

## 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 21, 2015

**Subject:** Agenda Executive Summary for Approval of Fiscal Year (FY) 2016 Proposed Assessment for Annual Costs for Watermaster Operations in the Brazos Watermaster Program Set for September 9, 2015 Agenda Docket No. 2015-1091-BGT

### Summary of Request:

The Brazos Watermaster Program seeks approval of its FY 2016 proposed assessment for annual costs of operations based on an operating budget that consists of a \$50.00 base fee applicable to each assessment account. This will be the first fiscal year that the Brazos Watermaster Program will be collecting assessments. 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 Nine Hundred Forty-Two Thousand Eight Hundred Eighty-Three Dollars and One Cent (\$942,883.01) will generate revenue of Eight Hundred One Thousand Four Hundred Fifty Dollars and Fifty-Six Cents (\$801,450.56) for FY 2016.

Authority: Tex. Water Code §§ 11.329 and 11.455  
30 Tex. Admin. Code §§ 12.1, 12.3, and 12.5

### Staff Recommendation:

Approval of the Brazos 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:**

Molly Mohler, (254) 761-3027  
Cindy Hooper, (210) 403-4080

**CONSIDERATION OF FISCAL YEAR 2016 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE BRAZOS**

**WATERMASTER PROGRAM.** Pursuant to Texas Water Code Sections 11.329 and 11.455 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 portion of the Brazos River Basin including and below Possum Kingdom Lake, and approve \$942,883.01 as the amount to be assessed for annual costs. FY16 will be the first fiscal year that the Brazos Watermaster Program will be collecting assessments.

**CHIEF CLERK MUST SEND NOTICE OF THE APPLICATION/HEARING:** No

**TYPE OF MATTER:** Budget

**COUNTY:** The 41 counties within the Brazos Watermaster's Jurisdiction (Austin, Bastrop, Bell, Bosque, Brazoria, Brazos, Brown, Burleson, Burnet, Callahan, Comanche, Coryell, Eastland, Erath, Falls, Fayette, Fort Bend, Freestone, Grimes, Hamilton, Hill, Hood, Jack, Johnson, Lampasas, Lee, Leon, Limestone, Madison, McLennan, Milam, Mills, Palo Pinto, Parker, Robertson, Somervell, Stephens, Travis, Waller, Washington, and Williamson)

**DOCKET NUMBER:** 2015-1091-BGT

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**AN ORDER**      Assessing the Annual Cost of Operation for the Brazos  
Watermaster Program for the fiscal year beginning  
September 1, 2015, and ending August 31, 2016:  
Docket No. 2015-1091-BGT; Brazos 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 Brazos Watermaster Program consists of the portion of the Brazos River Basin including and below Possum Kingdom Lake;
2. Pursuant to Texas Water Code §§ 11.329 and 11.455, 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 Brazos River Basin;
4. 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 Nine Hundred Forty-Two Thousand Eight Hundred Eighty-Three Dollars and One Cent (\$942,883.01).
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 and 11.455;
6. All requirements of Texas Water Code § 11.329 and 11.455 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 Nine Hundred Forty-Two Thousand Eight Hundred Eighty-Three Dollars and One Cent (\$942,883.01) is approved as the total amount to be assessed for annual costs of operations of the Brazos Watermaster operations 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 Brazos 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 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 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 Brazos Watermaster Program

The Brazos Watermaster fund is required by Texas Water Code (TWC) § 11.329 and 11.455 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. FY 2016 is the first fiscal year that assessments will be made for the Brazos Watermaster program.

An initial copy of the document titled "Brazos Watermaster Operations," was provided to the Brazos WAC members on May 29, 2015; a subsequent revised copy with an updated municipal rate was provided to the members on June 11, 2015. The attached revised copy was discussed during a public meeting on July 16, 2015, in Waco, Texas. The second column, "FY16 Operating Budget Needs," indicates the projected program needs within the FY16 appropriation. Also attached to this memo is a copy of the public meeting notice for the July 16, 2015 Brazos WAC meeting. Notice of this WAC meeting was mailed to all water right holders in the Brazos Watermaster Program on June 12, 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.

The Brazos WAC members voted to approve staff's recommendation for the proposed "FY16 Operating Budget Needs" in the amount of \$801,450.56. 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 \$801,450.56. Using this budget amount, the program calculates its assessment based on an estimated 85% collection rate for this first year of assessments; therefore, the total assessment amount is \$942,883.01 with a municipal rate of \$0.2006. The calculated

## **TCEQ Interoffice Memorandum**

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rate for FY 2016 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, the South Texas Watermaster Program, and the Concho River 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 Brazos 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 Molly Mohler, Brazos Watermaster at (254) 761-3027.

# Brazos Watermaster Operations

## Preliminary First Year / FY16 Budget Needs

Budget Categories	FY15 Approved Budget	FY16 Operating Budget Needs	Difference from FY15 to FY16 Budget
Salaries	\$0.00	\$275,304.00	\$275,304.00
Longevity	\$0.00	\$4,720.00	\$4,720.00
Salary Enhancements (1)	\$0.00	\$7,020.25	\$7,020.25
Fringe (2)	\$0.00	\$52,816.00	\$52,816.00
SORM (3)	\$0.00	\$900.00	\$900.00
SWCAP (4)	\$0.00	\$3,915.31	\$3,915.31
LAR Capital (5)	\$0.00	\$168,000.00	\$168,000.00
Professional/Temp Services (6)	\$0.00	\$122,072.00	\$122,072.00
Travel In-State (7)	\$0.00	\$20,000.00	\$20,000.00
Travel Out-of-State	\$0.00	\$0.00	\$0.00
Training	\$0.00	\$5,500.00	\$5,500.00
Rent - Building (8)	\$0.00	\$30,000.00	\$30,000.00
Postage	\$0.00	\$3,241.00	\$3,241.00
Phone/Utilities	\$0.00	\$13,125.00	\$13,125.00
Supplies - Consumables	\$0.00	\$3,500.00	\$3,500.00
Other Operating Expenses (9)	\$0.00	\$4,000.00	\$4,000.00
Fuels/Lubricants	\$0.00	\$30,000.00	\$30,000.00
Rent - Machine & Other	\$0.00	\$3,500.00	\$3,500.00
Facilities, Furniture & Equip (10)	\$0.00	\$53,837.00	\$53,837.00
Capital Equipment - Non LAR (11)	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$801,450.56</b>	<b>\$801,450.56</b>

### FY16 Proposed Assessment Calculation:

FY16 Operating Budget Needs:	\$801,450.56
<b>Assessment Needed Based on 85% Collection Rate:</b>	<b>\$942,883.01</b>

### Historical Assessment Comparison

	FY14	FY15	FY16
<b>Total Assessment:</b>	n/a	n/a	<b>\$ 942,883.01</b>
<b>Municipal Rate (per A-F):</b>	n/a	n/a	<b>\$ 0.2006</b>

### 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 Brazos Watermaster Program was mailed on August 6, 2015. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 6th 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 BRAZOS WATERMASTER PROGRAM**

The Commissioners of the Texas Commission on Environmental Quality will consider the Brazos 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. 2015-1091-BGT, Consideration of an Order assessing costs of Watermaster operations in the Brazos Watermaster Program which consists of the portion of the Brazos River Basin including and below Possum Kingdom Lake.

The compensation and necessary expenses of the Brazos Watermaster Operations for the 2016 fiscal year is Eight Hundred One Thousand Four Hundred Fifty Dollars and Fifty-Six Cents (**\$801,450.56**). Of this amount, Three Hundred Thirty-Nine Thousand Eight Hundred Sixty Dollars and Twenty-Five Cents (**\$339,860.25**) are needed for program staff base salaries and benefits (including longevity, salary enhancements, and fringe) and the remaining Four Hundred Sixty-One Thousand Five Hundred Ninety Dollars and Thirty-One Cents (**\$461,590.31**) are needed for program operating costs. Based on an estimated 85% collection rate during this first year of assessments, these necessary expenses require a total assessment of Nine Hundred Forty-Two Thousand Eight Hundred Eighty-Three Dollars and One Cent (**\$942,883.01**) with a municipal rate of **\$0.2006**.

This notice is provided to all holders of water rights as required by the Texas Water Code Sections 11.329 and 11.455. 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 Brazos Watermaster Advisory Committee (WAC) was provided the proposed assessment and budget, and on July 16, 2015, a public meeting was held in Waco, Texas. The public was invited to attend this WAC meeting via mailed notice dated June 12, 2015.

If you have any questions or would like a copy of the proposed budget, please contact the Brazos Watermaster's Office at (254) 761-3027, via fax at (254) 772-9241, or via email at [Molly.Mohler@tceq.texas.gov](mailto:Molly.Mohler@tceq.texas.gov).

**From:** Amy Settemeyer  
**To:** [Amy Settemeyer](#)  
**Cc:** [Cindy Hooper](#); [Molly Mohler](#)  
**Bcc:** [Morris Barney](#); [Scott Blasor](#); [Brad Brunett](#); [Sherie Burnette](#); [Bob George](#); [Tommy Hodges](#); [David Sauer](#); [Gary Spicer](#); [Tim Finley](#); [Gene Fisseler \(Gene.Fisseler@nrg.com\)](#); [Rodney Stephens](#); [Kevin Taylor](#); [Nicole Torralva](#); [Jenna Walker](#); [Brent Wheeler](#)  
**Subject:** FY16 Preliminary Brazos Watermaster Budget  
**Date:** Friday, May 29, 2015 8:37:00 PM  
**Attachments:** [BWM\\_FY16\\_assessment\\_052915.pdf](#)  
[image001.png](#)

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Good evening,

Attached you will find information regarding the preliminary FY16 Brazos Watermaster budget. At this time, we have set the Watermaster Advisory Committee for Thursday, July 16, 2015 at 1:30 p.m. in Waco. We will follow with exact location next week. If you have any questions on this please let me know, or you may contact Cindy Hooper, Watermaster Liaison, at (210) 430-4080.

We look forward to meeting with you all again in July.

*Amy Settemeyer*  
Watermaster Section Manager  
Water Availability Division  
512.239.2588 (office)



*Amy Settemeyer*  
Watermaster Section Manager  
Water Availability Division  
512.239.2588 (office)



**PUBLIC MEETING NOTICE**

**BRAZOS WATERMASTER ADVISORY COMMITTEE**

DATE: Thursday, July 16, 2015  
TIME: 2:00 p.m.

LOCATION: Texas Ranger Hall of Fame and Museum  
Knox Center  
100 Texas Ranger Trail; Waco, Texas 76706

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 Brazos WAC will hold a meeting at the Knox Center at the Texas Ranger Hall of Fame and Museum, located on the corner of I-35 and University Park Drive (Exit 335-B) on **July 16, 2015 at 2:00 p.m.** to discuss the proposed Brazos 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 12, 2015

**Molly Mohler, Brazos Watermaster**

**For questions or for a copy of the Brazos Watermaster proposed budget for fiscal year 2016, please feel free to contact the Brazos Watermaster at (254) 761-3027 or via email at [Molly.Mohler@tceq.texas.gov](mailto:Molly.Mohler@tceq.texas.gov).**

**Brazos Watermaster Advisory Committee  
Meeting Agenda  
Thursday, July 16, 2015**

1. Call to Order
2. Welcome and introductions (BWAC, staff, public)
3. Special introductions – Kim Wilson, Division Director, Water Availability Division, and Kelly Mills, Assistant Division Director
4. Review and approve minutes from the May 21, 2015 meeting
5. Activities update since last meeting (May 21) from the Watermaster Staff
6. Presentation/discussion of proposed 2016 budget, total assessment, user fees (including municipal rate, agricultural rate, storage, multi-use, bed & banks,), etc.

Upon conclusion of the budget presentation, review, questions and answers, and any recommended changes, a motion in the following form is appropriate:

**It is moved that the Brazos Watermaster Advisory Committee  
(1) accept the 2016 Brazos Watermaster budget as presented\*,  
and  
  
(2) recommend the 2016 Brazos Watermaster budget to the  
Texas Commission on Environmental Quality Commissioners for  
approval.**

*\*Or "as amended" or "with the recommendations noted" as may be appropriate*

7. Setting of the next BWAC meeting date
8. Adjournment

Note: Given the significance and import of the annual budget, it is suggested that the business of this meeting be limited to the items listed above. Further, it is suggested that the BWAC reconvene during the fourth annual quarter period of 2015 to consider other business, including amendment of its bylaw to address the issues discussed at the May 21 meeting as regards guidance provided to the Nominating Committee addressing the geographic and water user diversity to be represented by the WAC officer nominations.