

AGENDA ITEM MEMO

BOARD MEETING DATE: December 15, 2022

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Ashley Harden, General Counsel
Rebecca Trevino, Chief Financial Officer
John T. Dupnik, P.G., Deputy Executive Administrator, Water Science and Conservation

FROM: Mindy Conyers, Ph.D., Manager, River Science and Hydrosurvey

SUBJECT: Rate schedule for the Hydrographic Survey Program

ACTION REQUESTED

Consider authorizing the Executive Administrator to approve the rate schedule for the Hydrographic Survey Program.

BACKGROUND

In 1991, the 72nd Texas Legislature authorized the Texas Water Development Board (TWDB) to create the Hydrographic Survey Program, whose purpose is to conduct surveys to determine reservoir storage capacity, sedimentation rates and levels, projected water supply availability, and potential mitigative measures, as well as to conduct bathymetric studies and collect information on water-bearing formations (Texas Water Code §15.804). Since the inception of the program, over 190 reservoir surveys have been conducted, providing crucial information on reservoir storage capacity and the rate of loss of capacity due to sediment deposition. The number of reservoir surveys completed annually fluctuates based on factors such as client interest, reservoir water levels, and reservoir size.

TWDB administrative rules for the Hydrographic Survey Program (31 Texas Administrative Code Chapter 377; effective April 3, 1992) allow the TWDB to charge fees based on a user charge schedule, or rate schedule, that recovers costs associated with the program, including capital equipment and personnel salaries. The rate schedule is reviewed at least once every two years by the Executive Administrator and presented for approval.

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Brooke T. Paup, Chairwoman | George B. Peyton V, Board Member
Jeff Walker, Executive Administrator

KEY ISSUES

In 2020, the following rate schedule for the program was approved such that the cost of a volumetric survey is determined by the area of the reservoir in acres at conservation pool elevation.

$$\text{Base Rate for a Volumetric Survey} = (\$1.40 \times \text{Area}) + \$23,500$$

Navigational obstructions described in executed contract language as “submerged trees and vegetation, sand bars, marinas, boat docks and piers” that delay the data collection process necessitate a navigational hazard fee, as shown in Attachment 1.

The rate schedule also includes the ability to charge customers an additional \$400 per person per day for office work and \$800 per person per day for field work for extra tasks that are consistent with the administrative code and Texas Water Code §15.804.

The rate schedule for a sedimentation survey includes a charge of 35 percent of the volumetric survey base rate for collecting and processing multi-frequency sonar data plus a flat rate of \$6,000 for collecting and analyzing sediment cores.

$$\text{Sedimentation Survey Rate} = (0.35 \times \text{Volumetric Survey Rate}) + \$6,000$$

Along with available program funds, the proposed rate schedule, as shown in Attachment 1, is sufficient to recover the program’s projected costs for the next two fiscal years. Revenue projections for fiscal years 2023 and 2024 are shown in Attachment 2 and reflect expected revenues generated from both executed and expected contracts.

RECOMMENDATION

The Executive Administrator recommends approval of the Hydrographic Survey Program’s proposed rate schedule until a subsequent review is deemed necessary or the two-year required review period has elapsed. The recommended rate schedule follows reasonable and equitable cost-recovery principals, as outlined in 31 Texas Administrative Code Chapter 377.

Attachments

1. Proposed rate schedule
2. Fiscal years 2023 – 2024 revenue projections

Attachment 1

Proposed rate schedule

Volumetric survey charges	
Base rate	$(\$1.40 \times \text{Area}) + \$23,500$
Navigational hazard fee	Base rate x 0.05
Additional requests	
Field work	\$800 per day
Office work	\$400 per day

**Area is defined as the surface area of a reservoir in acres at conservation pool elevation*

Sedimentation survey charges	
Sediment data collection and analysis	Base rate x 0.35
Coring and analyses	\$6,000

Attachment 2

Fiscal years 2023 – 2024 revenue projections*

Reservoir	Fiscal Year 2023	Fiscal Year 2024
Lake Texana	\$57,550	
Joe Pool Lake	\$54,070	
Lake Striker	\$27,488	
Jim Chapman	\$82,498	
Lake Cherokee	\$34,686	\$11,562
Lake Austin		\$27,011
Lady Bird Lake		\$25,367
Lake Grapevine		\$34,534
Total projected revenue	\$256,292	\$98,474

*Projections are based on executed and expected contracts; the program continuously seeks and expects to secure new contracts to support ongoing operations.