

TCEQ Interoffice Memorandum

To: Commissioners

Thru: Bridget Bohac, Chief Clerk

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

Date: August 21, 2015

Subject: Agenda Executive Summary for Approval of Fiscal Year 2016 Proposed Assessment for Annual Costs for Watermaster Operations in the Concho River Watermaster Program Set for September 9, 2015 Agenda Docket No. 2015-1088-BGT

Summary of Request:

The Concho River Watermaster Program seeks approval of its Fiscal Year (FY) 2016 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 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 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 Seventy Thousand Fifty Dollars and Eighty-Eight Cents (\$170,050.88) will generate revenue of One Hundred Sixty-Eight Thousand, Three Hundred and Fifty Dollars and Thirty-Seven Cents (\$168,350.37) for FY 2016.

Authority: Tex. Water Code §§ 11.329 and 11.558
30 Tex. Admin. Code §§ 12.1, 12.3, and 12.5

Staff Recommendation:

Approval of the Concho River Watermaster Program FY 2016 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 9, 2015

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 2016 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE CONCHO RIVER WATERMASTER PROGRAM. Pursuant to Texas Water Code Sections 11.329 and 11.558 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, 2015, and ending August 31, 2016, for water right holders 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 \$170,050.88 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 eight counties within the Concho Watermaster's Jurisdiction (Coke, Concho, Irion, Reagan, Runnels, Schleicher, Sterling, and Tom Green)

DOCKET NUMBER: 2015-1088-BGT

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, 2015, and ending August 31, 2016:
Docket No. 2015-1088-BGT; Concho River Watermaster

On September 9, 2015, 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, 2015, and ending August 31, 2016. 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, Subchapter 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 of 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. Pursuant to Texas Water Code § 11.558, costs of the Concho River Watermaster Program shall be assessed solely upon the water right holders subject to the Concho River Watermaster Program;
4. 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 Concho River Watermaster Program;
5. The compensation and necessary expenses of a Watermaster and other necessary employees for the fiscal year beginning September 1, 2015, and ending August 31, 2016, will require the amount to be assessed in the sum of One Hundred Seventy Thousand Fifty Dollars and Eighty-Eight Cents (\$170,050.88).

6. 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 and 11.558;
7. All requirements of Texas Water Code §§ 11.329 and 11.558 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 Seventy Thousand Fifty Dollars and Eighty-Eight Cents (\$170,050.88) is approved as the total amount to be assessed for annual costs of operations of the Concho River Watermaster Program during the fiscal year beginning September 1, 2015, and ending August 31, 2016, 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 costs 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 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

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

From: Kim Wilson, Director
Water Availability Division

Date: August 21, 2015

Subject: Fiscal Year (FY) 2016 Proposed Assessment of Annual Costs of Operations for the Concho River Watermaster Program

The Concho River Watermaster fund is required by Texas Water Code (TWC) §§ 11.329 and 11.558 to pay the compensation and necessary 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.

A copy of the attached document titled "Concho River Watermaster Operations" was provided to Concho River WAC members on May 29, 2015 and discussed during a public meeting on July 9, 2015 in San Angelo, Texas. The second column, "FY16 Operating Budget Needs," indicates the projected program needs within the FY 2016 appropriation. Also attached to this memo is a copy of the public meeting notice for the July 9, 2015 Concho River WAC meeting. Notice of this WAC meeting was mailed to all water right holders in the Concho River Watermaster Program on June 11, 2015. An additional public meeting notice was mailed on August 6, 2015 to all affected water right holders regarding this budget item scheduled for the September 9, 2015 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.

During the WAC meeting, WAC members discussed and voted to approve staff's recommendation on the proposed "FY16 Operating Budget Needs" in the amount of \$168,350.37. A copy of the WAC meeting agenda is attached for your information.

Staff recommends approval of the "FY16 Operating Budget Needs" in the amount of \$168,350.37. Using this budget amount, the program calculates its assessment based on a 99% collection rate; therefore, the total assessment amount would be \$170,050.88 with a municipal rate of \$0.5860. This staff proposal represents a decrease of \$0.0187 from the previous year's municipal rate of \$0.6047. The calculated rate for FY 2016 is expected to generate revenue in excess of the Comptroller's Biennial Revenue Estimate

TCEQ Interoffice Memorandum

(BRE) when combined with the revenue estimates for the Rio Grande Watermaster Program, the Brazos 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 21 of the General Appropriations Act.

This memorandum requests Commission approval of the Concho River Watermaster Program operating budget and assessment for FY 2016. If I can be of further assistance or should you have any questions regarding this matter, please contact me at (512) 239-4612, Amy Settemeyer, Watermaster Section Manager at (512) 239-2588, or Steve Ramos, Concho River Watermaster at (210) 403-4040.

Concho River Watermaster Operations

FY15 Approved Budget Compared to FY16 Budget Needs

Budget Categories	FY15 Approved Budget	FY16 Operating Budget Needs	Difference from FY15 to FY16 Budget
Salaries	\$108,028.80	\$104,533.00	(\$3,495.80)
Longevity	\$3,240.00	\$2,088.00	(\$1,152.00)
Salary Enhancements (1)	\$2,754.73	\$2,665.59	(\$89.14)
Fringe (2)	\$20,940.09	\$20,070.00	(\$870.09)
SORM (3)	\$240.00	\$240.00	\$0.00
SWCAP (4)	\$972.27	\$1,490.78	\$518.51
LAR Capital (5)	\$0.00	\$0.00	\$0.00
Professional/Temp Services (6)	\$7,000.00	\$10,000.00	\$3,000.00
Travel In-State (7)	\$4,000.00	\$3,000.00	(\$1,000.00)
Travel Out-of-State	\$0.00	\$0.00	\$0.00
Training	\$540.14	\$400.00	(\$140.14)
Rent - Building (8)	\$11,000.00	\$11,000.00	\$0.00
Postage	\$1,100.00	\$1,100.00	\$0.00
Phone/Utilities	\$3,302.40	\$2,899.00	(\$403.40)
Supplies - Consumables	\$400.00	\$400.00	\$0.00
Other Operating Expenses (9)	\$800.00	\$129.00	(\$671.00)
Fuels/Lubricants	\$6,500.00	\$5,500.00	(\$1,000.00)
Rent - Machine & Other	\$835.45	\$835.00	(\$0.45)
Facilities, Furniture & Equip (10)	\$1,600.00	\$2,000.00	\$400.00
Capital Equipment - Non LAR (11)	\$0.00	\$0.00	\$0.00
TOTAL	\$173,253.89	\$168,350.37	(\$4,903.52)

FY16 Proposed Assessment Calculation

FY16 Operating Budget Needs:	\$168,350.37
Assessment Needed Based on 99% Collection Rate:	\$170,050.88

Historical Assessment Comparison

	FY14	FY15	FY16
Total Assessment:	\$175,138.58	\$175,003.93	\$170,050.88
Municipal Rate (per A-F):	\$0.6070	\$0.6047	\$0.5860

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. The amount is estimated during budget development and actual expenditure may vary.
- (4) Statewide Cost Allocation Plan (SWCAP) is a fee that is charged annually to the TCEQ for central services. The amount is estimated during budget development and actual expenditure may vary.
- (5) Legislative Appropriation Request (LAR) Capital includes all items exceeding \$100,000 in total agency cost (for example: vehicles, computers, monitoring equipment), and must have legislative approval.
- (6) Professional/Temp Services includes but is not limited to software development costs, summer interns, and temporary employees.
- (7) Travel In-State maximum amounts are established 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 the Texas Comptroller's Office that do not fall into any remaining budget category (for example: 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 §

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 Concho River Watermaster Program was mailed on August 6, 2015. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 16th day of August, 2015.

Bridget C Bohac

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

SEAL



Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Richard A. Hyde, P.E., *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, 2015 through August 31, 2016 (TCEQ Fiscal Year 2016), 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 9, 2015**

This item is Docket No. 2015-1088-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 mainstream of the Concho River to a point on the Concho River prior to reaching, and upstream of the O.H. Ivie Reservoir located 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 2016 fiscal year is One Hundred Sixty-Eight Thousand Three Hundred Fifty Dollars and Thirty-Seven Cents (**\$168,350.37**). Of this amount, One Hundred Twenty-Nine Thousand Three Hundred Fifty-Six Dollars and Fifty-Nine Cents (**\$129,356.59**) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining Thirty-Eight Thousand Nine Hundred Ninety-Three Dollars and Seventy-Eight Cents (**\$38,993.78**) are needed for program operating costs. Based on a 99% collection rate, these necessary expenses require a total assessment of One Hundred Seventy Thousand, Fifty Dollars and Eighty-Eight Cents (**\$170,050.88**) with a municipal rate of **\$0.5860**.

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) was provided the proposed assessment and budget and on July 9, 2015 a public meeting was held in San Angelo, Texas. The public was invited to attend this WAC meeting via mailed notice dated June 5, 2015.

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 and (866) 314-2894 via fax at (325) 658-5431, or via email at Steve.Ramos@tceq.texas.gov.

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Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 29, 2015

Re: Preliminary Budget for Fiscal Year 2016 for the Concho River Watermaster

Dear Concho River Watermaster Advisory Committee Members:

Enclosed for your review is a preliminary Proposed Budget for Fiscal Year 2016 (FY16) for the Concho River Watermaster Program (CRWM). 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 Dr. Ralph R. Chase State of Texas Services Center, Room 114, on Thursday, July 9, 2015 at 10:30 a.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:

- **July 9:** The WAC will meet to discuss the preliminary budget.
- **July 10-31:** TCEQ management will review the proposed budget
- **By August 10:** TCEQ will mail notice of Commission meeting to all water right holders.
- **September 9:** The Commission will meet to consider approval of the FY16 budget.
- **October/November:** TCEQ will mail FY16 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 FY16 would be \$170,050.88, which is a decrease when compared to FY15.

If you have any questions or comments, please do not hesitate to contact me at (512) 239-2588 or Esteban (Steve) Ramos, South Texas/Concho River Watermaster at (210) 403-4040.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Settemeyer".

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

Enclosure

PUBLIC MEETING NOTICE

CONCHO RIVER WATERMASTER ADVISORY COMMITTEE

DATE: Thursday, July 9, 2015
TIME: 10:30 a.m.

LOCATION: Texas Commission on Environmental Quality Regional Office
Dr. Ralph R. Chase State of Texas Services Center, Room 104
622 South Oakes; San Angelo, Texas 76903-7035

Section 11.557(f) of the Texas Water Code requires the Watermaster Advisory Committee (WAC) to review, hold a public hearing on, and make recommendations on the annual budget proposed by the watermaster to cover all costs of the Concho River Watermaster Program. The Concho River WAC will hold a meeting at the TCEQ's San Angelo Regional Office on **July 9, 2015 at 10:30 a.m.** to discuss the proposed Concho River Watermaster budget for fiscal year 2016. **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. That public notice will be mailed following the completion of the WAC meeting and at least 30 days before the date of the proposed budget being considered during a Commission agenda meeting.

Notice Date: June 5, 2015

Esteban (Steve) Ramos, Concho River Watermaster

For questions or for a copy of the Concho River Watermaster proposed budget for fiscal year 2016, please feel free to contact the ConchoWatermaster at (210) 403-4040 or via email at Steve.Ramos@tceq.texas.gov.

Concho River Watermaster Advisory Committee Meeting

TCEQ Regional Office - Dr. Ralph R. Chase State of Texas Services Center
622 South Oakes, Room 104
San Angelo, Texas 76903

Thursday, July 9, 2015
10:30 a.m.

Agenda:

- Sign-In
- Roll Call
- Introductions
 - TCEQ Staff
- Review/Approval of Minutes
- New Business
 - FY2016 Budget
 - Update on WAC membership: Terms Expiring August 31, 2015
- Old Business
- Future Meetings
- Adjourn