



Report to the Governor

Public Water System Capacity Development Program

Executive Summary

The Texas Commission on Environmental Quality (TCEQ) is the primary state agency authorized to enforce the Federal 1996 Amendments to the Safe Drinking Water Act (SDWA). TCEQ enforces the SDWA through the implementation of state and federal rules and regulations for public water systems (PWS).

The 1996 reauthorization of, and amendments to, the Federal SDWA Subsection 1420(c)(3) state:

Not later than 2 years after the date on which a state first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the state agency that has the primary responsibility to carry out this title in the state shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial and financial capacity of PWSs in the state.

The Report to the Governor describes TCEQ's authority to implement and enforce public drinking water and capacity development programs. Further, the 2018 America's Infrastructure Act (AWIA), Section 2012 requires states to include their efforts to encourage the development and implementation of PWS's asset management plans in the triennial Governor's report no later than Sept. 30, 2023. This report will be made available on TCEQ's web site.

Background

The 1996 amendments to the SDWA made significant contributions to the national drinking water agenda. One of these was the introduction of capacity development programs that recognized the importance of creating and maintaining viable PWSs. As part of these amendments, states were required to submit capacity development strategies to explain how the states planned to address financial, managerial, and technical (FMT) needs for new and existing PWSs.

To meet the requirements of the SDWA Section 1420, TCEQ must document that it has implemented a functional capacity development program. This program must include all of the following:

- A basis of authority.
- Control points for the execution of authority.
- A plan or strategy for program implementation and evaluation.

Implementation of capacity development programs provided a framework for both states and federal governments to work with PWSs to ensure they acquire and maintain necessary FMT capacity.

This capacity can provide PWSs with the knowledge and resources to meet the public health goals of the SDWA, while providing customers with reliable and affordable water service.

The Environmental Protection Agency (EPA) approved TCEQ's Capacity Development Strategy for all PWSs on July 16, 1999, and again on July 6, 2000. These approvals made Texas eligible for the SDWA's Drinking Water State Revolving Fund (DWSRF) grant funds. The DWSRF grant program provides loan funds for water system improvements through the Texas Water Development Board (TWDB).

The 2018 AWIA, Section 2012, also required state drinking water programs to consider, and include as appropriate, asset management into their state Capacity Development Strategies. Consistent with this statutory change, state drinking water programs had to revise their Capacity Development Strategies.

TCEQ revised the Capacity Development Strategy to include a description of how the state encourages PWSs to develop and use asset management in their planning and operations. The revised strategy was submitted to EPA on Feb. 2, 2022, and on April 22, 2022, EPA approved the revised strategy.

Control Points

EPA grants TCEQ the authority to be the state's primary agency for drinking water quality and to use state laws, regulations, and policies to enforce this authority. Further, TCEQ will ensure PWSs have adequate capacity by using control points such as facility plan review, operator certification, construction requirements, source water protection plans, and system planning requirements.

In 2013, the Texas Legislature passed House Bill (HB) 1600, which transferred the water and wastewater utility regulatory program from TCEQ to the Public Utility Commission (PUC), effective Sept. 1, 2014. However, TCEQ will maintain control of the public drinking water programs, including capacity development.

Until 2014, TCEQ used two sets of control points: one was through the public drinking water program, and the other was through the water utility rates and services program. Since 2014, PUC and TCEQ have continued to coordinate the work on the two control point reviews. Using a Memorandum of Understanding as guidance, the two agencies meet monthly and communicate frequently. TCEQ has oversight and control points for new PWSs, and the PUC has oversight and control points over new water and wastewater utilities.

In addition to submitting plans and specifications, TCEQ's control points include all of the following requirements for new PWSs:

- Apply for service from adjacent PWSs and provide written documentation of those applications and responses.
- Submit a business plan that documents the financial ability to construct the system according to TCEQ requirements.

PUC's control points include requiring new water and wastewater utilities applying for new Certificates of Convenience and Necessity (CCN) to submit financial and managerial information for approval.

Capacity Development Strategy

TCEQ's Capacity Development Strategy is designed to promote the viability of PWSs by developing the systems' FMT capacity to meet both federal and state drinking water rules and regulations.

The four main objectives of TCEQ's capacity development program are:

- Ensure that new systems are viable.
- Assess the viability of existing systems.
- Improve the viability of existing systems.
- Assist nonviable systems in restructuring.

In the last three years, TCEQ continued to implement this strategy through a variety of activities, including:

- On-site FMT assistance by both contractors and TCEQ staff.
- Optimization programs, including voluntary and mandatory treatment plant performance evaluations.
- Expedited processing of submittals and projects.
- Monitoring and assisting PWSs affected by hurricanes, drought, and other emergencies.
- Increasing focus on data integrity and process control and training for distribution system operations.
- Presentations at workshops and conferences.
- Water system restructuring.

Drinking Water State Revolving Fund

TCEQ and the TWDB both have programs associated with the DWSRF. TWDB administers the DWSRF loan program. The objectives of the loan program are to address public health priorities, achieve compliance with the SDWA, assist systems in providing affordable drinking water, and maintain the long-term viability of the fund.

To support the loan program, TCEQ worked closely with TWDB on DWSRF project ranking, reviewing applicant FMT reports, pre-application meetings, TWDB financial assistance workshops, needs assessments, and administering the grant set-asides. As the primary agency, TCEQ is required to prepare reports assessing the FMT capacities of DWSRF loan applicants. TCEQ staff completed the following FMT reports on DWSRF applicants by fiscal year (FY):

- FY 2021, 16 FMT reports.
- FY 2022, 25 FMT reports.
- FY 2023, 27 FMT reports.

DWSRF Set-Asides

The DWSRF set-aside program is outlined in Section 1452 of the SDWA, which authorizes states to use a portion of the Federal Capitalization Grant to set aside funds to support various drinking water programs. As much as 31% of a state's Federal Capitalization Grant can be used for a combination of administrative activities (4%), technical assistance (2%), state program management (10%), and local assistance (15%). The set-asides provided important funding for capacity development activities.

Introduction: Public Drinking Water Systems in Texas

TCEQ has defined three different types of PWSs:

- **Community Water System:** A PWS that supplies water to the same population year-round.
- **Non-Transient Non-Community Water System:** A PWS that regularly supplies water to at least 25 of the same people for at least six months per year. Some examples are schools, factories, office buildings, and hospitals which have their own water systems.
- **Transient Non-Community Water System:** A PWS that provides water in a place such as a gas station or campground where people do not remain for long periods of time.

Regulated Public Water Systems in FY 2021

During FY 2021, approximately 29,634,875 customers were provided drinking water from 7,054 PWSs. TCEQ regulated:

- 4,633 community water systems.
- 874 non-transient non-community water systems.
- 1,547 transient non-community water systems.

FY 2021 PWS Classifications and Populations Served

EPA Classification	Population Range	Number of PWSs	Population Served
Very Small	25 - 500	4,213	678,574
Small	501 - 3,300	1,757	2,588,644
Medium	3,301 - 10,000	716	4,068,311
Large	10,001 - 100,000	326	8,224,332
Very Large	Over 100,000	42	14,075,014
Total		7,054	29,634,875

Regulated Public Water Systems in FY 2022

During FY 2022, TCEQ regulated 7,101 PWSs that provided drinking water to 30,163,817 customers, including approximately:

- 4,633 community water systems provided service to 29,372,660 customers.
- 890 non-transient, non-community water systems served 487,167 customers.
- 1,578 transient non-community water systems served 303,990 customers.

FY 2022 PWS Classifications and Populations Served

EPA Classification	Population Range	Number of PWSs	Population Served
Very Small	25 - 500	4,179	656,914
Small	501 - 3,300	1,809	2,593,420
Medium	3,301 - 10,000	736	3,922,920
Large	10,001 - 100,000	335	8,493,344
Very Large	Over 100,000	42	14,238,447
Total		7,101	30,163,817

Regulated Public Water Systems in FY 2023

During FY 2023, TCEQ regulated 7,137 PWSs that provided drinking water to 30,675,716 customers. Of these customers, approximately:

- 4,655 community water systems provided service to 29,873,385 customers.
- 893 non-transient, non-community water systems served 494,172 customers.
- 1,589 transient non-community water systems served 308,159 customers.

FY 2023 PWS Classifications and Populations Served

EPA Classification	Population Range	Number of PWSs	Population Served
Very Small	25 - 500	4,189	661,179
Small	501 - 3,300	1,812	2,601,728
Medium	3,301 - 10,000	748	4,242,568
Large	10,001 - 100,000	346	8,867,594
Very Large	Over 100,000	42	14,302,647
Total		7,137	30,675,716

Water System Assistance and Optimization

Financial, Managerial, and Technical Assistance

The FMT Assistance Contract remained a vital tool to assess and assist PWSs. The contractors were the Texas Rural Water Association (TRWA), which, in turn, subcontracted with other assistance providers. The FMT Assistance Contract works to improve the FMT capabilities of public water and wastewater systems through five primary objectives:

- FMT Capacity Assessments are required for water systems applying for certain types of funding from the TWDB. The assessment outlines a PWS's strengths and identifies areas in need of improvement. The FMT Assistance contractor meets with the PWS's staff to evaluate the FMT capabilities of the system. Free on-site assistance is offered following this assessment to help the system meet or maintain regulatory compliance.
- Consolidation Assessments provide a resource for struggling systems to solve long-running problems through restructuring. The assessments can include examining

options to consolidate with a neighboring system, looking for a buyer or turning the system over to the customers, and helping them form a water-supply corporation.

- FMT On-site Assistance provides free, one-on-one, on-site support and education on a wide variety of topics to improve public drinking water and wastewater systems. If a system is experiencing operational difficulties, for example, assistance could help to avoid regulatory compliance violations.
- Drinking Water Operator Trainings (DWOT), also known as Directed Assistance Modules (DAMs), are training materials designed to enhance PWSs knowledge on highly technical topics. TCEQ's Water Supply Division (WSD) staff train the FMT Assistance contractors on how to deliver this training to PWS staff.
- Special Assistance assignments do not fall into one of the previous four types of assistance. For example, TCEQ staff may issue a special assignment to help coordinate a meeting between a troubled water system, the community it serves, and TCEQ staff. Special Assignments have also been used to facilitate training workshops.

FMT Assistance Assignments Completed for FY 2021 through FY 2023

Contract Objective	FY 2021 Completed Assignments	FY 2022 Completed Assignments	FY 2023 Completed Assignments
FMT Capacity Assessments	21	18	27
Consolidation Assessments	9	11	9
FMT On-site Assistance	502	700	571
DWOT	42	11	29
Special Assistance	81	106	187
Total	655	846	823

On-Site Assistance and Optimization

TCEQ's WSD, in the Office of Water, provides extensive on-site assistance to PWSs struggling with compliance with state and federal rules, water outages, backflow events, and other serious issues. The division has made important contributions to the capacity development of many PWSs by improving their ability to produce and distribute safe drinking water. One of the ways this is accomplished is through Comprehensive Performance Evaluations (CPE) and Special Performance Evaluations (SPE).

A CPE is an in-depth investigation, including special scientific studies, of the design, operations, maintenance, and administrative factors that limit the performance of a surface water treatment plant to remove potential pathogens during the process of treating surface water to produce potable water. An SPE is an investigation of the design, operation, maintenance, and administrative components of a surface water treatment plant that affects the removal of potential pathogens during the process of treating surface water to produce potable water. An SPE does not include identification of performance-limiting factors.

In FY 2021, WSD staff performed 47 on-site technical assistance assignments to 41 PWSs across the state which include, but were not limited to three CPEs, 26 miscellaneous assignments, three membrane plant evaluations, six Level 2 Assessments (L2A), one assignment to assist in a chlorine conversion, and the delivery of three DAMs that focused on process management for systems using chloramines, Method 334 chlorine analyzers, and creation of a Nitrification Action Plan (NAP).

In FY 2022, WSD staff performed 58 on-site technical assistance assignments to 39 PWSs across the state which included but were not limited to four membrane plant evaluations, two ultraviolet (UV) plant evaluations, six L2A evaluations, six nitrification assistance assignments, 14 assignments for miscellaneous issues and the delivery of 12 DAMs that focused on performance goals and monitoring at surface water treatment plant (SWTP), chemical feed rates, an alternate Surface Water Monthly Operating Report (SWMOR) form for a SWTP, disinfectant byproduct (DBP) formation, process management for systems using chloramines, filter assessment, and creation of a NAP.

In FY 2023, WSD staff performed 60 on-site technical assistance assignments to 43 PWSs across the state which included but were not limited to two CPEs, one SPE, 14 DBP assignments, one membrane plant evaluation, one UV plant evaluation, four chlorine curve assignments, and the delivery of 18 DAMs that focused on process management for systems using chloramines, and creation of a NAP.

Cross-Connection Control

TCEQ WSD staff assists PWSs with protecting their potable water supply by providing guidance on complying with TCEQ's cross-connection control and backflow regulations. Each year, staff activities included:

- Technical presentations on cross-connection control and backflow prevention.
- Fielding complex technical question from water systems and customers remotely.
- Assistance to water systems during backflow events.
- Developing additional tools for increasing the knowledge base in other training facilitators.
- Providing technical assistance at the annual TCEQ Public Drinking Water Conference.
- Participation in TCEQ Office of Compliance and Enforcement Investigator training.
- Updates to regulatory guidance documents.
- Facilitation of TCEQ's quarterly Cross-Connection Control Subcommittee meetings.

In FY 2021, cross-connection control staff activities included on-site technical assistance to 34 PWSs of varying sizes and complexities in seven TCEQ regions. In FY 2022, staff assisted five PWSs in four TCEQ regions, and in FY 2023, staff assisted six PWSs in five TCEQ regions.

Regionalization and Restructuring: At-Risk Systems

The TCEQ WSD identifies, assists, and helps to restructure at-risk or failing PWSs and promotes regionalization. This help is provided through free, on-site FMT assistance referrals, which include consolidation assessments, restructuring assistance, and addressing compliance issues. Staff members also assist these systems by coordinating community meetings and connecting the systems with funding agencies and other assistance providers. Systems that are determined to be “at-risk” include one or more of the following issues:

- Frequent outages.
- Lack of disinfection.
- Other public health threats—e.g., illegal sewage discharges.
- Abandonment by the owner or board of directors.
- Multiple compliance issues.
- Dwindling or loss of water source.
- Mismanagement.

Voluntary restructuring is always the preferred method to get an at-risk or non-compliant system under new management. TCEQ provides free on-site assistance for systems wanting to restructure or form new entities.

The FMT program assists at-risk systems in exploring consolidation, restructuring, or forming new entities, seeking funding, and addressing compliance issues. In FY 2021, six consolidation assessments were conducted for at-risk systems, and an additional six at-risk systems received help with compliance violations.

In FY 2022, three consolidation assessments and zero capacity assessments or capital improvement assessments were conducted for the at-risk systems. Additionally, six systems received FMT assistance with compliance violations, and the program monitored and assisted another 20 water systems in the at-risk category.

In FY 2023, five consolidation assessments and one capacity assessment were conducted for the at-risk systems. Additionally, eight systems received help with compliance violations, and the program monitored and assisted another 10 systems in the at-risk category.

In addition to the FMT assistance, TCEQ staff participated in frequent conference calls with water system owners and directors to discuss restructuring and mergers and coordinated with TCEQ regional offices, Litigation Division, Office of Attorney General (OAG), PUC, and funding agencies to help struggling water and wastewater systems.

Receiverships and Temporary Management

Sometimes the situations of the at-risk systems are grave enough that traditional assistance such as consolidation assessments do not work. For these types of cases, more formal restructuring through enforcement and the appointment of temporary managers or receivers were required. TCEQ and PUC worked closely together on these issues. Temporary management and receivership were used as a last resort to prevent water outages or public distribution of insufficiently treated water.

- In FY 2021, TCEQ appointed or reappointed five temporary managers and tracked nine active cases of receivership and 11 cases of temporary management.
- In FY 2022, TCEQ tracked 18 systems under temporary management and nine systems in receivership.
- In FY 2023, TCEQ appointed or reappointed two temporary managers and tracked seven active cases of receivership and 19 cases of temporary management.

Asset Management Activities

During the last three fiscal years, TCEQ and other agencies and organizations have continued to promote and implement activities in Texas to support asset management planning for PWSs.

Activities have included:

- Hands-on asset management planning assistance through the TCEQ FMT contract and other FMT providers such as Communities Unlimited Incorporated (CUI), Texas Section of the American Water Works Association (TAWWA) and TRWA.
- Implementing the Asset Management Program for Small Systems (AMPSS) program at TWDB.
- Providing asset management planning educational materials including guidebooks and worksheets on the TCEQ website.
- Presentations, workshops, trainings, and outreach focused on asset management, including the 2022 Public Drinking Water Conference which was themed “Asset Management.”

Training and Coordination

Annual Public Drinking Water Conference

Every August since 2003, TCEQ has held the Annual Public Drinking Water (PDW) Conference in Austin. This popular, free conference attracts more attendees each year. Participants include water system operators and managers, TCEQ staff, other state and federal regulatory and funding agencies, water utility trade organizations, exhibitors, speakers, laboratory professionals, and engineers from across the state.

Each year the focus is slightly different, but there are always updates on rules and regulations and pertinent topics such as the Revised Total Coliform Rule (RTCR), asset

management planning and implementation, lead and copper rule, chloramines, cross-connection control, corrosivity, optimization, funding, and source water protection.

In FY 2021, due to COVID-19, the PDW Conference was held virtually with over 1,000 individuals attending. Most presentations were recorded and available online afterwards for those who may have missed the conference. In the aftermath of Winter Storm Uri, the general session included updates from the Executive Director on the 87th Legislative Session, new Senate Bill (SB) 3 and upcoming rules regarding Emergency Preparedness Plans (EPP).

In FY 2022, the conference moved back to in-person and continued to offer attendees the opportunity to participate virtually. Over 1,700 individuals attended in-person and virtually. Again, the general session included updates on emergency preparedness and mutual aid and state assistance programs available to PWSs during severe weather.

In FY 2023, the conference had a combined in-person and virtual attendance of 1,900 individuals. The general session began with TCEQ Commissioner, Emily Lindley, giving an update on what's new in public drinking water and highlights from the 88th Legislative Session. The theme for this year's PDW conference was "Asset Management" and attendees had an opportunity to choose from a total of 36 presentations on topics including Generator Maintenance, EPPs, GIS Mapping for Utilities, Mutual Aid, and more.

Texas Water Infrastructure Coordination Committee (TWICC)

Founded in 2010, TWICC continues to provide a "one-stop-shop" for funding and other assistance for water and wastewater providers. TWICC members include representatives from Texas Department of Agriculture (TDA), EPA, PUC, TWDB, United States Department of Agriculture (USDA) Rural Development, TAWWA, North American Development Bank, CUI, General Land Office, Federal Emergency Management Agency and TRWA. In FY 2023, the Water Finance Exchange joined TWICC. TWICC holds meetings every other month, with members taking turns hosting. Entities seeking funding and other types of assistance are encouraged to attend TWICC meetings as guests either in person or remotely. TWICC members collaborate frequently to help systems struggling with compliance and work as a team to help systems scope projects, apply for funding and evaluate regional options.

The [TWICC website](http://www.twicc.org)¹ provides information on financial and technical assistance available to water and wastewater systems as well as contact information for member agencies.

Emergency and Drought Response

Emergency Response

TCEQ continues to assist and support PWSs through activities of the WSD's Emergency Preparedness and Response Section, drinking water homeland security coordinator,

¹ www.twicc.org

TCEQ's Critical Infrastructure Division, a partnership with Texas Water/Wastewater Agency Response Network (TXWARN), and Texas Department of Emergency Management's Public Works Response Team (PWRT). TCEQ staff provides analytical reports following emergency events and support for natural and other disaster responses, including extensive assistance to PWSs during emergencies.

Every year, staff attend emergency response training and conferences, including hurricane response, drought preparedness, disaster and emergency management, cybersecurity, and terrorism awareness.

The TCEQ WSD provided assistance and support to water systems that experienced water outages or loss of pressure for more than 24 hours caused by extreme weather conditions or other system failures. During the reporting period, freezing conditions caused line breaks and power outages, excessive heat caused well failures, and one system was impacted by a tornado. In FY 2021 TCEQ supported 46 water systems; in FY 2022, that number was eight, and in FY 2023, that number was 27.

Each year, TCEQ provides Homeland Security Contact Update Forms to facilities to keep emergency contact information up to date. In FY 2021, information was updated for approximately 3,000 facilities. In FY 2022, emergency contact information was updated on 117 water systems, and 2,734 other points of contact were also updated. In FY 2023, the emergency contact forms became available online and 4,468 PSW emergency contact updates were received, of which 2,206 were submitted using the online form.

Emergency Preparedness and Response Efforts for Winter Storm Uri

In FY 2021, Texas had one major event that required extensive TCEQ support for many PWSs. During the week of Feb. 14, 2021, a severe winter storm, referred to as Winter Storm Uri, swept across Texas bringing unprecedented record low temperatures, ice, and snow. Loss of power generation due to the cold weather and peak demand left approximately 4.3 million customers without power, including many PWSs.

The storm impacted many of the state's 7,000 PWSs causing wide-spread water outages, shortages, burst pipes, and equipment failures that disrupted treatment processes. As a result, 1,985 boil water notices were issued by water systems in the state over the course of the week, impacting approximately 16 million Texans.

Systems issued boil water notices for a variety of reasons including:

- **Loss of power:** Systems without power were unable to adequately treat water or pump treated water into distribution systems. Systems with generators encountered mechanical failures due to the freezing temperatures and icy conditions. Some systems had multiple electric service providers, but due to the widespread power outages, not all the providers were able to provide electricity.
- **Damaged equipment:** Components used for treatment and distribution froze and could not produce or supply adequately treated water. This created a cascading effect on systems that purchase treated water—and only have a distribution system—to also issue boil water notices.

- Loss of pressure: Systems that were still able to send treated water to distribution encountered multiple issues, from frozen or broken water lines to increased customer demand. Increased demand resulted from customers dripping or running taps to prevent pipes from freezing, filling large containers of water for emergency personal use, and water loss when lines froze or broke.

Due to dangerous road conditions (ice, downed trees and power lines, etc.), some systems were unable to access their treatment plants to evaluate damage, start generators, or conduct additional mitigation actions. From Feb. 16-March 1, 2021, the TCEQ tracked boil water notices statewide until water systems were able to lift their notices and return to regular service.

Emergency Preparedness Plans

As a result of Winter Storm Uri, Senate Bill 3 (SB 3) was passed during the Texas 87th Legislative Session, which amended Texas Water Code (TWC), Chapter 13, by adding TWC Section 13.1394, requiring affected utilities to adopt and implement emergency preparedness plans (EPPs). An affected utility is a provider of potable water or raw water that furnishes water service to more than one customer. The EPP describes how an affected utility will maintain at least 20 pounds per square inch (psi) to the customers in the event of a power outage lasting more than 24 hours. Affected utilities subject to Section 13.1394 were required to submit their EPP to the agency by March 1, 2022, and implement their EPP by July 1, 2022, or upon final approval by the agency. The program reviews and approves each plan to ensure they meet the requirements of SB 3, and as of Aug. 31, 2023, the program has received 3,734 EPPs and has approved 1,014 at this time.

Beginning in FY2021 and through FY2022 an extensive amount of outreach has been completed to provide as much assistance as possible to systems identified as affected utilities. Workshops, training events, and webinars began in October 2021 to assist affected utilities with developing their EPP. The FMT program provided nine workshops and a webinar which were attended by 424 individuals and approximately 150 people that participated in the webinar. Over 200 financial, managerial, and technical assistance assignments have been requested to assist affected utilities to develop an EPP.

The TCEQ Small Business and Local Government Assistance (SBLGA) program in the TCEQ's Office of Compliance and Enforcement (OCE) presented four webinars to help affected water utilities understand the requirements of SB 3 and EPPs. In total, the webinars had 265 attendees. SBLGA staff created EPP Template Instructions and a Help Form for directly assisting customers with EPP related questions. Staff have conducted outreach to an estimated 1,600 individuals in the form of individual calls and emails to remind customers of the requirement to create and implement an EPP.

Drought Response

In FY 2021, drought conditions returned to the state, worsening through May; however, precipitation in June 2021 resolved much of the state's worst drought conditions by the end of the month. TCEQ staff continued to monitor PWSs from the previous drought and provided assistance to systems that were newly affected.

In FY 2022, drought conditions began to significantly impact PWSs in June. With the returning drought conditions, the Emergency Drinking Water Taskforce (Taskforce) reinstated weekly meetings with both internal and external stakeholders to determine available, relevant assistance for the affected water systems. Stakeholders include the Texas Division of Emergency Management (TDEM), TWDB, CUI, local governments, OCE, WSD, and the SBLGA program.

In FY 2023, drought conditions returned to the state with the first impacted system reporting effects of drought in April. By May of 2023, an additional four systems were added to the high priority list compelling the Taskforce to reinstate monthly meetings. By July, the frequency of meetings increased to biweekly, with 15 systems actively tracked on the high priority list. Four systems on the high priority list were referred to TWICC for further financial assistance.

- At the end of FY 2021, no systems remained on the high-priority drought list, two systems were still being monitored on the drought watch list, and 136 systems were moved to the drought resolved/success list.
- At the end of FY 2022, only one system remained on the high priority drought list.
- At the end of FY 2023, 15 systems remained on the high priority list with an additional nine systems remaining on the watchlist, and two systems were moved to the resolved/success List.

Field Inspections and Complaint Investigations

PWS investigators operate out of TCEQ's OCE Regional Offices. Investigators work closely with the PWSs in their regions and conduct Comprehensive Compliance Investigations (CCIs) to determine PWS compliance with applicable regulations. Investigators provide both verbal and written technical assistance and respond to emergencies and complaints.

OCE Region Office Activities FY 2021 through August 2023

Description	FY 2021	FY 2022	FY 2023
Comprehensive Compliance Investigations	2,275	2,046	2,076
Complaint Responses	855	852	806

Operator Licensing and Registration

The gap between funding new treatment facilities and having operators with enough training and experience to operate new facilities has been a topic of discussion throughout the water industry. PWS operators who perform duties in drinking water production or distribution, as well as companies that operate PWSs on a contractual

basis, must be licensed with TCEQ, unless exempt, and must comply with the requirements in Chapter 290, related to drinking water.

In FY 2021:

- Approximately 16,423 Texas water system operators were licensed by TCEQ.
- Approximately 8,152 new and renewal applications for water operator licenses were processed by TCEQ.
- Approximately 2,157 new water operator licenses were issued, and 4,117 water operator licenses were renewed.

In FY 2022:

- Approximately 16,916 Texas water system operators were licensed by TCEQ.
- Approximately 7,095 new and renewal applications for water operator licenses were processed by TCEQ.
- Approximately 2,276 new water operator licenses were issued, and 3,420 water operator licenses were renewed.

In FY 2023:

- Approximately 17,237 Texas water system operators were licensed by TCEQ.
- Approximately 7,991 new and renewal applications for water operator licenses were processed by TCEQ.
- Approximately 2,553 new water operator licenses were issued, and 3,472 water operator licenses were renewed.