

TCEQ Interoffice Memorandum

To: Commissioners

Thru: Laurie Gharis, Chief Clerk

From: Kim Nygren, Deputy Director, Water Availability Division
Jose Davila, Section Manager, Watermaster Section
Molly Mohler, Brazos Watermaster

Date: August 19, 2024

Subject: Docket No. 2024-0915-BGT: Fiscal Year 2025 Assessment of Annual Costs for Watermaster Operations in the Brazos Watermaster Program

The Executive Director (ED) requests that the Commission approve the proposed Fiscal Year (FY) 2025 Brazos Watermaster Program budget and issue an order assessing the annual costs for the program to water right holders owning determined and adjudicated water rights that are administered by the Watermaster. FY2025 begins September 1, 2024, and ends August 31, 2025. The proposed budget and order are included with this filing.

The Brazos Watermaster Program consists of the portion of the Brazos River Basin including and below Possum Kingdom Lake.

The Commission is required to pay the compensation and necessary expenses of a watermaster, assistant watermasters, and other necessary employees. Water right holders owning determined and adjudicated water rights that are administered by a watermaster are required to reimburse the commission for the annual costs for watermaster operations. Annual costs include the compensation (salaries and benefits) and necessary expenses (operational costs) of a Watermaster, assistant Watermaster, and other necessary employees.

A general summary of requirements and process associated with the annual assessment of costs and levy of assessments to water right holders is as follows:

- The ED must develop a proposed fiscal year budget for each watermaster program that details the annual costs associated with the watermaster program.
- The ED furnishes the proposed fiscal year budget to the program's Watermaster Advisory Committee (WAC) for comment. This must occur at least 30 days before the notice of the proposed fiscal year budget and public hearing is provided to water right holders.
- The WAC reviews and comments on the budget.
- The ED provides notice of the proposed fiscal year budget to all water right holders at least 30 days prior to the Commission Agenda (public hearing) on the proposed fiscal year budget.

- The Commission considers the ED's proposed fiscal year budget and determines the assessment of costs for the watermaster program at a Commission Agenda.
- Following the Commission Agenda, the Commission issues an order assessing the annual costs against water right holders.
- The ED calculates the assessment (fee) for each water right and mails individual assessments to water right holders in October.
- Fees are due 30 days from the date of the invoice. Penalties and interest apply to late or installment payments.

The statutory and TCEQ rule requirements that apply to the annual assessment and levy of costs for the Brazos Watermaster Program include: Texas Water Code (TWC) §§ 11.329, 11.455, and 30 Texas Administrative Code (TAC) §§ 12.1, 12.3, 12.5, 304.61, 304.62, and 304.63.

The ED has estimated the FY2025 operational costs for the Brazos Watermaster Program operations at \$1,134,708.05. In FY2024, the Brazos Watermaster Program had an assessment collection rate of 100 percent. Using a 100 percent collection rate, the Brazos Watermaster has developed a proposed FY2025 budget for the Brazos Watermaster Program of \$1,134,708.05.

The ED furnished copy of the proposed budget to the Brazos WAC for comment on July 9, 2024. The WAC discussed the proposed budget in its July 18, 2024 meeting and voted unanimously to approve the proposed budget. The ED mailed notice of the proposed budget and public hearing to water right holders on August 9, 2024. Documentation that the proposed budget was furnished to the WAC and that notice of proposed budget and public hearing was mailed to water right holders is included with this filing.

The ED proposes to calculate and levy assessments to water right holders as follows:

- The ED will use a base charge for each assessment account of \$50.00 (Fifty Dollars).
- The ED will calculate assessment rates for each assessment account consistent with TWC § 11.329 and 30 TAC § 304.61 and in accordance with the procedures set forth in 30 TAC § 304.62.
- The ED will assess costs and levy of assessments for each account in accordance with procedures set forth in 30 TAC § 304.63.
- The ED will assess penalties and interest as set forth in 30 TAC Chapter 12.
- The reinstatement fee for delinquent assessments includes the assessment, penalties, and interest.

The following documents are included with this filing:

- Proposed FY2025 Brazos Watermaster Program budget
- AN ORDER Assessing the Annual Cost of Operation for the Brazos Watermaster Program for the fiscal year beginning September 1, 2024, and ending August 31, 2025: Docket No. 2024-0915-BGT; Brazos Watermaster
- Electronic Mail record dated July 9, 2024, furnishing the proposed FY2025 Brazos Watermaster Program budget to the WAC
- Public Meeting Notice to Water Right Holders in the Brazos Watermaster Program, Docket No. 2024-0915-BGT, Fiscal Year (FY) 2025 Proposed Assessment for the Brazos Watermaster Program and affidavit

1-Jul-24

Brazos Watermaster Operations

Annual Appropriation Information

Brazos Fund Balance as of 9/1/23: \$ 331,662.24

FY24 Assessment Compared to Proposed FY25 Assesment

Budget Categories		FY24 Assessment	Proposed FY25 Assessment	Difference between FY25 to FY24
Salaries		\$659,396.02	\$710,588.37	\$51,192.35
Longevity		\$15,254.80	\$12,920.40	(\$2,334.40)
Salary Enhancements	(1)	\$25,276.85	\$14,211.77	(\$11,065.08)
Fringe	(2)	\$192,106.99	\$193,171.82	\$1,064.83
Additional Insurance and Retirement	(3)	\$10,498.92	\$11,065.81	\$566.89
SORM	(4)	\$638.88	\$634.38	(\$4.50)
SWCAP	(5)	\$4,785.58	\$4,989.50	\$203.92
LAR Capital	(6)	\$0.00	\$0.00	\$0.00
Professional/Temp Services	(7)	\$59,567.28	\$66,172.32	\$6,605.04
Travel In-State	(8)	\$21,000.00	\$20,500.00	(\$500.00)
Travel Out-of-State		\$0.00	\$0.00	\$0.00
Training		\$750.00	\$2,000.00	\$1,250.00
Rent - Building	(9)	\$33,703.68	\$33,703.68	\$0.00
Postage		\$600.00	\$1,850.00	\$1,250.00
Phone/Utilities		\$10,100.00	\$14,350.00	\$4,250.00
Supplies - Consumables		\$1,960.00	\$2,200.00	\$240.00
Other Operating Expenses	(10)	\$3,000.00	\$2,650.00	(\$350.00)
Fuels/Lubricants		\$28,000.00	\$28,000.00	\$0.00
Rent - Machine & Other		\$0.00	\$0.00	\$0.00
Facilities, Furniture & Equip	(11)	\$13,500.00	\$15,700.00	\$2,200.00
Capital Equipment - Non LAR	(12)	\$0.00	\$0.00	\$0.00
TOTAL		\$1,080,138.99	\$1,134,708.05	\$54,569.05

FY25 Proposed Assessment Calculation

FY25 Operating Budget Needs:	\$1,134,708.05
Assessment Needed Based on Collection Rate: 100%	\$1,134,708.05

Historical Assessment Comparison

	FY23	FY24	FY25
Total Assessment:	\$980,708.29	\$1,080,138.99	\$1,134,708.05
Municipal Rate (per A-F):	\$0.1877	\$0.2081	\$0.2193

Notes:

- (1) Salary Enhancements are calculated at 2% of FY25 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 26.2% 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



AN ORDER Assessing the Annual Cost of Operation for the Brazos Watermaster Program for the fiscal year beginning September 1, 2024, and ending August 31, 2025: Docket No. 2024-0915-BGT; Brazos Watermaster

On September 11, 2024 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 Brazos Watermaster Program for the fiscal year beginning September 1, 2024, and ending August 31, 2025. 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 (TWC) §§ 11.329 and 11.455, and 30 Texas Administrative Code (TAC) § 304.61, the holders of determined or adjudicated water rights administered by the Watermaster shall reimburse the Commission for the compensation and necessary expenses of a Watermaster, assistant Watermasters, and other necessary employees.
3. Pursuant to TWC § 11.329, the Executive Director (ED) has developed a proposed budget for Brazos Watermaster Program operations showing the amount of compensation and expenses that will be required for program administration for the fiscal year beginning September 1, 2024, and ending August 31, 2025. The compensation and necessary expenses of a Watermaster, assistant Watermaster, and other necessary employees will require \$1,134,708.05 (One Million, One Hundred Thirty-Four Thousand, Seven Hundred Eight Dollars and Five Cents) in assessment income. Based on a collection rate of 100 percent, the ED has proposed an amount to be assessed in the sum of \$1,134,708.05 (One Million, One Hundred Thirty-Four Thousand, Seven Hundred Eight Dollars and Five Cents).
4. Pursuant to TWC § 11.329(b) the proposed budget was furnished to the Brazos Watermaster Advisory Committee for comment on July 9, 2024.
5. Pursuant to TWC § 11.329(b), notice of the proposed budget and public hearing was mailed to water right holders on August 9, 2024.
6. Pursuant to 30 TAC § 304.61, the ED filed copy of the proposed budget with the Commission.
7. 30 TAC §§ 304.61-304.63 set forth the basis, formulas and procedures for the assessment of costs of the Watermaster operations in the Brazos Watermaster Program.
8. Pursuant to TWC § 11.329(g) and 30 TAC § 304.61, the Commission shall not assess costs against a holder of a non-priority hydroelectric right that owns or operates privately-owned facilities that collectively have a capacity of less than two megawatts.
9. Pursuant to TWC § 11.329(g), the Commission shall not assess costs against a holder of a water right placed in the Texas Water Trust for a term of at least 20 years.

10. The ED has proposed a base charge for each assessment account of \$50.00 (Fifty Dollars).
11. 30 TAC Chapter 12 sets forth the requirements regarding penalties and interest for delinquent fees.
12. Pursuant to 30 TAC § 304.63(c), water may not be diverted, taken, stored, by any diverter or agent while any assessment payment is delinquent.
13. Pursuant to 30 TAC § 304.61, the ED has proposed that the reinstatement fee for delinquent assessments include the assessment fee, penalties, and interest.
14. The assessment, charges, fees, formulas for assessment rates, and method for assessing and levying costs, assessments, penalties, and interest approved below are consistent with 30 TAC §§ 304.61-304.63 and 30 TAC Chapter 12 and constitute an equitable apportionment of costs, as required by Texas Water Code § 11.329.
15. All requirements of Texas Water Code § 11.329 and 30 TAC §§ 304.61-304.63 have been met.

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

1. That the amount of \$1,134,708.05 (One Million, One Hundred Thirty-Four Thousand, Seven Hundred Eight Dollars and Five Cents) is approved as the total amount to be assessed for annual costs of operations of the Brazos Watermaster during the fiscal year beginning September 1, 2024, and ending August 31, 2025, 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, penalties, and interest are approved and shall be implemented by the Executive Director:
 - a. A base charge for each assessment account of \$50.00 (Fifty Dollars);
 - b. Assessment rates for each assessment account are to be calculated by the Executive Director consistent with TWC §11.329 and 30 TAC § 304.61 and in accordance with the procedures set forth in 30 TAC § 304.62;
 - c. Assessment of costs and levy of assessments for each account are to be in accordance with procedures set forth in 30 TAC § 304.63;
 - d. Penalties and interest are to be assessed as set forth in 30 TAC Chapter 12;
 - e. The reinstatement fee for delinquent assessments includes the assessment, penalties, and interest; and
 - f. The Executive Director shall specify dates by which an assessment pursuant to this order shall be paid or postmarked.

Texas Commission on
Environmental Quality

For the Commission

Date Signed

From: [Molly Mohler](#)
To: [Alan Gardenhire](#); [Brad Brunett](#); [Brent Wheeler](#); [Carl Burch](#); [Chet Warren](#); [David A. Sauer](#); [David Turk](#); [Hoppy Eason](#); [Kenneth King](#); [Kenton Moffett](#); [Kevin Taylor](#); [Ralph Duggins](#); [Rodney Stephens](#); [Ryan Bayle](#); [Tim Finley](#)
Cc: [Jose Davila](#); [Kim Nygren](#); [Stephen Kinal](#); [Iliana Spaeth](#)
Subject: Watermaster Advisory Committee Meeting Documents
Date: Tuesday, July 9, 2024 3:39:54 PM
Attachments: [BWAC July 18 2024 meeting agenda.docx](#)
[BWAC 2024 Revised Members List.pdf](#)
[FY25 BWM Assessments 07-06-24.pdf](#)
[BWAC July 11 2023 meeting minutes - Clean.docx](#)

Members,

Attached are the documents for the Advisory Committee meeting next week. I updated the meeting invite earlier with the documents as well.

Meeting on July 18, 2024 @ 1:30 pm

Regards,

Molly

Jon Niermann, *Chairman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

TO: Water Right Holders in the Brazos Watermaster Program

**RE: Docket No. 2024-0915-BGT
Fiscal Year (FY) 2025 Proposed Assessment for the Brazos Watermaster Program**

The above-referenced matter will be considered by the commissioners of the Texas Commission on Environmental Quality (TCEQ) during the public meeting on **September 11, 2024**. The meeting will begin at **9:30 a.m** and will be held virtually and in person. Due to construction at TCEQ's campus directly impacting the TCEQ's agenda meeting room, this meeting will be held in **Room 244 of the Texas Workforce Commission**, located in the Capitol Complex, at 101 E. 15th Street, Austin. For information on how to participate, please visit the Commissioners' Agenda webpage at https://www.tceq.texas.gov/agency/decisions/agendas/comm/comm_agendas.html eight days before the Agenda.

This item is Docket No. 2024-0915-BGT, Consideration of the assessment of annual costs for Watermaster operations in the Brazos Watermaster Program which consists of the Brazos River Basin including and below Possum Kingdon Lake.

The compensation and necessary expenses of the Brazos Watermaster Program for FY 2025 is **\$1,134,708.05**. Of this amount, **\$947,582.05** are needed for program staff base salaries and benefits (including costs of longevity, salary enhancements, fringe, additional insurance, retirement, State Office of Risk Management, and statewide cost allocation plan) and **\$187,126.00** are needed for program operating costs. Based on a 100% collection rate, these necessary expenses require a total assessment of **\$1,134,708.05** with a municipal rate of **\$0.2193**.

This notice is provided to all holders of water rights as required by the Texas Water Code §§ 11.329 and 11.455. Notice of the Brazos Watermaster Advisory Committee (WAC) budget meeting was given on June 14, 2024; the Brazos WAC members were provided the proposed assessment and budget on July 9, 2024; and the WAC budget meeting was held on July 18, 2024.

If you have any questions or would like a copy of the proposed budget, please contact the Brazos Watermaster's Office at (254) 761-3006 or via email at brazoswm@tceq.texas.gov.

Español al reverso

Jon Niermann, *Presidente*
Bobby Janecka, *Comisionado*
Catarina R. Gonzales, *Comisionada*
Kelly Keel, *Directora Ejecutiva*



COMISIÓN DE CALIDAD AMBIENTAL DE TEXAS

Protegiendo a Texas Reduciendo y Previniendo la Contaminación

PARA: Titulares de derechos de agua en el Programa Brazos Watermaster

RE: N.º de expediente 2024-0915-BGT
Tasación propuesta para el año fiscal (FY) 2025 para el programa del comisionado del agua del Río Brazos, conocido como Brazos Watermaster

El asunto mencionado anteriormente será considerado por los comisionados de la Comisión de Calidad Ambiental de Texas (TCEQ) durante la reunión pública del **11 de septiembre de 2024**. La reunión comenzará a las **9:30 a.m.** y se llevará a cabo de manera virtual y presencial. Debido a que la construcción en el campus de TCEQ afecta directamente la sala de reuniones de la agenda de TCEQ, esta reunión se llevará a cabo en la **Sala 244 de la Comisión de la Fuerza Laboral de Texas**, ubicada en el Complejo del Capitolio, en 101 E. 15th Street, Austin. Para obtener información sobre cómo participar, visite la página web de la Agenda de los Comisionados en https://www.tceq.texas.gov/agency/decisions/agendas/comm/comm_agendas.html ocho días antes de la Agenda.

Este punto es el Expediente No. 2024-0915-BGT, Consideración de la tasación de los costos anuales de las operaciones de Watermaster en el Programa Watermaster de Brazos, conocido como Brazos Watermaster, que consiste en la cuenca del río Brazos, incluida y aguas abajo del lago Possum Kingdom.

La compensación y los gastos necesarios del Brazos Watermaster para el año fiscal 2025 es de **\$1,134,708.05**. De esta cantidad, se necesitan **\$947,582.05** para los sueldos y beneficios básicos del personal del programa (incluidos los costos de antigüedad, mejoras salariales, complementos, seguros adicionales, jubilación, Oficina Estatal de Administración de Riesgos y plan estatal de asignación de costos) y **\$187,126.00** para los costos operativos del programa. Con base en una tasa de recaudación del 100%, estos gastos necesarios requieren una tasación total de **\$1,134,708.05** con una tasa municipal de **\$0.2193**.

Este aviso se proporciona a todos los titulares de derechos de agua según lo requerido por el Código de Aguas de Texas §§ 11.329 y 11.455. El 14 de junio de 2024 se dio aviso de la reunión presupuestaria del Comité Asesor del Brazos Watermaster (WAC); el 9 de julio de 2024, los miembros del Brazos WAC recibieron la tasación y el presupuesto propuestos; y la reunión presupuestaria del WAC se llevó a cabo el 18 de julio de 2024.

Si tiene alguna pregunta o desea una copia del presupuesto propuesto, comuníquese con la Oficina del Brazos Watermaster al (254) 761-3006 o por correo electrónico al brazoswm@tceq.texas.gov.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



STATE OF TEXAS

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COUNTY OF TRAVIS

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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 Brazos Watermaster Program was mailed on August 9, 2024. Given under my hand and the seal of the Texas Commission on Environmental Quality, this the 9th day of August, 2024

Laurie Gharis

Laurie Gharis, Chief Clerk
Texas Commission on Environmental Quality

SEAL

THE STATE OF TEXAS
COUNTY OF TRAVIS
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS

AUG 09 2024

C. J. COPELAND, CLERK
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS