APPENDIX D

Evaluation of Water Basins in Texas without a Watermaster

Section 5.05 of House Bill 2694, the TCEQ's Sunset bill from the 82nd legislative session, requires the agency to evaluate, at least once every five years, the water basins that do not have a watermaster program to determine whether one should be established. The statute requires that the commissioners establish criteria for the evaluation.

Overview of Watermaster Programs

A TCEQ watermaster office is headed by a watermaster and staffed with personnel who regulate and protect water rights under the provisions of Chapter 11 of the Texas Water Code (TWC). Watermaster programs are created and authorized to take actions under TWC Sections 11.326, 11.3261, 11.327, 11.3271, 11.329, and 11.551–11.559. Rules governing this program are under 30 Texas Administrative Code Chapters 303, 304, 295, and 297.

Watermasters and their staffs have the authority to protect water rights by:

- reviewing diversion notifications
- authorizing appropriate diversions
- deterring illegal diversions
- providing real-time monitoring of area streamflows
- investigating alleged violations of Chapter 11
- mediating conflicts and disputes among water users

TWC Chapter 11 sets forth the mechanisms by which a watermaster program can be established:

- by the executive director in a water division established by the commission under Section 11.325
- by court appointment
- by the commission, upon receipt of a petition of 25 or more water-right holders in a river basin or segment of a river basin, or on its own motion, if the commission finds that senior water rights have been threatened.

In addition, the Legislature has the authority to create a watermaster.

The TCEQ has an existing watermaster program in each of these areas:

- Rio Grande, which serves the Rio Grande Basin and coordinates releases from the Amistad and Falcon reservoir systems. Established by a 1956 court appointment.
- South Texas, which serves the Lavaca, Nueces, San Antonio, and Guadalupe river basins, as well as the adjacent coastal basins. Established in 1988, based on a water-division creation order signed in 1988 and amended in 1998.
- Concho River, which serves a portion of the Concho River segment of the Colorado River Basin. Created by the Legislature in 2005.
- Brazos, which serves the Lower Brazos River Basin including and below Possum Kingdom Lake. On April 12, 2014, the commission issued an order directing that a watermaster be appointed for this basin. The program was fully implemented on June 1, 2015.

Criteria and Schedule

In 2011, the commissioners established the following criteria to consider during evaluations:

- Is there a court order to create a watermaster?
- Has a petition been received requesting a watermaster?
- Have senior water rights been threatened based on the following:
  - a history of senior calls or water shortages within the river basin?

- the number of water right complaints received annually in each river basin?

The commissioners also approved an evaluation schedule so that all areas without a watermaster may be evaluated at least once every five years:

- Fiscal 2012
  - Brazos River Basin
  - Brazos–Colorado Coastal Basin
  - Colorado River Basin
  - Colorado–Lavaca Coastal Basin
- Fiscal 2013
  - Trinity River Basin
  - Trinity–San Jacinto Coastal Basin
  - San Jacinto River Basin
  - San Jacinto–Brazos Coastal Basin
- Fiscal 2014
  - Sabine River Basin
  - Neches River Basin
  - Neches–Trinity Coastal Basin
- Fiscal 2015
  - Canadian River Basin
  - Red River Basin
- Fiscal 2016
  - Sulphur River Basin
  - Cypress Creek Basin

Evaluation Activities in Fiscal 2015

For the Canadian and Red River basins:

- Updated the web page explaining the evaluation process, inviting stakeholders in these basins to participate and get automated updates by e-mail. (See <www.tceq.texas.gov/permitting/water_rights/wmaster/evaluation>.)
- Mailed initial outreach letters on March 13, 2015 (Figure D-1), to the stakeholders in each area, including all water-right holders, county judges and extension agents, river authorities, agricultural interests, industries, environmental organizations, and other interested parties. Requested comments by June 12, 2015.
- Held three stakeholder meetings in May and June, in Amarillo, Wichita Falls and Texarkana. A total of 17 people attended the meetings. At each meeting the manager of the Watermaster Section and a TCEQ regional office representative were present to deliver information and answer questions.
- Of the 13 stakeholder comments received:
  - 12 were opposed to establishing a watermaster program
  - 0 were in favor
  - 1 was neutral

The TCEQ evaluated the basins based on the criteria outlined in 2011. The findings are highlighted below.

- There were no court orders to appoint a watermaster for any of these basins.
- There were no active or approved petitions to appoint a watermaster for any of these basins.
- There was no history of threatened water rights or water shortages in these basins, other than certain cities being on watering restrictions because they enacted drought contingency plans.

The TCEQ did note that there were some water-rights related complaints and investigations in the three preceding fiscal years.

- In the Canadian River Basin, 2 investigations were conducted in fiscal 2012, 1 in fiscal 2013, and 0 in fiscal 2014.
- In the Red River Basin, there were 12 investigations in fiscal 2012, 9 in FY 2013, and 17 in FY 2014.
- Estimated costs to the agency to conduct these activities:
  - 2012, Canadian River Basin: $383; Red River Basin: $5,724
  - 2013, Canadian River Basin: $521; Red River Basin: $3,556
  - 2014, Canadian River Basin: $0; Red River Basin: $5,867

The cost to conduct the required evaluations of these basins in 2015:

- Office of Water: $109,151.69, which included salary and fringe benefits, postage, and travel
- Office of Legal Services staff time: $140
- Office of Compliance and Enforcement: $682.20, which included staff time, travel time, and equipment use

- Representatives from the TCEQ's Intergovernmental Relations Division participated in the evaluation process, but incurred no cost.

Agenda Presentation

At the commission's agenda meeting on Aug. 19, 2015, TCEQ personnel gave a presentation and made recommendations related to the fiscal 2015 evaluation. Considerations for the commissioners to discuss are outlined below:

- No watermaster program to be established in either the Red or the Canadian river basins.
- A watermaster program that includes both basins. Predicted cost for the first year: $387,343.52, and for subsequent years: $298,427.89.
- A watermaster program that includes only the Red River Basin. Predicted cost for the first year: $387,343.52, and for subsequent years: $298,427.89.

Evaluation Activities in Fiscal 2016

For the Cypress Creek and Sulphur river basins:

- Updated the web page explaining the evaluation process, inviting stakeholders in these basins to participate and get automated updates by e-mail. (See <www.tceq.texas.gov/permitting/water_rights/wmaster/evaluation>.)
- Mailed initial outreach letters on March 10, 2016 (Figure D-2), to the stakeholders in each area, including all water-right holders, county judges and extension agents, river authorities, agricultural interests, industries, environmental organizations, and other interested parties. Requested comments by June 24, 2016.
- Held one stakeholder meeting on June 7, 2016 in Mount Pleasant, with 22 people attending. The manager of the Watermaster Section and TCEQ regional-office representatives were present to deliver information and answer questions. Final stakeholder comments were due on June 26, 2016.

All of the 24 comments received from the stakeholders through June 24, 2016 opposed establishing a watermaster program.

The TCEQ evaluated the basins based on the criteria outlined in 2011, and found:

- There were no court orders to appoint a watermaster for these basins.
- There were no active or approved petitions to appoint a watermaster for these basins.
- There was no history of threatened water rights or water shortages in these basins, other than certain cities being on watering restrictions because they enacted drought contingency plans.

The TCEQ did note some complaints and investigations related to water rights in the three preceding fiscal years:

- In the Sulphur River Basin, 3 investigations were conducted in fiscal 2013, 6 in fiscal 2014, and 1 in fiscal 2015.
- In the Cypress Creek Basin, there were 14 investigations in fiscal 2013, 18 in fiscal 2014, and 5 in fiscal 2015.
- Estimated costs to the agency to conduct these activities:
  - 2013: Sulphur River Basin, $648; Cypress Creek Basin, $3,022
  - 2014: Sulphur River Basin, $1,295; Cypress Creek Basin, $3,885
  - 2015: Sulphur River Basin, $216; Cypress Creek Basin, $1,079

The costs to conduct the required evaluations of these basins in 2016:

- Office of Water: $110,408.89, which included salary and fringe benefits, postage, and travel
- Office of Legal Services staff time: $140.00
- Office of Compliance and Enforcement: $284.17, which included staff time, travel time, and equipment use
- Representatives from the TCEQ's Intergovernmental Relations Division participated in the evaluation process, but incurred minimal costs.

Agenda Presentation

At the commission's agenda meeting on Aug. 24, 2016, TCEQ personnel gave a presentation and made recommendations related to the fiscal 2016 evaluation. Considerations for the commissioners to discuss are outlined below:

- No watermaster program to be established in any of the basins.
- A watermaster program that includes both basins. Predicted cost for the first year: $402,331, and for subsequent years: $305,615.

Executive Director's Recommendation in Fiscal 2015 and 2016

With no court orders or petitions to create a watermaster, and no repeated history of threatened water rights, the executive director recommended that the commission not move forward on its own motion to create a watermaster program in any of the basins reviewed in fiscal 2015 and fiscal 2016.

While the statute requires the agency to evaluate the need for a watermaster in those basins without a watermaster program at least every five years, there is no prohibition against evaluating a basin sooner, as needed. The executive director can review this decision and evaluate additional threats to senior water rights as they occur and consider area stakeholder input. It is important to have stakeholder support in articulating the threat and the need to establish a new regulatory program, as stakeholders will be responsible for paying annual fees to support it.

As stated above, the executive director is always open to any additional information stakeholders may want to submit, and 25 water-right holders may petition the agency at any point to consider creating a watermaster program. Once it has received a petition from 25 water-right holders, the commission will refer the issue to the State Office of Administrative Hearings for a complete administrative hearing and recommendation to the commissioners for consideration.

Figure D-1

Outreach Letters to Stakeholders, FY 2015

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

March 13, 2015

Re: Preliminary Watermaster Evaluation for the Canadian River Basin

Dear Stakeholder:

The Texas Commission on Environmental Quality (TCEQ) is currently evaluating the Canadian and Red River Basins to determine whether there is a need to establish a watermaster. The purpose of this letter is to notify you and to seek written input on the process, which will help the agency to identify information that should considered during our evaluation.

According to Sections 11.326(g) and (h) of the Texas Water Code the Executive Director (ED) must evaluate all river basins that do not currently have a watermaster to determine whether one should be appointed. The ED must report the findings from the evaluation and make recommendations to the TCEQ Commissioners. The commissioners will direct the ED to move forward with the recommendation, revise the recommendation, or they may take no action on the recommendation. The evaluation findings and recommendations are to be included in the agency's Biennial Report to the Legislature.

In an effort to include the public and develop the best recommendations, we are soliciting input from stakeholders, including water right holders, domestic and livestock users, river authorities, agricultural, industrial and environmental organizations, the general public, and other interested parties. This request for written input is your first opportunity to participate in this process. As part of the evaluation, we also plan to mail notifications to all current water right holders within the Canadian River Basin of stakeholder meetings expected to be held in June of 2015. The input received from stakeholders will be discussed at the TCEQ Commissioners' Agenda tentatively scheduled for later this summer.

As a water right holder in the Canadian River Basin or other stakeholder, you are being contacted during this initial outreach. If you are aware of any other person who might be interested but did not receive this initial outreach letter, please forward this information to them. We welcome and encourage input from any interested stakeholders.

We will consider the following criteria when evaluating a basin:

(1) *Has there been a court order to create a watermaster?*

(2) *Has TCEQ received a petition requesting a watermaster?*

(3) *Have senior water rights been threatened, based on either the history of senior calls or water shortages within the basin or the number of water right complaints received on an annual basis in each basin?*

If the establishment of a watermaster is recommended and approved, a budget would be established each year, and the watermaster program would be administered using fees collected

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Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

Re: Canadian River Basin Watermaster Evaluation
Page 2
March 13, 2015

from water right holders in the watermaster area. The amount assessed to each water right holder would be determined each year based on the watermaster program's budget by establishing a base fee (currently $50) and then adding the water right permitted amount multiplied by a rate factor depending on the type of use.

The enclosed fact sheet includes general information about the watermaster. TCEQ requests and appreciates your input on this evaluation. In particular, we ask that you provide written input regarding the possible threat to senior water rights (item 3 above) as well as proposals for implementing a possible watermaster program.

Please include the following information in your letter:

1. The river or other waterbody you are discussing.
2. Your affiliation (for example, a water right holder with a water right permit (including number if known), a domestic and livestock user, an adjacent landowner, an interested party, or environmental organization).

Please send written comments by March 27, 2015 to my attention at the following address: TCEQ, Water Availability Division, Watermaster Section, MC-160, P.O. Box 13087, Austin, Texas 78711-3087. You may also send an email to: watermaster@tceq.texas.gov.

If you have any questions or additional comments, please feel free to contact my staff in the Watermaster Section: Cindy Hooper at (210) 403-4080 or Michael Redda at (512) 239-4631. In addition, you may sign up to receive email updates at: https://public.govdelivery.com/accounts/TXTCEQ/subscriber/new.

Additional information on the evaluation process is available on TCEQ's website: www.tceq.texas.gov/goto/watermaster.

We value your comments on the evaluation process, including the criteria being used, as well as information to assist the agency in its evaluation of your basin. Thank you for your participation.

Sincerely,

Amy Settemeyer, Manager
Watermaster Section, MC-160
Water Availability Division
Texas Commission on Environmental Quality

Enclosures

Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

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

March 13, 2015

Re: Preliminary Watermaster Evaluation for the Red River Basin

Dear Stakeholder:

The Texas Commission on Environmental Quality (TCEQ) is currently evaluating the Canadian and Red River Basins to determine whether there is a need to establish a watermaster. The purpose of this letter is to notify you and to seek written input on the process, which will help the agency to identify information that should considered during our evaluation.

According to Sections 11.326(g) and (h) of the Texas Water Code the Executive Director (ED) must evaluate all river basins that do not currently have a watermaster to determine whether one should be appointed. The ED must report the findings from the evaluation and make recommendations to the TCEQ Commissioners. The commissioners will direct the ED to move forward with the recommendation, revise the recommendation, or they may take no action on the recommendation. The evaluation findings and recommendations are to be included in the agency's Biennial Report to the Legislature.

In an effort to include the public and develop the best recommendations, we are soliciting input from stakeholders, including water right holders, domestic and livestock users, river authorities, agricultural, industrial and environmental organizations, the general public, and other interested parties. This request for written input is your first opportunity to participate in this process. As part of the evaluation, we also plan to mail notifications to all current water right holders within the Red River Basin of stakeholder meetings expected to be held in June of 2015. The input received from stakeholders will be discussed at the TCEQ Commissioners' Agenda tentatively scheduled for later this summer.

As a water right holder in the Red River Basin or other stakeholder, you are being contacted during this initial outreach. If you are aware of any other person who might be interested but did not receive this initial outreach letter, please forward this information to them. We welcome and encourage input from any interested stakeholders.

We will consider the following criteria when evaluating a basin:

(1) Has there been a court order to create a watermaster?

(2) Has TCEQ received a petition requesting a watermaster?

(3) Have senior water rights been threatened, based on either the history of senior calls or water shortages within the basin or the number of water right complaints received on an annual basis in each basin?

If the establishment of a watermaster is recommended and approved, a budget would be established each year, and the watermaster program would be administered using fees collected

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Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

Re: Red River Basin Watermaster Evaluation
Page 2
March 13, 2015

from water right holders in the watermaster area. The amount assessed to each water right holder would be determined each year based on the watermaster program's budget by establishing a base fee (currently $50) and then adding the water right permitted amount multiplied by a rate factor depending on the type of use.

The enclosed fact sheet includes general information about the watermaster. TCEQ requests and appreciates your input on this evaluation. In particular, we ask that you provide written input regarding the possible threat to senior water rights (item 3 above) as well as proposals for implementing a possible watermaster program.

Please include the following information in your letter:

1. The river or other waterbody you are discussing.

2. Your affiliation (for example, a water right holder with a water right permit (including number if known), a domestic and livestock user, an adjacent landowner, an interested party, or environmental organization).

Please send written comments by March 27, 2015 to my attention at the following address: TCEQ, Water Availability Division, Watermaster Section, MC-160, P.O. Box 13087, Austin, Texas 78711-3087. You may also send an email to: watermaster@tceq.texas.gov.

If you have any questions or additional comments, please feel free to contact my staff in the Watermaster Section: Cindy Hooper at (210) 403-4080 or Michael Redda at (512) 239-4631. In addition, you may sign up to receive email updates at: https://public.govdelivery.com/accounts/TXTCEQ/subscriber/new.

Additional information on the evaluation process is available on TCEQ's website: www.tceq.texas.gov/goto/watermaster.

We value your comments on the evaluation process, including the criteria being used, as well as information to assist the agency in its evaluation of your basin. Thank you for your participation.

Sincerely,

Amy Settemeyer, Manager
Watermaster Section, MC-160
Water Availability Division
Texas Commission on Environmental Quality

Enclosures

Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

Watermaster Evaluation Fact Sheet - 2015

Background

On May 28, 2011, the Texas Legislature adopted the Texas Commission on Environmental Quality (TCEQ) Sunset legislation, HB 2694, which includes a requirement for the TCEQ to evaluate and issue a report for all river and coastal basins that do not have a watermaster. The report will assess whether or not there is a need to appoint a watermaster and is required at least once every five years. The TCEQ developed a schedule to consider several basins each year. During 2012, the TCEQ evaluated the Brazos River Basin, the Brazos-Colorado Coastal Basin, the Colorado River Basin, and the Colorado-Lavaca Coastal Basin; in 2013 the Trinity River Basin, the Trinity-San Jacinto Coastal Basin, the San Jacinto River Basin, and the San Jacinto-Brazos Coastal Basin; and in 2014 the Sabine River Basin, Neches River Basin, and Neches-Trinity Coastal Basin. For 2015 TCEQ will evaluate the Canadian River Basin and the Red River Basin.

What is a Watermaster Program?

Watermaster programs operate from field offices within their designated basin(s) and perform the following functions:

- A watermaster continuously monitors streamflows, reservoir levels, and water use within a basin.
- As needed, holders of impoundment rights may notify the watermaster when they plan to release sold water. The watermaster can then monitor usage downstream to ensure that the released water reaches the buyer.
- Before starting their pumps, opening their sluice gates, or starting to divert water in any other way, all water right holders must notify the watermaster and state how much water they plan to divert.
- The watermaster determines whether a diversion will remove water that rightfully belongs to another user and could notify a user with more junior water rights to reduce or stop pumping if needed.
- When streamflows diminish, the watermaster allocates available water among the water right holders according to each user's priority date.
- If a water-right holder does not comply with the water right or with TCEQ rules, the executive director may direct a watermaster to adjust the control works, including pumps, to prevent the owner from diverting, taking, storing, or distributing water until the water right holder complies.

There are currently three watermaster programs in Texas, with a new one beginning in June 2015:

- The Rio Grande Watermaster coordinates releases from the Amistad and Falcon reservoir system for irrigation, municipal, and industrial uses.
- The South Texas Watermaster serves the Nueces, San Antonio, Guadalupe, and Lavaca river basins, as well as the adjacent coastal basins.
- The Concho Watermaster, currently a division of the South Texas Watermaster, serves the Concho River segment of the Colorado River Basin.

Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

- The newest program, the Brazos Watermaster, covers Possum Kingdom reservoir and areas downstream of the reservoir in the Brazos River Basin.

Advantages of a Watermaster Program.

In addition to their monitoring of river conditions, TCEQ watermasters can provide valuable services to the water users in the basins they oversee:

- Watermasters can coordinate diversions in the basin, ensuring that all water users get the best overall value from the water available to them.
- With their real-time monitoring of local streamflows, watermasters can quickly identify and stop illegal diversions.
- Watermasters may be able to anticipate a shortage before it reaches the crisis point, thus enabling local users to work together to develop a strategy that will meet everyone's most basic needs.
- When disputes arise among water users, the watermaster can often help the users settle the matter, thereby avoiding costly litigation.
- Watermasters can provide valuable technical assistance.
- A watermaster program affords a long-term solution for managing water rights in a river basin.

Program Costs and Fees.

According to state law, water-right holders in a watermaster area must pay the costs associated with a watermaster program through an annual fee. Certain domestic and livestock uses are exempted from water rights permitting and any fees associated with the watermaster program.

The total amount assessed per water right holder is comprised of a $50 per account base fee and an annual use fee that is based on the volume of water that may be diverted for each authorized use. The use fee is calculated each year and is based on the proposed operating budget for each watermaster program.

In addition, most users will be required to add a meter to their pumps, which may cost $400 or more (depending on the technology of the meter). However, by using a meter, the user might find that he or she had been running the unmetered pumps longer than necessary, which may lead to water savings.

Participating in the Process

We encourage your input on this process. If you are interested in the evaluation of the Canadian River Basin or the Red River Basin, or if you have any questions on this process, please contact:

By Letter: Amy Settemeyer, Manager, Watermaster Section (MC-160), P.O. Box 13087, Austin, Texas 78711-3087

By Email: watermaster@tceq.texas.gov

By Phone: Call a Watermaster Program Liaison: Cindy Hooper at (210) 403-4080 or Michael Redda at (512) 239-4631.

Web Site: www.tceq.texas.gov/goto/watermaster

Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

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

April 24, 2015

Re: Stakeholder Meetings - Watermaster Evaluation for the Canadian and Red River Basins

Dear Stakeholder:

The purpose of this letter is to invite you to attend stakeholder meetings and to provide updates regarding the Texas Commission on Environmental Quality's (TCEQ) review of the need for a watermaster in the Canadian and Red River Basins. According to Section 11.326(g) and (h) of the Texas Water Code, the TCEQ must evaluate all river basins in the state that do not currently have a watermaster program to determine whether one should be appointed.

On March 13, 2015, letters were mailed to all water right holders, county judges, extension agents, and other interested parties in the Canadian and Red River Basins requesting input for the evaluation. TCEQ will be holding the following stakeholder meetings to discuss the evaluation and the watermaster program, and to accept any additional comments you may have.

6:00 p.m. – May 28, 2015
Region 16 Education Center
Palo Duro Conference Room
5800 Bell Street
Amarillo, Texas 79109

6:00 p.m. – June 2, 2015
North Texas Regional Planning Commission
4309 Old Jacksboro Hwy, St 200
Wichita Falls, Texas 76302

6:00 p.m. – June 4, 2015
Texarkana College
Truman Arnold Student Center
Levi Hall Conference Room
2500 N Robison Road
Texarkana, Texas 75599

Additional comments in response to the stakeholder meetings will be accepted through **5:00 p.m. on June 12, 2015**, which will be the close of the comment period. Please mail your comments to the Watermaster Section, MC 160, P.O. Box 13087, Austin, Texas 78711-3087 or by email to watermaster@tceq.texas.gov.

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Figure D-1 cont.

Outreach Letters to Stakeholders, FY 2015

Stakeholder Meetings
Watermaster Evaluation for the Canadian and Red River Basins
Page 2
April 24, 2015

If you have any questions, please feel free to contact my staff in the Watermaster Section: Cindy Hooper at (210) 403-4080 or Michael Redda at (512) 239-4631. In addition, you may sign up to receive email updates at <https://public.govdelivery.com/accounts/TXTCEQ/subscriber/new>. Additional information on the watermaster evaluation process is available at <www.tceq.texas.gov/goto/watermaster>.

We value your input on the evaluation process, including the draft options, as well as information to assist the agency in its evaluation of your basin. Thank you for your participation as we go through this very important process.

Sincerely,

Amy Settemeyer, Manager
Watermaster Section, MC-160
Water Availability Division
Texas Commission on Environmental Quality

Figure D-2

Outreach Letters to Stakeholders, FY 2016

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 10, 2016

Re: Watermaster Evaluation for the Cypress Creek and Sulphur River Basins

Dear Stakeholder:

The Texas Commission on Environmental Quality (TCEQ) is currently evaluating the Sulphur and Cypress Creek River Basins to determine whether there is a need to establish a watermaster. The purpose of this letter is to notify you and to seek written input on the process, which will help the agency to identify information that should be considered during our evaluation.

According to Subsections 11.326(g) and (h) of the Texas Water Code, the Executive Director (ED) must evaluate all river basins that do not currently have a watermaster to determine whether one should be appointed. The ED must report the findings from the evaluation and make recommendations to the TCEQ Commissioners. The Commissioners will direct the ED to move forward with the recommendation, revise the recommendation, or they may take no action on the recommendation. The evaluation findings and recommendations are to be included in the agency's Biennial Report to the Legislature.

In an effort to include the public and develop the best recommendations, we are soliciting input from stakeholders, including water right holders, domestic and livestock users, river authorities, agricultural, industrial and environmental organizations, the general public, and other interested parties. This request for written input is your first opportunity to participate in this process. As part of the evaluation, we also plan to mail notifications of stakeholder meetings to all current water right holders within these two basins expected to be held in June of 2016. The input received from stakeholders will be discussed at the TCEQ Commissioners' Agenda tentatively scheduled for later this summer.

As a water right holder in either the Cypress Creek or Sulphur River basin or other stakeholder, you are being contacted during this initial outreach. If you are aware of any other person who might be interested but did not receive this initial outreach letter, please forward this information to them.

We will consider the following criteria when evaluating a basin:

(1) Has there been a court order to create a watermaster?

(2) Has TCEQ received a petition requesting a watermaster?

(3) Have senior water rights been threatened, based on either the history of senior calls or water shortages within the basin or the number of water right complaints received on an annual basis in each basin?

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Figure D-2 cont.

Outreach Letters to Stakeholders, FY 2016

Re: Watermaster Evaluation

Page 2

March 10, 2016

If the establishment of a watermaster is recommended and approved, a budget would be established each year, and the watermaster program would be administered using fees collected from water right holders in the watermaster area. The amount assessed to each water right holder would be determined each year based on the watermaster program's budget by establishing a base fee (currently $50) and then adding the water right permitted amount multiplied by a rate factor depending on the type of use.

The enclosed fact sheet includes general information about the watermaster programs. TCEQ requests and appreciates your input on this evaluation. In particular, we ask that you provide written input regarding the possible threat to senior water rights (item 3 above) as well as proposals for implementing a possible watermaster program.

Please include the following information in your letter:

1. The river or other waterbody you are discussing.
2. Your affiliation (for example, a water right holder with a water right permit (including number if known), a domestic and livestock user, an adjacent landowner, an interested party, or environmental organization).

Please send written comments by March 25, 2016 to my attention at the following address: TCEQ, Water Availability Division, Watermaster Section, MC-160, P.O. Box 13087, Austin, Texas 78711-3087. You may also send an email to: watermaster@tceq.texas.gov. If you have any questions or additional comments, please feel free to contact my staff in the Watermaster Section: Brooke McGregor at (512) 239-2025. In addition, you may sign up to receive email updates at: https://public.govdelivery.com/accounts/TXTCEQ/subscriber/new.

Additional information on the evaluation process is available on TCEQ's website: www.tceq.texas.gov/goto/watermaster. We value your comments on the evaluation process, including the criteria being used, as well as information to assist the agency in its evaluation of your basin. Thank you for your participation.

Sincerely,

Amy Settemeyer

Amy Settemeyer, Manager
Watermaster Section, MC-160
Water Availability Division
Texas Commission on Environmental Quality

Enclosures

Figure D-2 cont.

Outreach Letters to Stakeholders, FY 2016

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

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 6, 2016

Re: Stakeholder Meeting - Watermaster Evaluation for the Cypress Creek and Sulphur River Basins

Dear Stakeholder:

The purpose of this letter is to invite you to attend stakeholder meetings and to provide updates regarding the Texas Commission on Environmental Quality's (TCEQ) review of the need for a watermaster in the Cypress Creek and Sulphur River Basins. According to Section 11.326(g) and (h) of the Texas Water Code, the TCEQ must evaluate all river basins in the state, at least once every five years, that do not currently have a watermaster program to determine whether one should be appointed.

On March 10, 2016, letters were mailed to all water right holders, county judges, extension agents, and other interested parties in the Cypress Creek and Sulphur River Basins requesting input for the evaluation. TCEQ will be holding the following stakeholder meeting to discuss the evaluation and the watermaster program, and to accept any additional comments you may have.

6:00 p.m. – June 7, 2016
Mount Pleasant Civic Center, Main Hall East
1800 N. Jefferson St.
Mount Pleasant, Texas 75455

Additional comments in response to the stakeholder meeting will be accepted through **5:00 p.m. on June 24, 2016**, which will be the close of the comment period. Please mail your comments to the Watermaster Section, MC 160, P.O. Box 13087, Austin, Texas 78711-3087 or by email to watermaster@tceq.texas.gov.

If you have any questions, please feel free to contact my staff in the Watermaster Section: Brooke McGregor (512) 239-2025 or Stephen Kinal (512) 239-4010. In addition, you may sign up to receive email updates at: <https://public.govdelivery.com/accounts/TXTCEQ/subscriber/new>.

Additional information on the watermaster evaluation process is available at: <www.tceq.texas.gov/goto/watermaster>.

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

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Figure D-2 cont.

Outreach Letters to Stakeholders, FY 2016

Stakeholder Meeting
Watermaster Evaluation for the Cypress Creek and Sulphur River Basins
Page 2
May 6, 2016

We value your input on the evaluation process, including the draft options, as well as information to assist the agency in its evaluation of your basin. Thank you for your participation as we go through this very important process.

Sincerely,

Amy Settemeyer, Manager
Watermaster Section, MC-160
Water Availability Division
Texas Commission on Environmental Quality

Figure D-2 cont.

Outreach Letters to Stakeholders, FY 2016

Watermaster Evaluation Fact Sheet - 2016

Background

On May 28, 2011, the Texas Legislature adopted the Texas Commission on Environmental Quality (TCEQ) Sunset legislation, HB 2694, which includes a requirement for the TCEQ to evaluate and issue a report for all river and coastal basins that do not have a watermaster. The report will assess whether or not there is a need to appoint a watermaster and is required at least once every five years. The TCEQ developed a schedule to consider several basins each year. During 2012, the TCEQ evaluated the Brazos River Basin, the Brazos-Colorado Coastal Basin, the Colorado River Basin, and the Colorado-Lavaca Coastal Basin; in 2013 the Trinity River Basin, the Trinity-San Jacinto Coastal Basin, the San Jacinto River Basin, and the San Jacinto-Brazos Coastal Basin; in 2014 the Sabine River Basin, Neches River Basin, and Neches-Trinity Coastal Basin; and in 2015 the Canadian and Red River Basins. For 2016, TCEQ will evaluate the Sulphur and Cypress Creek River Basins.

What is a Watermaster Program?

Watermaster programs operate from field offices within their designated basin(s) and perform the following functions:

- A watermaster continuously monitors streamflows, reservoir levels, and water use within a basin.
- As needed, holders of impoundment rights may notify the watermaster when they plan to release sold water. The watermaster can then monitor usage downstream to ensure that the released water reaches the buyer.
- Before starting their pumps, opening their sluice gates, or starting to divert water in any other way, all water right holders must notify the watermaster and state how much water they plan to divert.
- The watermaster determines whether a diversion will remove water that rightfully belongs to another user and could notify a user with more junior water rights to reduce or stop pumping if needed.
- When streamflows diminish, the watermaster allocates available water among the water right holders according to each user's priority date.
- If a water-right holder does not comply with the water right or with TCEQ rules, the executive director may direct a watermaster to adjust the control works, including pumps, to prevent the owner from diverting, taking, storing, or distributing water until the water right holder complies.

There are currently four watermaster programs in Texas:

- The Rio Grande Watermaster coordinates releases from the Amistad and Falcon reservoir system.
- The South Texas Watermaster serves the Nueces, San Antonio, Guadalupe, and Lavaca river basins, as well as the adjacent coastal basins.
- The Concho Watermaster, currently a division of the South Texas Watermaster, serves the Concho River segment of the Colorado River Basin.
- The newest program, the Brazos Watermaster, covers Possum Kingdom reservoir and areas downstream of the reservoir in the Brazos River Basin.

Figure D-2 cont.

Outreach Letters to Stakeholders, FY 2016

Advantages of a Watermaster Program

In addition to their monitoring of river conditions, TCEQ watermasters can provide valuable services to the water users in the basins they oversee:

- Watermasters can coordinate diversions in the basin, ensuring that all water users get the best overall value from the water available to them.
- With their real-time monitoring of local streamflows, watermasters can quickly identify and stop illegal diversions.
- Watermasters may be able to anticipate a shortage before it reaches the crisis point, thus enabling local users to work together to develop a strategy that will meet the users' most basic needs.
- When disputes arise among water users, the watermaster can often help the users settle the matter, thereby avoiding costly litigation.
- Watermasters can provide valuable technical assistance.
- A watermaster program affords a long-term solution for managing water rights in a river basin.

Program Costs and Fees

According to state law, water-right holders in a watermaster area must pay the costs associated with a watermaster program through an annual fee. Certain domestic and livestock uses are exempted from water rights permitting and any fees associated with the watermaster program.

The total amount assessed per water right holder is comprised of a $50 per account base fee and an annual use fee that is based on the volume of water that may be diverted for each authorized use. The use fee is calculated each year and is based on the proposed operating budget for each watermaster program.

In addition, users will be required to add a meter to their pumps, which may cost $400 or more (depending on the technology of the meter). However, by using a meter, the user might find that he or she had been running the unmetered pumps longer than necessary, which may lead to water savings.

Participating in the Process

We encourage your input in this process. If you are interested in the evaluation of the Sulphur River Basin, the Cypress Creek River Basin or both or if you have any questions on this process, please contact:

By Letter: Amy Settemeyer, Manager, Watermaster Section (MC-160), P.O. Box 13087, Austin, Texas 78711-3087

By Email: watermaster@tceq.texas.gov

By Phone: Call the Watermaster Program Liaison: Brooke McGregor at (512) 239-2025.

Web Site: www.tceq.texas.gov/goto/watermaster