.

Efficiency Measure 01:

Average Cost Per On-Site Technical Assistance Visit

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|----------|---------------------------------------|
| 1st Quarter | \$ 600 | \$297.63 | 49.61% |
| 2nd Quarter | \$ 600 | \$201.97 | 33.66% |
| 3rd Quarter | \$ 600 | \$318.76 | 53.13% |
| 4th Quarter | \$ 600 | \$ 0 | 0.00% |
| Total Performance | \$ 600 | \$290.12 | 48.35% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Cost Per On-Site Technical Assistance Visit was below projections for the third quarter of FY 2010. This measure reports the average cost of each technical site assistance visit performed by Pollution Prevention Staff. The savings are a result of efficient use of regional staff that has resulted in more local visits which lowers travel costs per visit. Due to upcoming projects, costs are expected to increase but remain below the projected average cost. The desired performance for this measure is to be below projections.

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 |
|--------------------------|---------------|---------------|---------------------------------------|
| 1st Quarter | 4,125 | 3,100 | 18.79% |
| 2nd Quarter | 4,125 | 4,190 | 25.39% |
| 3rd Quarter | 4,125 | 4,617 | 27.98% |
| 4th Quarter | 4,125 | 0 | 0.00% |
| Total Performance | 16,500 | 11,907 | 72.16% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Output Measure 02:

Number of Emergency Response Actions at Petroleum Storage Tank Sites

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|-----------|---------------------------------------|
| 1st Quarter | 4 | 3 | 18.75% |
| 2nd Quarter | 4 | 7 | 43.75% |
| 3rd Quarter | 4 | 4 | 25.00% |
| 4th Quarter | 4 | 0 | 0.00% |
| Total Performance | 16 | 14 | 87.50% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Emergency Response Actions at Petroleum Storage Tank Sites was above projections for the third quarter of FY 2010. 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. Fluctuations in performance are likely to occur due to the unpredictable number of sites requiring emergency responses.

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

Output Measure 03:

Number of Petroleum Storage Tank Reimbursement Applications Processed (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 350 | 409 | 29.21% |
| 2nd Quarter | 350 | 370 | 26.43% |
| 3rd Quarter | 350 | 496 | 35.43% |
| 4th Quarter | 350 | 0 | 0.00% |
| Total Performance | 1,400 | 1,275 | 91.07% |

Variance Explanation:

ABOVE PROJECTED LEVEL

The Number of Petroleum Storage Tank Reimbursement Fund Applications received and processed was above projections through the third quarter of FY 2010. This measure reflects performance in processing reimbursement applications received for petroleum storage tank cleanups. The number of applications received by the program fluctuates in any given reporting period.

Output Measure 04:

Number of Petroleum Storage Tank Cleanups Completed

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|------------------|---------------|--|
| 1st Quarter | 50 | 137 | 68.50% |
| 2nd Quarter | 50 | 140 | 70.00% |
| 3rd Quarter | 50 | 140 | 70.00% |
| 4th Quarter | 50 | 0 | 0.00% |
| Total Performance | 200 | 417 | 208.50% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Number of Petroleum Storage Tank Cleanups Completed was above projections for the third quarter of FY 2010. Most cleanups are finalized after responsible parties complete all field work and formally request closure review. The TCEQ has limited control over the number of requests for closure. Performance for the year is already above projections.

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 |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 30 | 21.0 | 70.00% |
| 2nd Quarter | 30 | 21.0 | 70.00% |
| 3rd Quarter | 30 | 21.5 | 71.80% |
| 4th Quarter | 30 | 0 | 0.00% |
| Total Performance | 30 | 20.9 | 69.80% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Time to Review and Respond to Remedial Action Plans was below the projected level for the third quarter of FY 2010. This measure reports the average number of days for the agency to review and respond to remedial action plans over the reporting period. The TCEQ has implemented procedures for reviewing remedial action plans to ensure average review times meet the legislatively mandated time frame of 30 days. The desired performance for this measure is to be below projections.

Efficiency Measure 02:

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

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 30 | 25.0 | 83.33% |
| 2nd Quarter | 30 | 24.0 | 80.00% |
| 3rd Quarter | 30 | 21.9 | 72.97% |
| 4th Quarter | 30 | 0 | 0.00% |
| Total Performance | 30 | 23.3 | 77.80% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Time to Review and Respond to Risk-Based Assessments was below the projected level for the third quarter of FY 2010. 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 meet the legislatively mandated time frame of 30 days. The desired performance for this measure is to be below projections.

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 | 34 | 37.78% |
| 2nd Quarter | 90 | 46 | 51.11% |
| 3rd Quarter | 90 | 45 | 50.00% |
| 4th Quarter | 90 | 0 | 0.00% |
| Total Performance | 90 | 43 | 47.78% |

Variance Explanation:

BELOW PROJECTED LEVEL

Performance for the Average Time (Days) to Process Petroleum Storage Tank (PST)

Remediation Fund Reimbursement Claims was below projections for the third quarter of FY

2010. This measure reports the average number of days to process 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 fund payment report 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. The desired performance for this measure is to be below projections.

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 | 0 | 0.00% |
| 2nd Quarter | 1.25 | 0 | 0.00% |
| 3rd Quarter | 1.25 | 0 | 0.00% |
| 4th Quarter | 1.25 | 0 | 0.00% |
| Total Performance | 5 | 0 | 0.00% |

Variance Explanation:
BELOW PROJECTED LEVEL
 Performance for the Number of Immediate Response Actions Completed to Protect Human Health and the Environment was below projections for the third quarter of FY 2010. Response action completions are not expected to be evenly distributed over each reporting quarter. There are currently six Immediate Response Actions underway. Limited resources may impact the program's ability to complete the projected five response actions this fiscal year.

Output Measure 02:

Number of Superfund Site Assessments

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 18 | 46 | 63.89% |
| 2nd Quarter | 18 | 18 | 25.00% |
| 3rd Quarter | 18 | 10 | 13.89% |
| 4th Quarter | 18 | 0 | 0.00% |
| Total Performance | 72 | 74 | 102.78% |

Variance Explanation:
ABOVE PROJECTED LEVEL
 Performance for the Number of Superfund Site Assessments Completed was above projections for the third quarter of FY 2010. This measure reports the number of site assessments conducted to determine Superfund program eligibility. The performance is above projected levels due to focused efforts in the Houston area. The program expects a higher than projected performance for the subsequent reporting period.

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 | 23 | 27 | 30.00% |
| 2nd Quarter | 23 | 18 | 20.00% |
| 3rd Quarter | 23 | 23 | 25.56% |
| 4th Quarter | 23 | 0 | 0.00% |
| Total Performance | 90 | 68 | 75.56% |

Variance Explanation:

MEETS PROJECTIONS

Performance met projections. No variance explanation required.

Output Measure 04:

Number of Superfund Sites in Texas Undergoing Evaluation and Cleanup (Key)

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 51 | 47 | 92.16% |
| 2nd Quarter | 51 | 48 | 94.12% |
| 3rd Quarter | 51 | 48 | 94.12% |
| 4th Quarter | 51 | 0 | 0.00% |
| Total Performance | 51 | 48 | 94.12% |

Variance Explanation:

BELOW PROJECTED LEVEL

The Number of Superfund Sites Undergoing Evaluation and Cleanup was below projections for the third quarter of FY 2010. This measure reports the combined number of state and federal Superfund sites that are undergoing evaluation and/or cleanup. EPA funding limitations, in addition to significant cleanup costs incurred at some state sites, has delayed issuance of work orders to perform the planned evaluation and cleanup process on federal and state Superfund sites. Also, fewer sites were added to the Texas Register and the National Priority List than originally projected because assessed sites did not meet Superfund program eligibility criteria.

Strategy 04-01-02: Hazardous Materials Cleanup

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

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

Variance Explanation:

BELOW PROJECTED LEVEL
 Performance for the Number of Superfund Cleanups Completed is below projections for the third quarter of FY 2010. Superfund cleanup completions are not expected to be evenly distributed over each reporting quarter. The number of Superfund cleanups completed is expected to meet the annual projection by the end of the fiscal year.

**Output Measure 06:
Number of Dry Cleaner Remediation Program Site Assessments Initiated**

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 7 | 5 | 17.86% |
| 2nd Quarter | 7 | 2 | 7.14% |
| 3rd Quarter | 7 | 0 | 0.00% |
| 4th Quarter | 7 | 0 | 0.00% |
| Total Performance | 28 | 7 | 25.00% |

Variance Explanation:

BELOW PROJECTED LEVEL
 Performance for the Number of Dry Cleaner Remediation Program Site Assessments Initiated was below projected levels for the third quarter of FY 2010. This measure indicates the number of work orders issued to initiate DCRP site cleanups during the reporting period. The number of site assessments initiated is based on the number of DCRP Applications that are received. Entry into the DCRP is voluntary; therefore, the program has no control over the number of DCRP Applications received. Based upon the current rate of applications received, the program does not anticipate meeting the annual target.

Strategy 04-01-02: Hazardous Materials Cleanup

Output Measure 07:

Number of Dry Cleaner Remediation Program Site Cleanups Completed

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 2.5 | 1 | 10.00% |
| 2nd Quarter | 2.5 | 4 | 40.00% |
| 3rd Quarter | 2.5 | 1 | 10.00% |
| 4th Quarter | 2.5 | 0 | 0.00% |
| Total Performance | 10 | 6 | 60.00% |

Variance Explanation:

BELOW PROJECTED LEVEL
 Performance for the Number of Dry Cleaner Remediation Program Site Cleanups Completed was below projected levels for the third quarter of FY 2010. This measure reflects the agency's effort to clean up known eligible dry cleaning sites. The number of site cleanups completed is not expected to be evenly distributed over each reporting quarter. The program expects to meet the projected performance by the end of FY 2010.

Efficiency Measure 01:

Average Time (Days) to Process Dry Cleaner Remediation Program Applications

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 90 | 41 | 45.56% |
| 2nd Quarter | 90 | 48 | 53.33% |
| 3rd Quarter | 90 | 21 | 23.33% |
| 4th Quarter | 90 | 0 | 0.00% |
| Total Performance | 90 | 39.8 | 44.22% |

Variance Explanation:

BELOW PROJECTED LEVEL
 Performance for the Average Time (Days) to Process Dry Cleaner Remediation Program Applications was below projections for the third quarter of FY 2010. This measure reports the average time required by agency staff to process Dry Cleaner Remediation Program applications. The TCEQ has implemented procedures for screening and reviewing the applications to ensure that the average processing time is less than the legislatively mandated 90-day time frame. The desired performance for this measure is to be below projections.

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 | 20.00% | 44.60% | 223.00% |
| 2nd Quarter | 20.00% | 31.50% | 157.50% |
| 3rd Quarter | 20.00% | 27.80% | 139.00% |
| 4th Quarter | 20.00% | 0% | 0.00% |
| Total Performance | 20.00% | 27.80% | 139.00% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Percentage of Professional services going to Historically Underutilized Businesses was above projections for the third quarter. The primary reason the agency was able to perform above projected levels was because several invoices for work performed by HUB sub-contractors in FY 2009 were paid in FY 2010. The majority of HUB actual expenditures came from the Remediation division.

Output Measure 02:

Percentage of Other Services Awarded to Historically Underutilized Businesses

| | Projected | Actual | Percent of Annual Projection Attained |
|--------------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 33.00% | 38.84% | 117.70% |
| 2nd Quarter | 33.00% | 37.50% | 113.64% |
| 3rd Quarter | 33.00% | 39.10% | 118.48% |
| 4th Quarter | 33.00% | 0% | 0.00% |
| Total Performance | 33.00% | 39.10% | 118.48% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Percentage of Other Services Awarded to HUBs was above projections for the third quarter. HUB sub-contracting activity was strong in the Information Resources division.

Historically Underutilized Business Program

Output Measure 03:

Percentage of Commodity Purchasing Awarded to Historically Underutilized Businesses

| | Projected | Actual | Percent of Annual Projection Attained |
|-------------------|-----------|--------|---------------------------------------|
| 1st Quarter | 12.60% | 31.30% | 248.41% |
| 2nd Quarter | 12.60% | 27.80% | 220.63% |
| 3rd Quarter | 12.60% | 29.20% | 231.75% |
| 4th Quarter | 12.60% | | 0.00% |
| Total Performance | 12.60% | 29.20% | 231.75% |

Variance Explanation:

ABOVE PROJECTED LEVEL

Performance for the Percentage of Commodities Awarded to HUBs was above projections for the third quarter. HUB subcontracting activity in this category is strong throughout the agency.