

TCEQ Interoffice Memorandum

To: Commissioners

Thru: Bridget Bohac, Chief Clerk

From: Ramiro Garcia, Jr., Director, Border and South Central Texas Area

Date: September 2, 2011

Subject: Agenda Executive Summary for Approval of Fiscal Year (FY) 2012 Proposed Assessment for Annual Costs for Watermaster Operations in the South Texas Water Division Set for September 21, 2011 Uncontested Agenda; Docket No. 2011-1204-BGT

Summary of Request:

The South Texas Watermaster Program seeks approval of its Fiscal Year (FY) 2012 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 Five Hundred Ninety Eight Thousand Four Hundred Ninety Four Dollars (\$598,494) will generate revenue of Five Hundred Eight Thousand Five Hundred Forty Dollars (\$580,540) for FY'12.

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

Staff Recommendation:

Approval of the South Texas Watermaster Program FY'12 Assessment for Annual Cost of Operations

Contact: Ramiro Garcia, Jr., 512-239-4481

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

AGENDA REQUESTED: September 21, 2011

DATE OF REQUEST: July 19, 2011

**NAME & NUMBER OF PERSON TO CONTACT REGARDING
CHANGES TO THIS REQUEST, IF NEEDED:**

Ramiro Garcia, Jr., 239-4481; Amy Settemeyer, 239-2588

CONSIDERATION OF FISCAL YEAR 2012 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE SOUTH TEXAS WATER DIVISION. 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, 2011, and ending August 31, 2012, for appropriators in the South Texas Water Division, which consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr counties and approve \$598,494.00 as the amount to be assessed for annual costs.

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

Type of Matter: Budget

County: The 50 Counties Within the South Texas Watermaster's Jurisdiction (Bandera, Bastrop, Blanco, Caldwell, Comal, DeWitt, Fayette, Gillespie, Goliad, Gonzales, Guadalupe, Hays, Karnes, Kendall, Kerr, Victoria, Wilson, Colorado, Jackson, Lavaca, Wharton, Calhoun, Atascosa, Bee, Bexar, Duval, Edwards, Frio, Jim Wells, Kinney, La Salle, Live Oak, Maverick, McMullen, Medina, Nueces, Real, San Patricio, Uvalde, Webb, Wilson, Zavala, Brooks, Jim Hogg, Kenedy, Kleberg, Starr, Willacy, Aransas, Refugio)

Docket Number: 2011-1204-BGT

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER Assessing the Annual Cost of Watermaster Operation for the South Texas Water Division for the fiscal year beginning September 1, 2011, and ending August 31, 2012: Docket No. 2011-1204-BGT South Texas Watermaster

On September 21, 2011, 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 Division for the fiscal year beginning September 1, 2011, and ending August 31, 2012. After reviewing the supporting documentation, the Commission finds as follows:

- (1) The South Texas Water Division consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr counties;
- (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 South Texas Water Division;
- (4) The compensation and necessary expenses of a Watermaster and other necessary employees for the fiscal year beginning September 1, 2011, and ending August 31, 2012, will require the amount to be assessed in the sum of FIVE HUNDRED NINETY EIGHT THOUSAND FOUR HUNDRED NINETY FOUR AND NO/100 DOLLARS (\$598,494.00).
- (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 §11.329;
- (6) All requirements of Texas Water Code §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 FIVE HUNDRED NINETY EIGHT THOUSAND FOUR HUNDRED NINETY FOUR AND NO/100 DOLLARS (\$598,494.00) is approved as the total amount to be assessed for annual costs of the South Texas Watermaster operations during the fiscal year beginning September 1, 2011, and ending August 31, 2012, and that such amount is assessed against the water rights holders in the South Texas Water Division 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; and
- (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

For the Commission

TCEQ Interoffice Memorandum

To: Commissioners, TCEQ

Thru: Richard A. Hyde, P.E., Deputy Director
Office of Compliance and Enforcement

From: Ramiro Garcia, Jr., Director
Border and South Central Texas Area

Date: September 2, 2011

Subject: Fiscal Year (FY) 2012 Proposed Assessment of Annual Costs of Operations for the South Texas Watermaster Program

The South Texas 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, "South Texas Watermaster Operations", was presented to the South Texas WAC on July 18, 2011, in San Antonio, Texas. The third column, "FY'12 Operating Budget Needs" indicates the projected program needs within the FY'12 appropriation, and the "FY'11 Anticipated Expenditures" (column 2) shows projected program expenditures for the current fiscal year. Also, attached to this memo is a copy of the public meeting notice for the July, 2011 South Texas WAC meeting that provided the thirty (30) day notice of the budget hearing as required by the Code. An additional public meeting notice was mailed on August 22, 2011 to all affected water right holders regarding this budget item scheduled for the September 21, 2011 commission agenda. A copy of that notice and the mailing affidavit from the Chief Clerk's office are also attached.

WAC members have acknowledged the "FY'11 Anticipated Expenditures" in the amount of \$558,340, as provided. The WAC also agreed with staff's recommendation for proposed the "FY'12 Operating Budget Needs" in the amount of \$580,540. A copy of the WAC meeting agenda is attached for your information.

Staff recommends the "FY'12 Operating Budget Needs" in the amount of \$580,540. Using that budget amount, the program calculates its assessment based on a 97% collection rate; therefore, the total assessment amount is \$598,494 with a municipal rate estimated at \$0.1960. This staff proposal represents an increase of \$0.0119 from the previous year's municipal rate of \$0.1841. The calculated rate for FY'12 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 Concho River Watermaster Program. This combined excess revenue collection

TCEQ Interoffice Memorandum

will provide access to the contingency Watermaster appropriations as authorized in Rider 24 of the FY'12-'13 General Appropriations Act.

This memorandum requests Commission approval of the South Texas Watermaster Program operating budget and assessment for FY'12. If I can be of further assistance or should you have any questions regarding this matter, please contact me at 239-4481, or Amy Settemeyer, Watermaster Liaison, at 239-2588.

South Texas Watermaster Operations

Annual Appropriation Information

	FY10	FY11	FY12
Legislative Appropriation Amount (including SORM)	470,105.60	447,956.06	505,086.87
Anticipated Rider 31 Funding	0.00	0.00	16,653.56
Estimated Fringe and SWCAP (not in Appropriation)	73,922.00	99,267.00	58,800.00
Estimated Total Fund Obligation	\$544,027.60	\$547,223.06	\$580,540.43

FY11 Budget/Anticipated Expenditures Compared to FY12 Operating Budget Needs

Budget Categories	FY11 Adjusted Budget	FY11 Anticipated Expenditures	FY12 Operating Budget Needs	Difference from FY11 to FY12 Budget
Salaries	339,641.21	339,641.21	341,471.90	1,830.69
Longevity	13,112.00	13,112.00	11,720.00	(1,392.00)
Salary Enhancements (1)	8,660.85	8,660.85	8,707.53	46.68
Fringe (2)	97,070.00	97,070.00	56,520.00	(40,550.00)
SORM (3)	915.00	915.00	840.00	(75.00)
SWCAP (4)	2,197.00	2,197.00	2,280.00	83.00
LAR Capital (5)	0.00	0.00	0.00	0.00
Professional/Temp Services (6)	0.00	0.00	75,360.00	75,360.00
Travel In-State (7)	3,214.00	3,214.00	3,500.00	286.00
Travel Out-of-State	0.00	0.00	0.00	0.00
Training	609.00	609.00	200.00	(409.00)
Rent - Building (8)	30,000.00	30,000.00	30,001.00	1.00
Postage	3,241.00	3,241.00	3,000.00	(241.00)
Phone/Utilities	13,125.26	13,125.26	12,190.00	(935.26)
Supplies - Consumables	691.77	691.77	200.00	(491.77)
Other Operating Expenses (9)	1,189.99	1,189.99	2,042.00	852.01
Fuels/Lubricants	22,131.50	22,131.50	23,000.00	868.50
Rent - Machine & Other	3,508.00	3,508.00	3,508.00	0.00
Facilities, Furniture & Equip (10)	19,033.48	19,033.48	6,000.00	(13,033.48)
Capital Equipment - Non LAR (11)	0.00	0.00	0.00	0.00
TOTAL	\$558,340.06	\$558,340.06	\$580,540.43	\$22,200.37

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 TCEO; 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 TCEO 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 TCEO 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

FY12 Proposed Assessment Calculation

FY12 Operating Budget Needs	\$580,540.43
Assessment Necessary Based on 97% Collection Rate	\$598,494.00

Historical Assessment Comparison

	FY10	FY11	FY12
Total Assessment	\$560,853.00	\$564,147.00	\$598,494.00
Municipal Rate	0.1797	0.1841	0.1960

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Melissa Chao, 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 South Texas Watermaster Program was mailed on the 22nd day of August, 2011, to the persons on the attached mailing list.

Given under my hand and the seal of the Texas Commission on Environmental Quality, this 22nd day of August, 2011.

A handwritten signature in cursive script that reads "Melissa Chao".

Melissa Chao, Acting Chief Clerk

Texas Commission on Environmental Quality

(SEAL)

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *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 SOUTH TEXAS WATERMASTER PROGRAM

The Commissioners of the Texas Commission on Environmental Quality will consider the South Texas Watermaster Operation's budget and proposed assessment for costs for September 1, 2011 through August 31, 2012 (TCEQ Fiscal Year 2012), 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 21, 2011**

This item is Docket No. 2011-1204-BGT, Consideration of an Order assessing costs of Watermaster operations in the South Texas Water Division which consists of the Nueces, San Antonio, Guadalupe, and Lavaca River Basins, as well as the Lavaca-Guadalupe Coastal Basin, the San Antonio-Nueces Coastal Basin, and the Nueces-Rio Grande Coastal Basin, except that part in Hidalgo, Cameron, Willacy, and Starr counties.

The compensation and necessary expenses of the South Texas Watermaster Operations for the fiscal year is Five Hundred Eighty Thousand Five Hundred Forty Dollars (**\$580,540.00**). Of this amount, Four Hundred Eighteen Thousand Four Hundred Nineteen Dollars (**\$418,419.00**) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining One Hundred Sixty One Thousand One Hundred Twenty One Dollars (**\$161,121.00**) are needed for program operating costs. Based on a 97% collection rate, these necessary expenses require a total assessment of Five Hundred Ninety Eight Thousand Four Hundred Ninety Four Dollars (**\$598,494.00**) with a municipal rate of **\$0.1960**.

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 South Texas Watermaster Advisory Committee (WAC) discussed and approved the proposed assessment and budget during a public meeting in San Antonio, Texas, on July 18, 2011. The public was invited to attend this WAC meeting via notice dated June 17, 2011.

If you have any questions or would like a copy of the proposed budget, please contact the South Texas Watermaster's office at (800) 733-2733, via fax at (210) 545-4329, or e-mail at Cesar.Alvarado@tceq.texas.gov.

Bryan W. Shaw, Ph.D., *Chairman*
 Buddy Garcia, *Commissioner*
 Carlos Rubinstein, *Commissioner*
 Mark R. Vickery, P.C., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 3, 2011

To South Texas Watermaster Advisory Committee Members:

In order to comply with Texas Water Code §11.3261 and §11.329 requirements (as promulgated by Senate Bill 1406 in 1997), attached for your information is a **preliminary** South Texas Watermaster Program (STWM) Proposed Budget for Fiscal Year 2012 (FY12). A detailed proposed budget will be presented to the committee on **Monday, July 18, 2011**. All water right holders will be notified of the Watermaster Advisory Committee meeting and public comments will be allowed.

Time line for Budget Approval

Month	Action	Status
June, 2011	Submit preliminary budget to WAC for 15 day comment period.	Completed via this notice
June, 2011	Set date for WAC public meeting on the budget in July and send out notices to each water right holder at least 30 days prior to the public hearing.	Meeting set for July 18, 2011 @ 1:30 p.m. Public notices to be sent by 6/17/11.
July 18, 2011 at 1:30 p.m.	WAC public hearing on the proposed budget.	Pending
2 weeks after WAC meeting	Submit detailed budget to TCEQ for management review and Commission consideration.	Pending
August, 2011	Send out notices to each water right holder at least 30 days prior to Commission agenda	Pending
September, 2011	Commission action on order establishing annual assessment rate.	Pending
Sept. – Oct., 2011	Send out assessment invoices to water right holders.	Pending

Preliminary calculations indicate that the total amount to be assessed will be **\$598,494.00** in FY12. The increase is the result of database maintenance costs. **Please note that the proposed assessment provides funding needed to support the Watermaster Program without additional TCEQ subsidy.**

If you have any questions or comments, please do not hesitate to call me at (512) 239-4481.

Sincerely,

Ramiro Garcia, Jr.
 Area Director, Border and South Central Texas

PUBLIC MEETING NOTICE

SOUTH TEXAS WATERMASTER ADVISORY COMMITTEE

DATE: Monday, July 18, 2011

LOCATION: Texas Commission on Environmental Quality
San Antonio Regional Office
14250 Judson Road

TIME: 1:30 P.M.

PURPOSE: DISCUSS THE SOUTH TEXAS WATERMASTER PROGRAM PROPOSED BUDGET FOR FISCAL YEAR 2012. PUBLIC IS INVITED TO ATTEND, COMMENT AND PARTICIPATE.

Note: Pursuant to Texas Water Code §11.329(b) the South Texas 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 South Texas Watermaster operations. The South Texas Watermaster Advisory Committee will hold a public meeting to discuss the proposed South Texas Watermaster budget for fiscal year 2012 on July 18, 2011 at 1:30 p.m., said meeting to be held at the TCEQ San Antonio Regional Office.

Notice Date: June 17, 2011

Ramiro Garcia, Jr.
Area Director, Border and South Central Texas

For questions or for a copy of the South Texas Watermaster budget for fiscal year 2012, please feel free to call (800) 733-2733.

Special Notice

The South Texas Watermaster Advisory Committee, established in accordance with Texas Water Code §11.3261, serves the following purpose:

- (1) provide recommendations to the executive director regarding activities of benefit to the holders of water rights in the administration and distribution of water to holders of water rights;
- (2) review and comment to the executive director on the annual budget of the watermaster operations; and
- (3) other duties as may be requested by the executive director with regard to the watermaster operations or as requested by holders of water rights in a water division which the committee deems of benefit to the administration of water rights in water division.

The TCEQ appreciates and values input provided by the South Texas 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 South Texas Watermaster's office at (800) 733-2733, via fax at (210) 545-4329, or e-mail at Ramiro.Garcia@tceq.texas.gov.

**South Texas Watermaster
Advisory Committee Meeting**

**July 18, 2011
1:30 P.M.**

Agenda

Welcome.....Ramiro Garcia, Jr., Area Director, Border & South Central Texas
Call to Order.....Mario Escobar, South Texas WAC Chair
Minutes from Previous Meeting.....Mario Escobar
Watermaster Program Overview and Update.....Ramiro Garcia, Jr.
Discussion of Budget Approval..... Ramiro Garcia, Jr.
Amy Settemeyer
New Business
Adjourn