

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Commissioners

Date: August 20, 2007

Thru: La Donna Castenuela, Chief Clerk

From: ^{gm} Al Segovia, Concho River Watermaster
_{for}
8.20.07

Subject: Agenda Executive Summary for Approval of Fiscal Year (FY) 2008 Proposed Assessment for Annual Costs for Watermaster Operations in the Concho River Watermaster Program Set for September 19, 2007 Uncontested Agenda

Summary of Request:

The Concho River Watermaster Program seeks approval of its Fiscal Year (FY) 2008 proposed assessment for annual costs of operations based on its operating budget which consists of a \$50.00 base fee applicable to each assessment account. A penalty of 5.0% of any delinquent fee due shall be imposed on a person who fails to pay the required fee when due and if the person fails to pay the fee within 30 days after the day the fee is due, an additional 5.0% penalty shall be imposed. Delinquent fees will accrue interest beginning on the 61st day after the due date. The yearly interest rate on all delinquent fees required under this title is the prime rate plus one percent, as published in the *Wall Street Journal* on the first day of each calendar year that is not a Saturday, Sunday, or a legal holiday. Penalties and/or interest fees may be waived by the Executive Director for good cause. The Executive Director estimates the proposed assessment of One Hundred Fifty Seven Thousand, Five Hundred Eighty Six Dollars (\$157,586) will generate revenue of One Hundred Fifty Four Thousand, Four Hundred Thirty Three Dollars (\$154,433) for FY'08.

Authority: TWC § 11.329
TAC § 12.1; 12.3; 12.5

Staff Recommendation:

Approval of the Concho River Watermaster Program FY'08 Assessment for Annual Cost of Operations

Contact: Al Segovia: (210) 403-4040

CHIEF CLERKS OFFICE

2007 AUG 28 PM 4:15

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
AGENDA ITEM REQUEST**

AGENDA REQUESTED: September 19, 2007
DATE OF REQUEST: July 17, 2007

NAME & NUMBER OF PERSON TO CONTACT REGARDING CHANGES TO THIS REQUEST, IF NEEDED: Al Segovia, 210-403-4040; Tracy Miller 239-4127

CONSIDERATION OF FISCAL YEAR 2008 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE CONCHO RIVER WATERMASTER PROGRAM. Pursuant to TWC Section 11.329; and TAC Sections 12.1; 12.3; 12.5 and 304.61 of the Commission Rules, the Executive Director requests that the Commission consider Watermaster assessment of annual costs for the fiscal year beginning September 1, 2007, and ending August 31, 2008, for appropriators in the Concho River Watermaster Program, which consists of the Concho River segment of the Colorado River Basin that includes the Concho River and all of its tributaries, downstream on the main stem of the Concho River to a point on the Concho River prior to reaching, and upstream of the O.H. Ivie Reservoir located at and including the diversion point of Certificate of Adjudication No. 14-1393 (River Order No. 4954450000) in Concho County and approve \$157,586.00 with a municipal rate of \$0.5452 as the amount to be assessed for annual costs, with the assessment per account to consist of a \$50.00 base charge plus a use fee and/or storage fee calculated from the authorized acre-feet, and a penalty of 5.0% of any delinquent fee due imposed on a person who fails to pay the required fee when due and if the person fails to pay the fee within 30 days after the day which the fee is due, an additional 5.0% penalty shall be imposed. Delinquent fees will accrue interest beginning on the 61st day after their due date.

Chief Clerk Must Send Notice of the Application/Hearing: No

Type of Matter: Budget

County: The 8 Counties Within the Concho Watermaster's Jurisdiction (Irion, Runnels, Sterling, Coke, Reagan, Tom Green, Schleicher, Concho)

Uncontested: X **Contested:**

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER Assessing the Annual Cost of Operation for the Concho River Watermaster Program for the fiscal year beginning September 1, 2007, and ending August 31, 2008: Docket No. 2007-1148-BGT Concho River Watermaster

On September 19, 2007, after proper notice and public hearing as provided in Texas Water Code §11.329, came to be considered by the Texas Commission on Environmental Quality ("Commission") the matter of cost for the Watermaster operations in the said Program for the fiscal year beginning September 1, 2007, and ending August 31, 2008. After reviewing the supporting documentation, the Commission finds as follows:

- (1) The Concho River Watermaster Program, as designated pursuant to House Bill 2815 (Chapter 11, Suchapter K of the Texas Water Code) passed in the Regular Session, 79th Legislature, 2005, consists of the Concho River segment of the Colorado River Basin that includes the Concho River and all of its tributaries, downstream on the main stem of the Concho River to a point on the Concho River prior to reaching, and upstream of the O.H. Ivie Reservoir located at and including the diversion point of Certificate of Adjudication No. 14-1393 (River Order No. 4954450000) in Concho County;
- (2) Pursuant to Texas Water Code §11.329, the holders of water rights which are to be administered by the Watermaster may be assessed the compensation and necessary expenses of a Watermaster, assistant Watermasters and other necessary employees;
- (3) 30 Texas Administrative Code (TAC), §§304.61-304.63 set forth procedures for the assessment of costs of the Watermaster operations in the Concho River Watermaster Program;
- (4) The compensation and necessary expenses of a Watermaster and other necessary employees for the fiscal year beginning September 1, 2007, and ending August 31, 2008, will require the amount to be assessed in the sum of ONE HUNDRED FIFTY SEVEN THOUSAND, FIVE HUNDRED EIGHTY SIX AND NO/100 DOLLARS (\$157,586.00).
- (5) The charges, fees, formulas for assessment rates, and method for assessing and levying costs approved below, constitute an equitable apportionment of costs, as required by Texas Water Code §11.558 and §11.329;
- (6) All requirements of Texas Water Code §11.558, §11.329, and 30 TAC §§304.61-304.63 have been met.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

- (1) That the amount of ONE HUNDRED FIFTY SEVEN THOUSAND, FIVE HUNDRED EIGHTY SIX AND NO/100 DOLLARS (\$157,586.00) is approved as the total amount to be assessed for annual costs of operations in the Concho River Watermaster Program during the fiscal year beginning September 1, 2007, and ending August 31, 2008, and that such amount is assessed against the water rights holders in the Concho River Watermaster Program in the manner described in this order and pursuant to 30 TAC §§304.61-304.63;
- (2) That the following charges, rates, fees, formulas for assessment rates and method for assessing and levying cost are approved and shall be implemented by the Executive Director:
 - (a) A base charge for each assessment account of FIFTY AND NO/100 DOLLARS (\$50.00);
 - (b) Assessment rates for each assessment account to be calculated by the Executive Director in accordance with the procedures set forth in 30 TAC §304.63;
 - (c) Assessment of costs and levy of assessments for each account in accordance with the procedures set forth in 30 TAC §304.63;
 - (d) A penalty of 5.0% of the fee due shall be imposed when the assessment is not paid on time. If the assessment is not paid within 30 days after the day on which the fee is due, an additional 5.0% penalty shall be imposed pursuant to 30 TAC Chapter 12;
 - (e) Delinquent fees accrue interest beginning on the 61st day after their due date;
 - (f) Penalties and/or interest under this section may be waived by the Executive Director for good cause;
- (3) That the Executive Director shall specify dates by which payments assessed pursuant to this order shall be paid or postmarked.

ISSUED THIS DATE: _____

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Commissioners, TCEQ

Date: August 20, 2007

Thru: *J* John Sadlier, Deputy Director
8/27 Office of Compliance and Enforcement

CR Carlos Rubinstein, Director
8-24 Texas Border Area

JAS Jennifer A. Sidnell, Director
8-21 Field Operations Support Division

From: *gm* Al Segovia, Concho River Watermaster
for

Subject: Fiscal Year (FY) 2008 Proposed Assessment of Annual Costs of Operations for the Concho River Watermaster Program

The Concho River Watermaster fund is required by Texas Water Code (Code) §11.329 to pay compensation and expenses of the Watermaster and to pay expenditures for equipment, facilities, and capital expenditures necessary for Watermaster operations when recommended by the Watermaster Advisory Committee (WAC) and the Executive Director and approved by the Commission.

The attached document, "Concho River Watermaster Operations", was presented to the Concho River WAC on June 14, 2007, in San Angelo, Texas. The third column, "FY'08 Operating Budget Needs" indicates the projected program needs within the FY'08 appropriation, and the "FY'07 Anticipated Expenditures" (column 2) shows the projected program expenditures for the previous fiscal year. Also, attached to this memo is a copy of the public meeting notice for the June, 2007 Concho River WAC meeting that provided thirty (30) day notice of the budget hearing as required by the Code. An additional public meeting notice was mailed on August 10, 2007 to all affected water right holders regarding this budget item scheduled for the September 19, 2007 commission agenda. A copy of that notice and the mailing affidavit from the Chief Clerk's office are also attached.

During their meeting, the WAC acknowledged the "FY'07 Anticipated Expenditures" in the amount of \$135,727, as presented. The WAC also agreed with staff's recommendation for the proposed "FY'08 Operating Budget Needs" in the amount of \$154,433. A draft copy of the WAC meeting minutes are attached for your information.

Staff recommends the "FY'08 Operating Budget Needs" in the amount of \$154,433. Using this budget amount, the program calculates its assessment based on a 98% collection rate; therefore, the total assessment amount is \$157,586 with a municipal rate of \$0.5452. This staff proposal represents a decrease of \$0.0255 from the previous year's municipal rate of \$0.5707. The calculated rate for FY'08 is expected to generate revenue in excess of the Comptroller's Biennial Revenue Estimate (BRE) when combined with the revenue estimates for the Rio Grande Watermaster Program and the South Texas Watermaster Program. This combined excess revenue collection will provide access to the contingency Watermaster appropriations as authorized in Rider 33 of the FY'08-'09 General Appropriations Act. The total estimated amount of revenue in excess of the BRE for FY'08 is \$57,184. This additional revenue is

FY'08 CRWM Budget
August 20, 2007
Page 2

necessary for the Watermaster programs to be self-sufficient and not rely on funding subsidization from TCEQ.

This memorandum requests Commission approval of the Concho River Watermaster Program operating budget and assessment for FY'08. If I can be of further assistance or should you have any questions regarding this matter, please contact me at 1-210-403-0404 or Tracy Miller, Watermaster Liaison, at 239-4127.

Concho River Watermaster Operations

Annual Appropriation Information

	FY06	FY07	FY08
Legislative Appropriation Amount	139,768.00	110,548.00	138,714.93
Estimated Fringe and SWCAP (not in Appropriation)	19,451.00	25,742.00	15,718.88
Estimated Total Fund Obligation	\$159,219.00	\$136,290.00	\$154,433.81

FY07 Budget/Anticipated Expenditures Compared to FY08 Operating Budget Needs

Budget Categories	FY07 Adjusted Budget	FY07 Anticipated Expenditures	FY08 Operating Budget Needs	Difference from FY07 to FY08 Budget
Salaries	72,013.00	67,456.00	97,700.56	25,687.56
Longevity	960.00	960.00	1,916.00	956.00
Salary Enhancements (1)	0.00	10,073.04	2,491.36	2,491.36
Fringe (2)	16,914.00	16,914.00	15,126.40	(1,787.60)
SORM (3)	618.00	618.00	618.00	0.00
SWCAP (4)	311.00	311.00	592.48	281.48
LAR Capital (5)	0.00	0.00	0.00	0.00
Professional/Temp Services (6)	0.00	0.00	0.00	0.00
Travel In-State (7)	6,000.00	6,000.00	9,000.00	3,000.00
Travel Out-of-State	0.00	0.00	0.00	0.00
Training	1,563.00	1,563.00	1,497.00	(66.00)
Rent - Building (8)	10,349.00	11,453.00	10,442.00	93.00
Postage	1,500.00	1,500.00	1,300.00	(200.00)
Phone/Utilities	2,000.00	2,800.00	2,500.00	500.00
Supplies - Consumables	1,737.00	1,737.00	1,000.00	(737.00)
Other Operating Expenses (9)	1,400.00	1,400.00	1,000.00	(400.00)
Fuels/Lubricants	5,942.43	5,942.43	7,000.00	1,057.57
Rent - Machine & Other	710.00	1,000.00	750.00	40.00
Facilities, Furniture & Equip (10)	8,194.57	6,000.00	1,500.00	(6,694.57)
Capital Equipment - Non LAR (11)	0.00	0.00	0.00	0.00
TOTAL	\$130,212.00	\$135,727.47	\$154,433.81	\$24,221.81

Notes:

- (1) Salary Enhancements are calculated based on 3.4% of 75% of total Salaries; these are projections only; actual expenditures will vary based on salary actions approved by management
- (2) Fringe includes employee benefits such as health insurance, social security insurance, and retirement
- (3) State Office of Risk Management (SORM) is a fee that is charged annually to the TCEQ; amount is estimated during budget development; actual expenditure may vary
- (4) Statewide Cost Allocation Plan (SWCAP) is a fee that is charged annually to the TCEQ for central services; amount is estimated during budget development; actual expenditure may vary
- (5) Legislative Appropriation Request (LAR) Capital includes all items exceeding \$25,000 in total agency cost (ex: vehicles, computers, monitoring equipment); must have legislative approval
- (6) Professional/Temp Services includes but is not limited to software development costs, summer interns, temporary employees
- (7) Travel In-State is capped at an agency level; an increase in WM travel funding cannot be accommodated without a corresponding decrease in travel funding in another agency program
- (8) A proportionate share of the annual TCEQ Regional Office building rent is charged to the Watermaster Program
- (9) Other Operating Expenses includes items designated by Comptrollers Office that do not fall into any remaining budget category (ex: annual vehicle inspection fees, vehicle decals, etc)
- (10) Facilities, Furniture & Equipment (FFE) includes but is not limited to non-LAR equipment less than \$5,000 in cost, non-consumable supplies, vehicle maintenance and repairs, etc
- (11) Capital Equipment - Non LAR includes capital items with a cost between \$5,000 and \$24,999

FY08 Proposed Assessment Calculation

FY08 Operating Budget Needs	\$154,433.81
Assessment Necessary Based on 98% Collection Rate	\$157,586.00

Historical Assessment Comparison

	FY06	FY07	FY08
Total Assessment	\$177,000.00	\$164,139.00	\$157,586.00
Municipal Rate	0.6170	0.5707	0.5452

PUBLIC MEETING NOTICE

CONCHO RIVER WATERMASTER ADVISORY COMMITTEE

DATE: Thursday, June 14, 2007

LOCATION: Texas Commission on Environmental Quality
San Angelo Regional Office
622 South Oakes, Suite K

TIME: 1:30 P.M.

**PURPOSE: DISCUSS THE CONCHO RIVER WATERMASTER PROGRAM
PROPOSED BUDGET FOR FISCAL YEAR 2008. PUBLIC IS
INVITED TO ATTEND, COMMENT AND PARTICIPATE.**

Note: Pursuant to Texas Water Code §11.329(b) the Concho River Watermaster is required to provide notice to water right holders, at least 30 days prior to holding a public hearing to discuss the proposed budget for the Concho River Watermaster operations. The Concho Watermaster Advisory Committee will hold a public meeting to discuss the proposed Concho Watermaster budget for fiscal year 2008 on June 14, 2007 at 1:30 p.m., said meeting to be held at the TCEQ San Angelo Regional Office.

Notice Date: May 11, 2007

**Al Segovia
Concho River Watermaster**

For questions or for a copy of the Concho River Watermaster budget for fiscal year 2008, please feel free to call (325) 481-8069 or (866) 314-4894.

Special Notice

The Concho River Watermaster Advisory Committee, established in accordance with Texas Water Code §11.557, serves the following purpose:

- (1) provides recommendation to the watermaster and watermaster deputy regarding activities of benefit to the holders of water rights in the administration and distribution of water;
- (2) advises the watermaster and deputy watermaster on complaints and enforcement matters;
- (3) reviews, holding a public hearing on, and makes recommendations on the annual budget proposed by the watermaster so as to cover all costs of the Concho River Watermaster Program; and
- (4) provides assistance as requested by the watermaster, deputy watermaster, or water right holders.

The TCEQ appreciates and values input provided by the Concho River Watermaster Committee and is actively seeking interested participants to serve on the committee as vacancies become available. If you are interested in serving, or would like to nominate someone for appointment consideration, please contact the Concho River Watermaster's office at (325) 481-8069 or (866) 314-4894, via fax at (325) 658-5431, or email at asegovia@tceq.state.tx.us.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

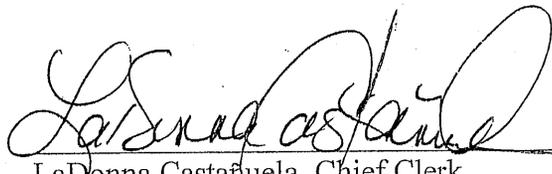


STATE OF TEXAS §

COUNTY OF TRAVIS §

I, LaDonna Castañuela, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the Notice of Consideration of the Proposed Assessment of Annual Costs for the Concho River Watermaster Program was mailed on the 10th day of August, 2007, to the persons on the attached mailing list.

Given under my hand and the seal of the Texas Commission on Environmental Quality, this 13th day of August, 2007.



LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality

(SEAL)

RECEIVED
AUG 14 2007
TCEQ
FIELD OPERATIONS

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
H. S. Buddy Garcia, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

NOTICE OF CONSIDERATION OF PROPOSED ASSESSMENT OF ANNUAL COSTS FOR THE CONCHO RIVER WATERMASTER PROGRAM

The Commissioners of the Texas Commission on Environmental Quality will consider the Concho River Watermaster Operation's budget and proposed assessment for costs for September 1, 2007 through August 31, 2008 (TCEQ Fiscal Year 2008), during a public meeting at:

**9:30 A.M. in Building E, Room 201S
located at 12100 Park 35 Circle
in Austin, Texas on
September 19, 2007**

This item is Docket No. 2007-1148-BGT, Consideration of an Order assessing costs of Watermaster operations in the Concho River Watermaster Program which consists of the Concho River segment of the Colorado River Basin that includes the Concho River and all of its tributaries, downstream on the mainstem of the Concho River to a point on the Concho River prior to reaching, and upstream of the O.H. Ivie Reservoir located at and including the diversion point of Certificate of Adjudication No. 14-1393 (River Order No. 4954450000) in Concho County.

The compensation and necessary expenses of the Concho River Watermaster Operations for the fiscal year is One Hundred Fifty Four Thousand Four Hundred Thirty Three Dollars (\$154,433.00). Of this amount, One Hundred Seventeen Thousand Two Hundred Thirty Three Dollars (\$117,233.00) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining Thirty Seven Thousand Two Hundred Dollars (\$37,200.00) are needed for program operating costs. Based on a 98% collection rate, these necessary expenses require a total assessment of One Hundred Fifty Seven Thousand Five Hundred Eighty Six Dollars (\$157,586.00) with a municipal rate of \$0.5452.

This notice is provided to all holders of water rights as required by the Texas Water Code Section 11.329. You may attend this meeting and provide comments to the Commission concerning this item. Persons with disabilities who have special communication or other accommodation needs who are planning to attend this meeting should contact the Office of Administrative Services Facilities Liaison at (512) 239-0080. Requests should be made as far in advance as possible.

The Concho River Watermaster Advisory Committee (WAC) discussed and approved the proposed assessment and budget during a public meeting in San Angelo, Texas, on June 14, 2007. The public was invited to attend this WAC meeting via notice dated May 11, 2007.

If you have any questions or would like a copy of the proposed budget, please contact the Concho River Watermaster's office at (325) 481-8069 or (866) 314-4894, via fax at (325) 658-5431, or email at asegovia@tceq.state.tx.us.

CONCHO RIVER WATERMASTER ADVISORY COMMITTEE MEETING (CRWAC)
JUNE 14, 2007
TCEQ/CRWM OFFICE, SAN ANGELO, TX.
1:30 P.M. – 4:00 P.M.

MINUTES

Registration

CRWAC Vice Chair, A. J. Jones called the meeting to Order.

TCEQ personnel, Al Segovia (San Antonio), John Woiton and Molly Gilliam (San Angelo), Tracy Miller (Austin) and Frank Espino (Dallas/Ft. Worth) were present.

CRWAC Members are:

J.W. Lown, Mayor of San Angelo
Devin Bates, City Council Member, City of San Angelo
Harold Dominguez, San Angelo City Manager
Will Wilde, Director of Water Utilities, City of San Angelo
Tom Massey, Attorney, City of San Angelo
Stephen Brown, UCRA Consultant, City of San Angelo
John Hruska, City of Paint Rock
Jack Pool, Dove Creek
Bill Palowski, Spring Creek
Stuart Seidel, South Concho
Billy Gassiot, Middle Concho
A. J. Jones, Mainstem Concho

Members not present: Devin Bates, Stephen Brown, Billy Gassiot, Tom Massey, Bill Palowski. Also present at the meeting was Kenneth Schwartz, Van Carson, Steven Hoelscher, Benny Stuard, and Ed Filbin.

Al Segovia introduced Frank Espino, North Central Area Director.

A. J. Jones opened the floor to reading of the minutes. Jack Pool made a motion to dispense reading of the minutes with a second from Stuart Siedel. Review the minutes of the November 9, 2006 meeting. Will Wilde made a motion with a second from J. W. Lown to approve the minutes. Minutes were unanimously approved.

A. J. Jones opened the floor to discussion of status of Win Brown's replacement. Al Segovia states that the Resumés and Biographies have been sent to Austin Headquarters, no word yet on who the replacement will be.

A. J. Jones discussed the re-election of members with expiring terms. Members with expiring terms are: J. W. Lown – yes, Devin Bates – will discuss replacement with the City of San Angelo Council, Bill Palowski – yes, Stuart Seidel – yes, Billy Gassiot – absent, and the Vacant

position. Tracy Miller states that the vacant position will get re-appointed. She also stated that when the City of San Angelo Council got a replacement that that person will need to submit a resumé or biography. Deadline for replacement is July 15, 2007. J. W. Lown and Harold Dominguez said they could bring it before the Council the first of July.

A. J. Jones moved to the next item on the agenda which was status of the monitoring stations. Al Segovia updated the committee that there will need to be monitoring station up and down the Concho River for decision making purposes. Recently had the USGS individuals go out with TCEQ staff to decide where would be the best places to put these stations. USGS recently provided a report with the costs included for establishing and maintaining these stations. TCEQ staff will put something together that shows the USGS costs plus some alternatives for the committee to help decide which way to precede. Will Wilde asked if all the stations were down stream from San Angelo. Al Segovia stated that there were a couple up-stream from San Angelo.

A. J. Jones opened the floor to Al Segovia and Tracy Miller regarding the budget. Tracy started with the top portion of the budget. The program has an appropriation and for the last two years the Concho had a Rider specifying how much was available. Fund 158 (Watermaster Fund) covers all three programs, Concho, South Texas, and Rio Grande, and of that total appropriation each program has a portion. The CRWM portion of the total appropriation is identified in the Legislative Appropriation Amount at the top of the budget sheet. The portion not included in the appropriated amount are fringe, State Office of Risk Management (SORM), State Wide Cost Allocation Plan (SWCAP), and longevity. Fringe is derived at the agency level not program level. Fringe is based on a calculation of the agency budget to determine what percentage of the budget each program has then allocate the fringe according to that rather than basing it on the salaries or percentage of salaries for each program. The fringe amount has been reduced from what was allocated in the past. SORM and SWCAP amounts were given to us by the Chief Financial Officer's office. Total estimated fund obligation for FY'08 is \$166,718.88. Al discussed the information in the middle of the sheet starting with the salaries amount. The reason for the increase is due to adding a percentage of the developer of the Filemaker Database salary and increasing the amount that the Concho program pays of Al's salary to 25%. Last year a portion lower than 25% was paid toward Al's salary. The next category is longevity which is the amount of money the state pays to an employee for years of service. Salary enhancements are any merits or promotions to the staff excluding the watermaster. Travel In-State was raised to cover a portion of the cost for staff from South Texas to come down and help with hydrology measurements. Training for staff is about the same as previous years. Rent is for our office spaces here in the region. Postage, Phone/Utilities, Supplies – Consumables, and Other Operating Expenses are less than last year. Fuels and Lubricants increased to compensate for increased fuel prices. Rent – Machine & Other for copy machines. Facilities, Furniture, & Equipment includes repairs and maintenance to our vehicle. Total for all of our operating needs is \$154,433.81. The assessment amount necessary of \$157,586.00 is based on a 98% collection rate. Collection rate for last year was at 98.5%. The municipal rate decreased from last year to \$0.5453. John Hruska asked when this budget goes into effect. Al stated that is for September 1, 2007 through August 31 of next year. The FY07 Adjusted Budget is what was given to the program on September 1, 2006. The FY07 Anticipated Expenditures is what has been spent or is anticipated to be spent for this year through August 31st. There are no expenses for Monitoring

stations in this budget because there is money set aside to get us started. The first year we will pay for both the installation and maintenance after that it will have to be picked up by the water right holders. Harold asked if it would just be operation and maintenance or if there will need to be a recoup of the installation costs. Al stated that it will just be the operation and maintenance costs.

John Hruska asked about the difference between the Estimated Total Fund Obligation and the Total Assessment Amount. Tracy explained that the legislature authorizes us to collect up to \$166,718.88 if we need it. There is no cash value in this amount. The Total Assessment Amount is the amount we need to collect to operate on. Will Wilde asked about the monies not expended for the last year. Where does that money go and can it be applied toward this budget? Tracy explained that it can not be applied to this budget since the program does not have carry forward authority for this fund outside of a biennium. Anything remaining from collections goes into an unexpended fund balance that the State Comptroller maintains. A. J. stated this is something that needs to be worked on legislatively to get changed. Historically from South Texas and Rio Grande there is a large amount of money that has been rolled into the fund every year. Concho does not have that much since this is such a new program. Will asked if it will take legislative action to change it? Yes, to get carry forward authority. Will asked who do they need to start talking to, to start writing that legislation right now. We need someone to start preparing what we need legislatively, to get that pre-filed before the next session. Is there someone in the agency that can give us direction on wording or what law needs to be changed? Frank Espino stated that we will look into it to get some clear direction. This same discussion point was brought up in the South Texas Watermaster Advisory Committee meeting this week. Motion was made to approve the budget by John Hruska and seconded by Harold Dominguez. Budget was approved.

A.J. opened the floor to discuss the next meeting. Need to discuss the monitoring, the legislative issue, and replacements. Next meeting scheduled for September 13, 2007 at 1:30 pm.

A. J. Jones opens the floor for new business. Will asked what the status of the program is. Al states that the cooperation has been great so far. Al talks about the older permits that don't have any pass through wording on them. We need be able to pass water through several dams that don't have any pass through capabilities.

Will Wilde stated that there has been great cooperation with the Concho staff. A. J. said he is hearing that individuals are happy with the program. Kenneth Schwartz said that not one hundred percent are happy but majority are. He stated that it is getting better and better. He said the only people that are negative are on the Mainstem of the Concho. Still trying to get the releases to them, then they will be happy.

Next CRWAC Meeting set for September 13, 2007 at 1:30 pm.

Meeting adjourned at 2:05 pm.

THESE MINUTES WERE READ AND APPROVED ON .

A. J. Jones, Vice-Chair CRWAC (Acting Chair)

Stuart Seidel, Secretary CRWAC