

TCEQ Interoffice Memorandum

To: Commissioners, TCEQ

Thru: Laurie Gharis, Chief Clerk

From: Jose Davila, Manager, Watermaster Section
Water Availability Division

Date: August 18, 2023

Subject: Agenda Executive Summary for Approval of Fiscal Year (FY) 2024 Proposed Assessment for Annual Costs for Watermaster Operations in the Rio Grande Watermaster Program Set for September 6, 2023, Agenda Docket No. 2023-0630-BGT

Summary of Request:

The Rio Grande Watermaster Program seeks approval of its FY 2024 proposed assessment. The Executive Director estimates the proposed assessment of One Million, Seventy-Nine Thousand, Nine Hundred Eighty-Eight Dollars and Thirty-Nine Cents (\$1,079,988.39) will generate revenue of One Million, Sixty-Nine Thousand, One Hundred Eighty-Eight Dollars and Fifty Cents (\$1,069,188.50) for FY 2024. The proposed assessment is based on annual costs of operations for an operating budget that 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.

Authority: Tex. Water Code §§ 5.107, 11.329, and 11.4531
30 Tex. Admin. Code §§ 12.1, 12.3, and 12.5

Staff Recommendation:

Approval of the Rio Grande Watermaster Program FY 2024 Assessment for Annual Cost of Operations.

Contact: Jose Davila, (830) 773-5059
Stephen Kinal, (512) 239-4010

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

AGENDA REQUESTED: September 6, 2023

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

Jose Davila, (830) 773-5059

Georgina Bermea, (956) 430-6039

Stephen Kinal, (512) 239-4010

CONSIDERATION OF FISCAL YEAR 2024 ASSESSMENT OF ANNUAL COSTS FOR WATERMASTER OPERATIONS IN THE RIO GRANDE WATERMASTER PROGRAM.

Pursuant to Texas Water Code Section 11.329 and 30 Tex. Admin. Code Sections 12.1, 12.3, 12.5, and 303.71-303.73 of the Commission Rules, the Executive Director requests that the Commission consider Watermaster assessment of annual costs for the fiscal year beginning September 1, 2023 and ending August 31, 2024, for water right holders in the Rio Grande Water Division, and approve \$1,079,988.39 as the amount to be assessed for annual costs. The Rio Grande Water Division extends from Fort Quitman, Texas to the mouth of the Rio Grande River, excluding the watersheds of the Pecos and Devils Rivers and including that portion of the Nueces-Rio Grande Costal Basin lying in Hidalgo, Cameron, Willacy, and Starr Counties whose source of water is the Rio Grande. (Jose Davila, Aubrey Pawelka)

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

TYPE OF MATTER: Budget

COUNTY: The 16 counties within the Rio Grande Watermaster's Jurisdiction (Brewster, Cameron, Dimmit, Hidalgo, Hudspeth, Jeff Davis, Jim Hogg, Kinney, Maverick, Presidio, Starr, Terrell, Val Verde, Webb, Willacy, and Zapata)

DOCKET NUMBER: 2023-0630-BGT

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER

Assessing the Annual Cost of Operation for the Rio Grande Watermaster Program and Associated Basins for the fiscal year beginning September 1, 2023 and ending August 31, 2024:
Docket No. 2023-0630-BGT; Rio Grande Watermaster

On September 6, 2023, 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, 2023 and ending August 31, 2024. After reviewing the supporting documentation, the Commission finds as follows:

1. The area subject to the order and referred to as the "Rio Grande" herein extends from Fort Quitman, Texas to the mouth of the Rio Grande River, excluding the watersheds of the Pecos and Devils Rivers, and including that portion of the Nueces-Rio Grande Coastal Basin in Hidalgo, Cameron, Willacy, and Starr Counties whose source of water is the Rio Grande;
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, an Assistant Watermaster, and other necessary employees;
3. 30 Texas Administrative Code (TAC) §§ 303.71-303.73 set forth formulas and procedures for the assessment of costs of the Watermaster operations in the Rio Grande;
4. The procedures set out in the Texas Water Code § 11.329 and 30 TAC § 303.71 were followed for this assessment;
5. The compensation and necessary expenses of a Watermaster and other necessary employees for the fiscal year beginning September 1, 2023, and ending August 31, 2024, will require the amount to be assessed in the sum of One Million, Seventy-Nine Thousand, Nine Hundred Eighty-Eight Dollars and Thirty-Nine Cents (\$1,079,988.39);
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;
7. All requirements of Texas Water Code § 11.329 and 30 TAC §§ 303.71-303.73 have been met.
8. Texas Water Code § 11.4531 provides for the creation of the Rio Grande Watermaster Advisory Committee; and
9. Texas Government Code § 2110.008 provides that an advisory committee is abolished on the fourth anniversary of its creation unless the state agency provides for a different abolishment date.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

1. That the amount of One Million, Seventy-Nine Thousand, Nine Hundred Eighty-Eight Dollars and Thirty-Nine Cents (\$1,079,988.39) is approved as the total amount to be assessed for annual costs of operations of the Rio Grande Watermaster during the fiscal year beginning September 1, 2023, and ending August 31, 2024, and that such amount is assessed against the water rights holders in the Rio Grande Water Division in the manner described in this order and pursuant to 30 TAC §§ 303.71-303.73;
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. Except as provided for "no charge" water and excess flow permits below, a base charge for each assessment account of Fifty Dollars (\$50.00);
 - b. No base charge for "no charge" water diverted pursuant to Texas Water Code § 11.0871;
 - c. No base charge for excess flow water rights authorized under 30 TAC § 303.61;
 - d. Assessment rates for each assessment account to be calculated by the Executive Director in accordance with the procedures set forth in 30 TAC § 303.72;
 - e. Assessment of costs and levy of assessments for each account in accordance with procedures set forth in 30 TAC § 303.73;
 - f. 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;
 - g. Delinquent fees accrue interest beginning on the 61st day after their due date;
 - h. Penalties and/or interest under this section may be waived by the Executive Director for good cause;
3. That the Executive Director shall specify dates by which payments assessed pursuant to this order shall be paid or postmarked.
4. The Rio Grande Watermaster Advisory Committee has an abolishment date of December 31, 2032, as established by rulemaking amending 30 TAC §5.3 and adopting §5.15.

Texas Commission on
Environmental Quality

For the Commission

Date Signed

TCEQ Interoffice Memorandum

To: Commissioners, TCEQ

Thru: Cari-Michel La Caille, Director
Office of Water

From: Kim Nygren, Deputy Director
Water Availability Division

Date: August 18, 2023

Subject: Fiscal Year (FY) 2024 Proposed Assessment of Annual Costs of Operations for the Rio Grande Watermaster Program

The Rio Grande 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.

At this time, staff recommends and seeks Commission approval of an FY24 operational budget of \$1,069,188.50. Using this budget amount, the program calculates its assessment based on a 99% collection rate; therefore, the total assessment amount would be \$1,079,988.39 with a municipal rate of 0.4733. This staff proposal represents an increase of \$0.0519 from the previous year's municipal rate of \$0.4214.

Attached to this memo are copies of the following:

- **Public Notice for the July 21, 2023 Rio Grande WAC Meeting:** This notice was mailed to all water right holders within the Rio Grande Watermaster Program on June 23, 2023.
- **Public Notice for the September 6, 2023 Commission Agenda:** This was mailed to all water right holders in the Rio Grande Watermaster Program on August 2, 2023. This notice satisfies the thirty (30) day notice of the budget hearing required by TWC §11.329(b).
- **Mailing affidavit for the September 6, 2023 Public Notice**
- **"Rio Grande Watermaster Operations: FY23 Approved Assessment Compared to FY24 Budget Needs":** This document outlines the FY23 approved assessment compared to the FY24 budget needs at current Rio Grande Watermaster Program staffing levels. The Rio Grande WAC members were provided with this document via Email on June 23, 2023. The document was discussed during the July 21, 2023 meeting.

If I can be of further assistance, or should you have any questions regarding this matter, please contact me at (512) 239-4644, or Jose Davila, Watermaster Section Manager at (830) 773-5059.

Rio Grande Watermaster Operations

Annual Appropriation Information

Rio Grande Fund Balance as of 9/1/22: \$621,863.00

FY23 Assessment Compared to Proposed FY24 Assesment

Budget Categories		FY23 Assessment	Proposed FY24 Assessment	Difference between FY24 to FY23
Salaries		\$521,110.29	\$633,925.07	\$112,814.77
Longevity		\$4,629.35	\$6,466.20	\$1,836.85
Salary Enhancements	(1)	\$23,449.96	\$24,300.46	\$850.50
Fringe	(2)	\$178,212.76	\$182,435.89	\$4,223.13
Additional Insurance and Retirement	(3)	\$8,237.84	\$9,970.38	\$1,732.53
SORM	(4)	\$646.73	\$606.71	(\$40.02)
SWCAP	(5)	\$4,210.35	\$4,544.67	\$334.31
LAR Capital	(6)	\$0.00	\$0.00	\$0.00
Professional/Temp Services	(7)	\$63,198.15	\$63,125.89	(\$72.26)
Travel In-State	(8)	\$21,000.00	\$24,000.00	\$3,000.00
Travel Out-of-State		\$0.00	\$0.00	\$0.00
Training		\$2,000.00	\$3,600.00	\$1,600.00
Rent - Building	(9)	\$47,118.65	\$43,912.80	(\$3,205.85)
Postage		\$2,550.00	\$526.00	(\$2,024.00)
Phone/Utilities		\$18,526.09	\$13,132.44	(\$5,393.65)
Supplies - Consumables		\$1,500.00	\$2,400.00	\$900.00
Other Operating Expenses	(10)	\$1,000.00	\$1,200.00	\$200.00
Fuels/Lubricants		\$26,500.00	\$26,500.00	\$0.00
Rent - Machine & Other		\$4,142.00	\$4,142.00	\$0.00
Facilities, Furniture & Equip	(11)	\$21,550.00	\$24,400.00	\$2,850.00
Capital Equipment - Non LAR	(12)	\$0.00	\$0.00	\$0.00
TOTAL		\$949,582.18	\$1,069,188.50	\$119,606.32

FY24 Proposed Assessment Calculation

FY24 Operating Budget Needs:	\$1,069,188.50
Assessment Needed Based on Collection Rate: 99.0%	\$1,079,988.39

Historical Assessment Comparison

	FY22	FY23	FY24
Total Assessment:	\$874,066.25	\$968,961.41	\$1,079,988.39
Municipal Rate (per A-F):	\$0.3764	\$0.4214	\$0.4733
Irrigation Rate (per A-F):	\$0.3011	\$0.3371	\$0.3786

Notes:

- (1) Salary Enhancements are calculated at 3% of FY24 budgeted 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. Fringe is calculated at 27.5% of total salaries. Fringe will vary year-to-year based on actual costs.
- (3) Additional Health Insurance (1%) and Retirement (0.5%) as required under Article IX, Sections 17.04 and 17.08 of the General Appropriations Act.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Professional/Temp Services includes but is not limited to software development costs, summer interns, and temporary employees.
- (8) 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.
- (9) A proportionate share of the annual TCEQ Regional Office building rent is charged to the Watermaster Program.
- (10) 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.).
- (11) 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.
- (12) 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, Laurie Gharis, 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 Rio Grande Watermaster Program was mailed on August 2, 2023. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 2nd day of August, 2023.

Laurie Gharis

Laurie Gharis, Chief Clerk
Texas Commission on Environmental Quality

SEAL

AUG 02 2023



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

NOTICE OF CONSIDERATION OF PROPOSED ASSESSMENT OF ANNUAL COSTS FOR THE RIO GRANDE WATERMASTER PROGRAM

The Commissioners of the Texas Commission on Environmental Quality will consider the Rio Grande Watermaster Operation's budget and proposed assessment for costs for September 1, 2023 through August 31, 2024 (TCEQ Fiscal Year 2024), 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 6, 2023**

This item is Docket No. 2023-0630-BGT, Consideration of an Order assessing costs of Watermaster operations in the Rio Grande Water Division and associated basins, which extends from Fort Quitman, Texas to the mouth of the Rio Grande River, excluding the watersheds of the Pecos and Devils Rivers, and including that portion of the Nueces-Rio Grande Coastal Basin in Hidalgo, Cameron, Willacy, and Starr Counties whose source of water is the Rio Grande.

The compensation and necessary expenses of the Rio Grande Watermaster Operations for the 2024 fiscal year is One Million, Sixty-Nine Thousand, One Hundred Eighty-Eight Dollars and Fifty Cents (\$1,069,188.50). Of this amount, Eight Hundred Fifty-Seven Thousand, Ninety-Eight Dollars and Zero Cents (\$857,098.00) are needed for program staff base salaries and benefits (including longevity, salary enhancements, fringe and additional insurance and retirement) and Two Hundred Twelve Thousand, Ninety Dollars and Fifty Cents (\$212,090.50) are needed for program operating costs. Based on a 99% collection rate, these necessary expenses require a total assessment of One Million, Seventy-Nine Thousand, Nine Hundred Eighty-Eight Dollars and Thirty-Nine Cents (\$1,079,988.39) with a municipal rate of \$0.4733.

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 Rio Grande Watermaster Advisory Committee (WAC) was provided the proposed assessment and budget, and on July 21, 2023 a meeting was held. The public was invited to attend this WAC meeting via mailed notice dated June 23, 2023.

If you have any questions or would like a copy of the proposed budget, please contact the Rio Grande Watermaster's Office at (956) 430-6056 or (800) 609-1219, or via email at Georgina.Bermea@tceq.texas.gov.

Español al reverso



Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Kelly Keel, *Interim Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

AVISO DE CONSIDERACIÓN DE LA TASACIÓN PROPUESTA DE LOS COSTOS ANUALES PARA EL PROGRAMA RÍO GRANDE WATERMASTER

Los comisionados de la Comisión de Calidad Ambiental de Texas considerarán el presupuesto operativo del comisionado del agua del Río Grande, conocido como Río Grande Watermaster, y la tasación propuesta para los costos del 1 de septiembre de 2023 al 31 de agosto de 2024 (año fiscal 2024 de TCEQ), durante una reunión pública en:

**9:30 A.M. en el Edificio E, Sala 201S
Ubicado en 12100 Park 35 Circle
En Austin, Texas en
septiembre 6, 2023**

Este artículo es el expediente No. 2023-0630-BGT, Consideración de una Orden que evalúa los costos de las operaciones del Watermaster en la División de Agua del Río Grande y las cuencas asociadas, que se extiende desde Fort Quitman, Texas hasta la desembocadura del Río Grande, excluyendo las cuencas hidrográficas de los ríos Pecos y Devils, e incluyendo la porción de la Cuenca Costera Nueces-Río Grande en los condados de Hidalgo, Cameron, Willacy y Starr cuya fuente de agua es el Río Grande.

La compensación y los gastos necesarios de las operaciones del Río Grande Watermaster para el año fiscal 2024 es de un millón, sesenta y nueve mil, ciento ochenta y ocho dólares y cincuenta centavos (\$1,069,188.50). De esta cantidad, se necesitan ochocientos cincuenta y siete mil, noventa y ocho dólares y cero centavos (\$857,098.00) para los salarios y beneficios básicos del personal del programa (incluyendo longevidad, mejoras salariales, seguro complementario y adicional y jubilación) y doscientos doce mil, noventa dólares y cincuenta centavos (\$212,090.50) son necesarios para los costos operativos del programa. Sobre la base de una tasa de recaudación del 99%, estos gastos necesarios requieren una tasación total de un millón, setenta y nueve mil, novecientos ochenta y ocho dólares y treinta y nueve centavos (\$1,079,988.39) con una tasa municipal de \$0.4733.

Este aviso se proporciona a todos los titulares de derechos de agua según lo requerido por la Sección 11.329 del Código de Agua de Texas. Usted puede asistir a esta reunión y formular observaciones a la Comisión sobre este artículo. Las personas con discapacidades que tienen necesidades especiales de comunicación u otras necesidades de adaptación que planean asistir a esta reunión deben comunicarse con la Oficina de Enlace de Instalaciones de Servicios Administrativos al (512) 239-0080. Las solicitudes deben hacerse con la mayor antelación posible.

El Comité Asesor del Río Grande Watermaster (WAC) recibió la tasación y el presupuesto propuestos, y el 21 de julio de 2023 se celebró una reunión. El público fue invitado a asistir a esta reunión de WAC a través de un aviso enviado por correo con fecha del 23 de junio de 2023.

Si tiene alguna pregunta o desea una copia del presupuesto propuesto, comuníquese con la oficina del Río Grande Watermaster al (956) 430-6056 o (800) 609-1219, o por correo electrónico a Georgina.Bermea@tceq.texas.gov.

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Kelly Keel, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

PUBLIC MEETING NOTICE

RIO GRANDE WATERMASTER ADVISORY COMMITTEE

DATE: Friday, July 21, 2023
TIME: 10:00 AM
LOCATION: 1) Texas Commission on Environmental Quality Regional Office
1804 West Jefferson, Harlingen, Texas 78550
2) Microsoft Teams

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 Rio Grande WAC will hold a hybrid meeting on **July 21, 2023, at 10:00 AM** to discuss the proposed Rio Grande Watermaster budget for fiscal year 2024. **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.**

To join the meeting, use the following link or dial:

<https://bit.ly/3oYUeEk>

Toll Number: +1 512-826-8070

Conference ID: 816 923 892#

We suggest joining the electronic meeting by 09:45 AM on July 21, 2023. Although not required, the Rio Watermaster Program asks that you RSVP by emailing riowm@tceq.texas.gov no later than July 14, 2023, so that we have a head count for the meeting and can help with any potential technical difficulties.

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 completing 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 23, 2023

Georgina P Bermea, Rio Grande Watermaster

For questions, please feel free to contact the Rio Grande Watermaster at (956) 430-6056 or via email at riowm@tceq.texas.gov.