



General Office

December 2, 2024

Sunset Advisory Commission
P.O. Box 13066
Austin, Texas 78711

RE: Trinity River Authority of Texas
Public Comments for 2024-2025 Review Cycle, 89th Legislative Session

Dear Sunset Advisory Commission and Staff:

The Trinity River Authority of Texas would like to thank the Sunset Advisory Commission and Staff for their hard work reviewing the organization. Sunset Staff were pleasant and accommodating. They were diligent and professional in their review.

The Trinity River Authority approached the Sunset Review Process as an opportunity to be transparent and to improve in its mission to serve the citizens of the Trinity River Basin and the State of Texas. The findings and recommendations presented by Sunset Staff through reviews of other river authorities and the uniformity report have prompted the Authority to make improvements in areas common to river authorities. Authority management agrees with all findings and recommendations presented in the report for the Trinity River Authority. There are several areas within the organization that need process improvements and efficiencies, and this report will influence such changes.

We have developed internal plans to address and implement changes based on all recommendations in the report. The attached document details the current status of those plans and our path forward.

We appreciate the opportunity to provide feedback on the recommendations and are grateful for the role that the Sunset Advisory Commission has taken in driving these organizational improvements. We appreciate the work of all those involved in the process.

Kindest personal regards,

A handwritten signature in blue ink that reads 'J. Kevin Ward'. The signature is written in a cursive, flowing style.

J. KEVIN WARD
General Manager

**Trinity River Authority of Texas
Responses to Sunset Staff Recommendations**

Issue 1: TRA’s Procurement and Contracting Processes Would Benefit from Enhanced Oversight, Formal Policies, and Best Practices to Mitigate Potential Risk.

Management Action		Status	Response
1.1	Direct TRA to expand internal oversight of construction and engineering contracting and take additional steps to centralize procurement and contracting functions.	In Progress	TRA will give its Purchasing Department administrative oversight of solicitations, scoring and vendor selection, contract development, and award of construction and engineering contracts. TRA staff will develop a standard of procedure using the Certified Texas Contract Developer Certification (CTCD) guidelines for procurement and vetting contract questions. TRA will specify positions directly involved in the process from contract specification development, solicitation, and recommendation for all contracts and any necessary training.
1.2	Direct TRA to adopt detailed internal contract management and monitoring policies.	In Progress	TRA staff has proposed changes to the TRA Purchasing and Procurement Policy to include specific guidelines for contract management and monitoring, following both the State of Texas Procurement and Contract Management Guide and the Texas Water Code.
1.3	Direct TRA to adopt intermediate remedies in standard contract language.	In Progress	TRA is exploring intermediate remedy options for contractor non-performance to adopt in its standard contract language.
1.4	Direct TRA to adopt a policy with clear criteria for contract remedies.	In Progress	TRA will update its Purchasing and Procurement Policy to provide specific guidelines for each area of contract management, including contract cure/remedy and closeout.
1.5	Direct TRA to adopt a formal escalation policy to prevent contract compliance issues.	In Progress	TRA currently reports all change orders, regardless of amount, to the Board of Directors, by General Manager directive. TRA will adopt a formal escalation policy for notifying management and the Board of Directors of contractors continuously failing to meet deliverables.
1.6	Direct TRA to improve certain contracting activities to ensure consistency and enhance monitoring.	In Progress	TRA will procure and implement a master file system for each contract. TRA will explore addition of a contract specialist/administrator position to support each staff group for contract compliance, tracking, regulatory compliance, and training. TRA will adopt a policy regarding vendor performance and documentation to assist in vendor evaluation. TRA will update the

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			Purchasing and Procurement Policy to include firm HUB participation goals. TRA will develop a conflict-of-interest and disclosure form to implement for all employees involved in the procurement process. TRA will also update the Purchasing and Procurement Policy to include a formal vendor award dispute process.
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Issue 2: TRA's contracting processes would benefit from additional documentation and alignment with best practices. TRA Would Benefit from Restructuring and Prioritizing its Internal Auditing Efforts to Improve Operational Efficiency and Reduce Risk.

Management Action		Status	Response
2.1	Direct TRA to have its internal audit function report directly to the board's Administration and Audit Committee.	In Progress	TRA will conduct a review of the internal audit function and the need for additional Board oversight. This review will include the need for expanding the scope of audits, potential for additional staffing and outsourcing of audits for key risk areas. Consideration will also be given to conducting cyclical management audits. TRA will adopt a policy whereby the internal auditor will report directly to the Administration and Audit Committee. The internal auditor will submit audit plans, audit reports, and other work product directly to the committee, and the committee will be responsible for making recommendations to the full Board on hiring, removing, and compensating the head of the internal audit function.
2.2	Direct TRA's full board of directors to schedule internal audit status updates and vote on internal audit-related decisions prior to their enactment.	In Progress	TRA will schedule routine internal audit status updates to the Board of Directors and request Board action prior to internal audit decisions.
2.3	Direct TRA's Administration and Audit Committee to exercise additional oversight of the internal audit function.	In Progress	TRA will amend its bylaws to include oversight of internal audit as an Administration and Audit Committee function.

Issue 3: Additional Formalized Planning Would Better Position TRA for Continued Success.

Management Action		Status	Response
3.1	Direct TRA to develop more	In Progress	TRA will develop more specific action items

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	specific work plans with action items and performance measures to evaluate progress and operationalize its current and future strategic plans.		and performance measures for inclusion in its next strategic plan. TRA staff will develop department level work plans to tie in to the strategic plan and include action items and performance measures to gauge progress.
3.2	Direct TRA to further plan for future communications.	In Progress	TRA will develop a communications plan to define and identify its role in communicating with the public. TRA will explore options for being more proactive in building general public awareness of the TRA
3.3	Direct TRA to develop a formal, strategic decision-making process to identify and address potential risk and better inform its decisions.	In Progress	TRA will develop a formal strategic decision-making process to evaluate the impact of decisions that affect the authority's long-term operations that are not part of the authority's capital improvement program, including the use of cost benefit analysis.

Issue 4: TRA's Governing Law and Processes Do Not Reflect Some Standard Elements of Sunset Reviews.

Change in Statute		Status	Response
4.1	Apply the standard across-the-board requirement regarding the governor's appointment of the presiding officer to TRA's board.	In Progress	TRA will adopt a policy in accordance with any statutory changes.
4.2	Apply the standard across-the-board requirement regarding grounds for removal of a board member to TRA's board.	In Progress	TRA will adopt a policy in accordance with any statutory changes.
4.3	Apply the standard across-the-board requirement regarding board member training to TRA.	In Progress	TRA currently provides board member training. TRA will develop a General Manager's Policy directing specific areas of training and curriculum.
4.4	Apply the standard across-the-board requirement regarding the separation of duties of board members from those of staff to TRA.	Implemented	TRA currently has bylaws of the Board of Directors that separates the duties of the Board and TRA staff, as well as a Separation of Board and Staff Functions Policy.
4.5	Apply the standard across-the-board requirement regarding public testimony to TRA.	Implemented	TRA currently allows public testimony at all of its board meetings.

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4.6	Apply the standard across-the-board requirement related to developing and maintaining a complaint system and making information on complaint procedures available to the public.	In Progress	TRA currently has an online compliant submission process. TRA is working on standardizing a process for receiving complaints in other forms. TRA will adopt a formal compliant process and require staff training on response and process management.
4.7	Amend TRA's Sunset review date to 2037.	--	--
4.8	Amend TRA's governing law to reflect a board size of 25 directors.	--	--

Management Action		Status	Response
4.9	Direct the Texas Legislative Council to update TRA's governing law.	In Progress	Notes and comments in regard to updates to TRA's governing law have been submitted to Sunset staff as part of our current review.
4.10	Direct TRA to publish minutes for board and committee meetings to improve transparency.	Implemented	TRA currently has minutes for the board and committee meetings from the last five years posted to the TRA's website.

Additional Consideration		Status	Response
4.11	Consider the decision on modifying board terms as part of the river authority uniformity study.	--	TRA maintains that six-year board terms are authorized by Article 16, Section 30a, Texas Constitution.