

## TCEQ Interoffice Memorandum

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**To:** Commissioners

**Thru:** Bridget Bohac, Chief Clerk

**From:** Amy Settemeyer, Manager, Watermaster Section  
Water Availability Division

**Date:** August 16, 2013

**Subject:** Agenda Executive Summary for Approval of Fiscal Year (FY) 2014 Proposed Assessment for Annual Costs for Watermaster Operations in the South Texas Water Division Set for September 4, 2013 Agenda Docket No. 2013-1086-BGT

Summary of Request:

The South Texas Watermaster Program seeks approval of its FY 2014 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 date the fee is due, an additional 5.0% penalty shall be imposed. Delinquent fees will accrue interest beginning on the 61<sup>st</sup> 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 Six Hundred Sixteen Thousand and Fifty Dollars and One Cent (\$616,050.01) will generate revenue of Six Hundred Thousand Six-Hundred and Forty-Eight Dollars and Seventy-Six Cents (\$600,648.76) for FY 2014.

Authority: Tex. Water Code §§ 11.329  
30 Tex. Admin. Code §§ 12.1, 12.3, and 12.5

Staff Recommendation:

Approval of the South Texas Watermaster Program FY 2014 Assessment for Annual Cost of Operations.

Contact: Amy Settemeyer, (512) 239-2588  
Cindy Hooper, (210) 403-4080

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

**AGENDA REQUESTED:** September 4, 2013

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

Steve Ramos, (210) 403-4040  
Cindy Hooper, (210) 403-4080

**CONSIDERATION OF FISCAL YEAR 2014 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE SOUTH TEXAS WATERMASTER PROGRAM.** Pursuant to Texas Water Code Section 11.329 and 30 Tex. Admin. Code 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, 2013, and ending August 31, 2014, 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 \$616,050.01 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 (Aransas, Atascosa, Bandera, Bastrop, Bee, Bexar, Blanco, Brooks, Caldwell, Calhoun, Colorado, Comal, DeWitt, Dimmit, Duval, Edwards, Fayette, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Hays, Jackson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kinney, Kleberg, La Salle, Lavaca, Live Oak, Maverick, McMullen, Medina, Nueces, Real, Refugio, San Patricio, Starr, Uvalde, Victoria, Webb, Wharton, Willacy, Wilson, and Zavala)

**DOCKET NUMBER:** 2013-1086-BGT

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



## **AN ORDER**

Assessing the Annual Cost of Operation for the South Texas Water Division for the fiscal year beginning September 1, 2013, and ending August 31, 2014:  
Docket No. 2013-1086-BGT; South Texas Water Division

On September 4, 2013, 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, 2013, and ending August 31, 2014. 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 formulas and 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, 2013, and ending August 31, 2014, will require the amount to be assessed in the sum of Six Hundred Sixteen Thousand Fifty Dollars and One Cent (\$616,050.01).
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 Six Hundred Sixteen Thousand Fifty Dollars and One Cent (\$616,050.01) is approved as the total amount to be assessed for annual costs of operations of the South Texas Watermaster operations during the fiscal year beginning September 1, 2013, and ending August 31, 2014, 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 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 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 61<sup>st</sup> 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

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For the Commission

## TCEQ Interoffice Memorandum

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**To:** Commissioners, TCEQ

**Thru:** L'Oreal Stepney, P.E., Deputy Director  
Office of Water

**From:** Kellye Rila, Director  
Water Availability Division

**Date:** August 16, 2013

**Subject:** Fiscal Year (FY) 2014 Proposed Assessment of Annual Costs of Operations for the South Texas Watermaster Program

The South Texas Watermaster fund is required by Texas Water Code (TWC) § 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 provided to the South Texas WAC members on May 24, 2013, and during a public meeting on July 10, 2013, in San Antonio, Texas. The second column, "FY14 Operating Budget Needs" indicates the projected program needs within the FY 14 appropriation. Also, attached to this memo is a copy of the public meeting notice for the July 2013 South Texas WAC meeting. An additional public meeting notice was mailed on August 2, 2013, to all affected water right holders regarding this budget item scheduled for the September 4, 2013, commission agenda. A copy of that notice and the mailing affidavit from the Chief Clerk's office are also attached. As required by the TWC, this notice provides thirty (30) days notice of the budget hearing.

WAC members have agreed with staff's recommendation for the proposed "FY14 Operating Budget Needs" in the amount of \$600,648.76. A copy of the WAC meeting agenda is attached for your information.

Staff recommends the "FY14 Operating Budget Needs" in the amount of \$600,648.76. Using this budget amount, the program calculates its assessment based on a 97.5% collection rate; therefore, the total assessment amount is \$616,050.01 with a municipal rate of \$0.1945. This staff proposal represents an increase of \$0.0133 from the previous year's municipal rate of \$0.1812. The calculated rate for FY 2014 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 will

## TCEQ Interoffice Memorandum

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provide access to the contingency Watermaster appropriations as authorized in Rider 22 of the General Appropriations Act.

This memorandum requests Commission approval of the South Texas Watermaster Program operating budget and assessment for FY 2014. If I can be of further assistance or should you have any questions regarding this matter, please contact me at 239-4612, Amy Settemeyer, Watermaster Section Manager at 239-2588, or Steve Ramos, South Texas Watermaster at (210) 403-4040.

# South Texas Watermaster Operations

## FY13 Approved Budget Compared to FY14 Budget Needs

| Budget Categories                  | FY13 Approved Budget | FY14 Operating Budget Needs | Difference from FY13 to FY14 Budget |
|------------------------------------|----------------------|-----------------------------|-------------------------------------|
| Salaries                           | 328,136.88           | 330,609.88                  | 2,473.00                            |
| Longevity                          | 6,632.00             | 7,785.80                    | 1,153.80                            |
| Salary Enhancements (1)            | 8,239.99             | 8,430.55                    | 190.56                              |
| Fringe (2)                         | 50,913.00            | 63,911.00                   | 12,998.00                           |
| SORM (3)                           | 915.00               | 915.00                      | 0.00                                |
| SWCAP (4)                          | 2,451.00             | 3,568.00                    | 1,117.00                            |
| LAR Capital (5)                    | 0.00                 | 28,000.00                   | 28,000.00                           |
| Professional/Temp Services (6)     | 68,375.00            | 65,000.00                   | (3,375.00)                          |
| Travel In-State (7)                | 4,225.00             | 3,050.00                    | (1,175.00)                          |
| Travel Out-of-State                | 0.00                 | 0.00                        | 0.00                                |
| Training                           | 200.00               | 600.00                      | 400.00                              |
| Rent - Building (8)                | 30,001.00            | 30,000.00                   | (1.00)                              |
| Postage                            | 3,000.00             | 3,000.00                    | 0.00                                |
| Phone/Utilities                    | 12,258.00            | 10,262.76                   | (1,995.24)                          |
| Supplies - Consumables             | 965.00               | 965.00                      | 0.00                                |
| Other Operating Expenses (9)       | 3,668.00             | 3,573.49                    | (94.51)                             |
| Fuels/Lubricants                   | 27,000.00            | 27,000.00                   | 0.00                                |
| Rent - Machine & Other             | 3,188.00             | 3,188.00                    | 0.00                                |
| Facilities, Furniture & Equip (10) | 7,738.00             | 10,789.28                   | 3,051.28                            |
| Capital Equipment - Non LAR (11)   | 0.00                 | 0.00                        | 0.00                                |
| <b>TOTAL</b>                       | <b>\$557,905.87</b>  | <b>\$600,648.76</b>         | <b>\$42,742.89</b>                  |

### FY14 Proposed Assessment Calculation:

|  |                     |
|--|---------------------|
| FY14 Operating Budget Needs:                             | \$600,648.76        |
| <b>Assessment Needed Based on 97.5% Collection Rate:</b> | <b>\$616,050.01</b> |

### Historical Assessment Comparison

|                                  | FY12          | FY13          | FY14          |
|----------------------------------|---------------|---------------|---------------|
| <b>Total Assessment:</b>         | \$ 598,494.00 | \$ 572,211.15 | \$ 616,050.01 |
| <b>Municipal Rate (per A-F):</b> | \$ 0.1881     | \$ 0.1812     | \$ 0.1945     |

**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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS §

COUNTY OF TRAVIS §

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I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the Notice of Consideration of Proposed Assessment of Annual Costs for the South Texas Watermaster Program, was mailed on August 2, 2013. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 2nd day of August, 2013.

*Bridget C. Bohac*

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Bridget C. Bohac, Chief Clerk  
Texas Commission on Environmental Quality

SEAL

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zak Covar, *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, 2013 through August 31, 2014 (TCEQ Fiscal Year 2014), 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 4, 2013**

This item is Docket No. 2013-1086-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 Six Hundred Thousand Six Hundred Forty-Eight Dollars and Seventy-Six Cents (**\$600,648.76**). Of this amount, Four Hundred Ten Thousand Seven Hundred Thirty-Seven Dollars and Twenty-Three Cents (**\$410,737.23**) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining One Hundred Eighty-Nine Thousand Nine Hundred Eleven Dollars and Fifty-Three Cents (**\$189,911.53**) are needed for program operating costs. Based on a 97.5% collection rate, these necessary expenses require a total assessment of Six Hundred Sixteen Thousand Fifty Dollars and One Cent (**\$616,050.01**) with a municipal rate of **\$0.1945**.

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) was provided the proposed assessment and budget and a public meeting was held in San Antonio, Texas on July 10, 2013. The public was invited to attend this WAC meeting via notice dated June 10, 2013.

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 email at [Steve.Ramos@tceq.texas.gov](mailto:Steve.Ramos@tceq.texas.gov).

Bryan W. Shaw, Ph.D., *Chairman*  
Carlos Rubinstein, *Commissioner*  
Toby Baker, *Commissioner*  
Zak Covar, *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

May 24, 2013

Re: Preliminary Budget for Fiscal Year 2014 for the South Texas Watermaster

Dear South Texas Watermaster Advisory Committee Members:

Enclosed for your review is a preliminary Proposed Budget for Fiscal Year 2014 (FY14) for the South Texas Watermaster Program (STWM). This notice is required by the Texas Water Code to be submitted at least 60 days before the Texas Commission on Environmental Quality (Commission, or TCEQ) meets to consider a proposed order establishing the final assessment amount (Texas Water Code, Section 11.557).

The Watermaster will present a detailed proposed budget to the Watermaster Advisory Committee (WAC) during a meeting at the TCEQ's San Antonio regional office, located at 14250 Judson Road, on Wednesday, July 10, 2013 at 1:30 p.m. Staff will mail a notification of this meeting to all water right holders and will provide an opportunity for the public to provide comments at the meeting.

The following list includes the pending time frames for budget approval:

- **June 10:** Watermaster staff will mail notification of WAC meeting to water right holders.
- **July 10:** The WAC will meet to discuss the preliminary budget.
- **July 11-31:** TCEQ management will review the proposed budget
- **August 5:** TCEQ will mail notice of the Commission meeting to all water right holders.
- **September 4:** The Commission will meet to consider approval of the FY14 budget.
- **October:** TCEQ will mail FY14 invoices to water right holders.

The proposed assessment provides funding needed to support the Watermaster Program without additional TCEQ subsidy. Preliminary calculations indicate that the total amount to be assessed for FY14 would be \$616,050.01, which is an increase when compared to FY13. Most of this difference is from the cost of one new vehicle that is needed by the South Texas Watermaster program, which has attempted to minimize other planned expenditures in an effort to keep the assessment rate as low as possible.

If you have any questions or comments, please do not hesitate to contact me at (512) 239-4721 or Esteban (Steve) Ramos, South Texas/Concho River Watermaster at (210) 403-4040.

Sincerely,

  
Amy Settemeyer  
Manager, Watermaster Section (MC-160)  
Water Availability Division

Enclosure

## PUBLIC MEETING NOTICE

### **SOUTH TEXAS WATERMASTER ADVISORY COMMITTEE**

DATE: Wednesday, July 10, 2013  
TIME: 1:30 P.M.

LOCATION: Texas Commission on Environmental Quality  
San Antonio Regional Office  
14250 Judson Road; San Antonio, Texas 78233-4480

Section 11.3261(e) of the Texas Water Code requires the Watermaster Advisory Committee (WAC) to review and provide comments to the executive director of the TCEQ on the annual budget for watermaster operations. The South Texas WAC will hold a meeting at the TCEQ's San Antonio Regional Office on **July 10, 2013 at 1:30 p.m.** to discuss the proposed South Texas Watermaster budget for fiscal year 2014. **The public, including all water right holders in the watermaster area, are invited to attend and participate in this meeting as well as to provide comments.**

You will also receive another notice after the WAC meeting is held. Section 11.329(b) of the Water Code requires the executive director to provide notice to water right holders at least 30 days prior to the Commission holding a public hearing on the proposed fiscal year budget. This is a separate notice that will be mailed following the completion of the WAC meeting and at least 30 days before the date that the proposed budget being considered during a Commission agenda meeting.

Notice Date: June 10, 2013

**Esteban (Steve) Ramos, South Texas Watermaster**

**For questions or for a copy of the South Texas Watermaster proposed budget for fiscal year 2014, please feel free to call the South Texas Watermaster at (210) 490-3096.**

#### Special Notice – Participation on Committee

The South Texas WAC was established based on Section 11.3261 of the Texas Water Code. The WAC is required to:

- provide recommendations to the executive director of the TCEQ regarding water administration and distribution activities that would benefit water rights holders;
- review and provide comments to the executive director on the annual budget of the watermaster operations; and
- perform other duties requested by the executive director with regard to the watermaster operations, or perform other duties requested by water rights holders that the committee determines would benefit the administration of water rights.

The TCEQ values input from the South Texas WAC 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 (210) 490-3096, via fax at (210) 545-4329, or e-mail at [Steve.Ramos@tceq.texas.gov](mailto:Steve.Ramos@tceq.texas.gov).

# **South Texas Watermaster Advisory Committee Meeting**

TCEQ Region 13 Office  
14250 Judson Road  
San Antonio, Texas

July 10, 2013 at 1:30 pm

## **Agenda**

### **Sign-In**

### **Welcome and Call to Order**

### **Review of Minutes from Previous Meeting**

### **Agenda Topics**

- Watermaster Program Update
- FY14 Budget
- New Appointments and Reappointments to the Committee
- Updates to TCEQ Enforcement Initiation Criteria
- Performance Measures

### **Future Meetings**

### **Adjourn**