



An Audit Report on

Selected Watermaster Programs at the Commission on Environmental Quality

- The Commission did not always follow its processes for reviewing and approving water diversion requests or verifying reported water diversion amounts.
- Watermasters did not consistently visit water diversion sites.
- Complaints were appropriately investigated and resolved.

Lisa R. Collier, CPA, CFE, CIDA
State Auditor

Watermasters at the Commission on Environmental Quality (Commission) did not manage diversions of state water in accordance with requirements. Watermasters allowed water to be diverted without advance approval, did not always obtain information about meters used to measure water diversions, and did not consistently apply penalties when diverters deviated more than 10 percent from approved amounts. Not complying with requirements for managing diversions of state water increases the risk that water will not be available to users when needed.

Watermasters established policies for visiting water diversion sites but did not consistently comply with those policies. The Commission investigated and resolved complaints and potential rules violations in accordance with applicable requirements.

- [Background](#) | p. 4
- [Audit Objectives](#) | p. 11

This audit was conducted in accordance with Texas Government Code, Sections 321.013 and 321.0132.

HIGH

MANAGEMENT OF WATER DIVERSIONS

The Commission did not always ensure that diverters of state water complied with applicable requirements or obtain data needed to verify water diversion amounts.

[Chapter 1 | p. 5](#)

MEDIUM

SITE VISITS AND ENFORCEMENT

Although the Commission did not comply with its policies for visiting water rights holders' diversion sites, it appropriately investigated and resolved complaints and potential violations of its rules.

[Chapter 2 | p. 9](#)

Summary of Management's Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of each chapter in this report. The Commission agreed with the recommendations but disagreed with some of the findings and levels of risk. The Commission's full response, along with a follow-up comment from auditors, appears in [Appendix 2](#).

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

PRIORITY: Issues identified present risks or effects that if not addressed could *critically affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could *substantially affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could *moderately affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks *or* effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.

Background Information

Watermaster Programs at the Commission on Environmental Quality

The Commission on Environmental Quality (Commission) administers water rights in the state. Holders of these rights, including municipal, industrial, and agricultural users, may impound, divert, or use state water (see text box).

The Commission's watermaster programs enforce water rights¹ within their designated areas by (1) monitoring stream flows, reservoir levels, and water use, (2) identifying and stopping illegal diversions, (3) conducting regular site visits and inspections, (4) determining whether water rights holders can divert water by allocating available water according to each user's priority date, (5) preventing water rights holders from diverting, taking, or storing water until noncompliance issues are addressed, (6) working regularly with water users in their areas and facilitating cooperation among the water users, and (7) providing technical assistance.

Texas has four watermaster programs:

- The Brazos Watermaster Program encompasses 41 counties in central and east Texas.
- The Concho River Watermaster Program encompasses 8 counties in west Texas.
- The Rio Grande Watermaster Program encompasses 16 counties in south and west Texas.
- The South Texas Watermaster Program encompasses 50 counties in south Texas.

This report discusses the Brazos and South Texas watermaster programs.

State Water

State water is the water of the ordinary flow, underflow, and tides of every flowing river, natural stream, and lake; and of every bay or arm of the Gulf of Mexico; and the storm water, floodwater, and rainwater of every river, natural stream, canyon, ravine, depression, and watershed in the state.

Source: Texas Water Code, Section 11.021.

¹ Certain rights holders, including those diverting water for domestic and livestock consumption, are exempted from the requirements and assessments of the watermaster programs under Texas Water Code, Section 11.303.



HIGH

Chapter 1 Management of Water Diversions

The Brazos and South Texas watermasters at the Commission on Environmental Quality (Commission) did not comply with requirements for diversions of state water (see text box). Watermasters allowed water to be diverted without advance approval, did not always obtain information about meters used to measure water diversions, and did not consistently apply penalties when diverters deviated more than 10 percent from approved amounts.

The Commission did not consistently ensure that diverters of state water complied with applicable requirements.

Requirements for Water Diversions

The Commission's watermasters oversee the diversion of state water by holders of water rights in watermaster regions. With certain exceptions, diverters of state water in watermaster regions are required to (1) provide notice of the planned diversion in the form of a Declaration of Intent, (2) obtain approval of the watermaster before diverting, (3) provide required reporting after the completion of the diversion in the form of a Pump Operation Report, and (4) pay for water diverted.

Source: The Commission.

Diversion Request. The Commission's rules required certain water rights holders to submit a Declaration of Intent (DOI) before state water was diverted. However, DOIs were not submitted before diversions started for 736 (11 percent) of 6,838 diversions not exempted by rule between September 2023 and December 2024. These 736 diversions totaled 347,439 acre-feet, or 23 percent of the water diverted by these diversions. Allowing diversions for which requests have not been submitted creates a risk that the Commission will be unable to allocate water to other rights holders as required, particularly if water supplies are constrained.

Diversion Approval. The Commission did not have documentation to show that it considered any of the required factors in approving 48 (84 percent) of the 57 diversion requests tested. The Commission's procedures required watermasters evaluating diversion requests to consider factors such as whether (1) adequate water existed, as determined by streamflow and

reservoir levels, (2) the account is active and not delinquent in paying assessments or submitting required reports for previous diversions, (3) a meter certified by watermaster staff was in place, and (4) any specific conditions set out in the permit or adjudication document had been met. In addition, Texas Water Code, Section 11.327, and Commission rules required watermasters to allocate state water based on seniority, or how long the right to use water has been recognized. The Commission asserted that it trained staff to consider the required factors in approving diversion requests, but it did not document its consideration of those factors.

Reports on Completed Diversions. The Commission required diverters to submit Pump Operation Reports (PORs) showing the amounts of water diversions. The Commission received PORs about completed diversions from rights holders for the 60 diversion requests tested; however, the PORs did not always contain all required information regarding water meter usage (see discussion of data needed to verify water diversion amounts beginning on the next page).

Diversion Charges. The Commission did not consistently charge for diversion amounts that deviated by more than 10 percent from the requested diversion amounts as required by Texas Administrative Code, Title 30, Section 304.16(b) (see text box). Specifically, diverters were not charged as required for 28 (85 percent) of the 33 diversions tested that deviated from the requested amount by more than 10 percent. The Commission waived the charges as allowed by Texas Administrative Code, Title 30, Section 304.16(d), which allows watermasters to waive charges due to circumstances beyond the diverter's control, but the Commission did not provide support for how these waivers were allowed under this exception. Consistently charging for water diversions as required encourages diverters to adhere to the amount of water approved by watermasters.

Charges for Diversions

Texas Administrative Code, Title 30, Section 304.16(b), states:

To the extent that water was available for diversion during the period of a declaration of intent, the subject account will be charged as follows.

- (1) If the actual diversion is within 10% of the amount stated in the declaration of intent, the charge will be the actual amount diverted.
- (2) If the actual diversion is greater than 110% of the amount stated in the declaration of intent, the charge will be the amount actually diverted plus twice the amount greater than 110%.
- (3) If the actual diversion is less than 90% of the amount stated in the declaration of intent, the charge will be 90% of the stated amount.

The Commission did not always obtain data needed to verify water diversion amounts.

Although the Commission had a process to document its approval, or certification, of water meters used to measure diversions of state water, it did not always follow that process. Specifically, its records did not always contain information necessary to ensure that water meters had been certified and that water diversions had been accurately recorded. The Commission's records for 7,604 diversions completed between September 2023 and December 2024 indicate that 1,049 (14 percent) were measured by meters that did not have a serial number and 1,039 (14 percent) were measured by meters that did not have a serial number or a certification date. Not documenting a serial number or a certification date increases the risk that a meter certified by watermaster staff is not in place to measure a requested diversion.

In addition, the Commission did not obtain complete information about the measurement of water diversions by these meters as required by its procedures. Specifically:

- For **water diversion requests**, 37 (65 percent) of 57 tested did not receive a beginning meter reading on the requests provided by diverters.
- For **approved water diversions**, 6 (11 percent) of 54 tested did not receive beginning and ending meter readings on the reports provided by diverters.

The Commission uses beginning and ending meter readings provided by diverters to calculate diversion amounts and identify unreported diversions. However, the Commission did not record meter readings for 2,297 (30 percent) of 7,604 diversions completed between September 2023 and December 2024. Not having meter readings reduces the ability of the Commission to ensure the completeness and accuracy of diversion records.

The Commission's watermasters awarded temporary water permits appropriately.

The Commission had processes and controls in place to ensure that watermasters awarded temporary water permits in accordance with Texas Water Code, Section 11.138. All seven temporary permits tested were awarded appropriately and were supported by a determination that sufficient water was available. Holders of temporary permits awarded by watermasters diverted a total of 65 acre-feet of water between September 2023 and December 2024.

Recommendations

The Commission should:

- Ensure that water diverters provide notice and receive approval of diversions prior to diverting state water as required by its policies and procedures.
 - Charge for water diversions in accordance with applicable requirements.
 - Obtain complete and accurate records regarding meters used for diversions.
 - Obtain meter readings or other information necessary to ensure the completeness and accuracy of reported diversion amounts.
-

Management's Response

See [Appendix 2](#).

MEDIUM

Chapter 2

Site Visits and Enforcement

The Brazos and South Texas watermasters had policies for visiting water diversion sites to verify compliance with requirements; however, the process for selecting sites to visit relied on information that was not consistently accurate and complete. In addition, the watermasters did not visit water rights holders' diversion sites in accordance with their policies.

The Commission's investigations of complaints and potential rules violations complied with applicable requirements.

Watermasters did not consistently comply with policies for visiting water rights holders' diversion sites.

The Commission's watermasters established processes to ensure compliance with Texas Water Code and other requirements, which included (1) visiting water rights holders' diversion sites, (2) investigating potential violations, and (3) educating the public regarding requirements.

Watermasters conducted site visits of both active and inactive water diversion sites across their basins regularly to monitor for compliance with requirements and verify that diversions occur as authorized by the watermaster. However, the tools used to track site visits conducted and to identify diversion sites overdue for a site visit did not contain complete and accurate information. Specifically, the tools:

- Did not include diversion sites for 167 current water right accounts with diversions totaling 2,737 acre-feet between September 2023 and December 2024.
- Included 109 diversion sites not associated with current water rights accounts.
- Did not accurately categorize diversion sites as active or inactive; for example, 33 current water rights accounts with sites categorized as inactive had 270 diversions totaling 866,202 acre-feet between September 2023 and December 2024.

In addition, the frequency of site visits did not meet objectives set by the watermasters for fiscal year 2024 (see text box). Specifically, of the 448 **active sites**, 283 (63 percent) did not receive the required number of visits. Of those 283 sites, 148 were not visited in fiscal year 2024. Of the 1,614 **inactive sites** that were required to be visited twice a year, 1,026 (64 percent) did not have the required number of visits. Of those 1,026 sites, 459 were not visited in fiscal year 2024.

Not visiting water rights holders' diversion sites in accordance with policies increases the risk that unauthorized diversions or other failures to comply with requirements will not be detected.

Site Visit Objectives

Both the Brazos and South Texas watermasters had an objective of visiting active water diversion sites quarterly; the Brazos watermaster had an objective of visiting inactive water diversion sites twice a year and the South Texas watermaster had an objective of visiting inactive sites every other year.

Site visits were also conducted at other sites not associated with water rights holders, such as locations where watermasters have received complaints about illegal activity.

Sources: Brazos and South Texas watermasters.

The Commission investigated and resolved complaints and potential violations appropriately.

All 12 complaints or potential violations tested were investigated and resolved by the Commission in accordance with its requirements. Staff documented the investigations and determined whether violations had occurred. In one case a field citation was issued, and the penalty amount was calculated in accordance with the Commission's rules.

Recommendation

The Commission should inspect water rights holders' diversion sites in accordance with its policies.

Management's Response

See [Appendix 2](#).



Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether the Commission on Environmental Quality (Commission) has processes and related controls over selected watermaster programs to:

- Manage and maintain the completeness and validity of streamflow, reservoir, and water diversion data.
- Ensure compliance with water rights and other applicable requirements.

The following members of the State Auditor's staff performed the audit:



- Benjamin Nathaniel Keyfitz, CPA, CFE (Project Manager)
- Lindsay Escalante, MPSA, CFE (Assistant Project Manager)
- Jennifer Fries, MS
- Kamil Helou
- Kevin Mack, CFE
- Scott Boston
- Ashley Keyfitz
- Chase Dierschke, CIA
- Ann E. Karnes, CPA (Quality Control Reviewer)
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Hillary Eckford, CIA, CFE (Audit Manager)

Scope

The scope of this audit covered the Commission's oversight activities related to the administration of water rights in the Brazos and South Texas watermaster programs from September 1, 2023, through December 31, 2024.

The scope also included a review of significant internal control components related to selected watermaster programs overseen by the Commission.

Methodology

We conducted this performance audit from December 2024 through May 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Commission management for consideration.

Addressing the Audit Objectives

During the audit, we performed the following:

- Interviewed Commission staff to gain an understanding of watermaster program operations and watermasters' responsibilities.
- Identified the relevant criteria:
 - Texas Water Code, Chapters 5 and 11.
 - Texas Administrative Code, Title 30, Chapters 288, 297, 303, and 304.
 - Commission policies and procedures.
 - Water permits or adjudication documentation issued by the Commission.
- Tested a sample of completed water diversions to determine whether the Commission received and maintained required information to evaluate diversions and had processes in place to ensure that diversions were approved, documented, and tracked.
- Tested a sample of Brazos River Authority (BRA) diversions to determine whether the Commission received and maintained required information to evaluate BRA diversions and had processes in place to ensure that diversions were approved, documented, and tracked.

- Tested a sample of Brazos and South Texas water meters certified during the audit scope to verify that they were installed by water rights holders at diversion points.
- Tested a sample of temporary permits issued by Brazos and South Texas watermasters to verify that they complied with statutory limits, were awarded appropriately, and were supported by a determination that sufficient water was available.
- Tested a sample of site visits conducted by Brazos and South Texas watermasters to determine whether the Commission had processes and controls in place to ensure that watermasters planned, performed, and documented site inspections in accordance with established criteria.
- Tested a sample of complaints and potential violations received during the audit scope to determine whether they were investigated in accordance with requirements and whether violations resulted in appropriate enforcement actions.
- Analyzed and compared water diversion data, records of site inspections, and water meter data.
- Reviewed Brazos and South Texas watermaster annual inspection plans for fiscal years 2024 and 2025 to assess coverage for each basin.
- Tested user access to the following Commission systems: Texas Watermaster Accounting System (TxWAS), which was used to track diversions of water; SharePoint, which was used to manage watermaster program content; and Consolidated Compliance and Enforcement Data System (CCEDS), which was used to investigate complaints.

Figure 1 on the next page provides more information about the samples tested.

Figure 1

Populations and Samples

Description	Population	Sample Size	Sampling Methodology
Water diversions managed by:			6 risk-based sample items and 25 nonstatistical random samples from both populations ^a
South Texas	3,197	31	
Brazos	2,668	31	
BRA water diversions	16 months	3 months	Risk-based sample ^b
Brazos water meters certified during the audit scope	73	9	Nonstatistical random sample ^c
South Texas meters certified during the audit scope	63	9	1 risk-based item and 8 nonstatistical random samples ^a
Temporary permits issued by:			Nonstatistical random samples from both populations ^c
Brazos	26	3	
South Texas	41	4	
Site visits conducted by:			5 risk-based items and 25 nonstatistical random samples from both populations ^a
Brazos	5,060	30	
South Texas	2,529	30	
Complaints and potential violations during the audit scope	98	12	Risk-based sample ^b
^a This sampling design was chosen to ensure a cross section of items and address specific risk factors identified in the population. The test results as reported do not identify which items were randomly selected or selected using professional judgment; therefore, it would not be appropriate to project the test results to the population.			
^b This sampling design was selected to ensure that the sample included a cross section of items. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.			
^c This sampling design was chosen so the sample could be evaluated in the context of the population. The test results may be projected to the population, but the accuracy of the projection cannot be measured.			

Data Reliability and Completeness

Auditors determined that the data sets listed in Figure 2 were sufficiently reliable for the purposes of the audit.

Figure 2

Data Reliability

Data	Methodology for Assessing Reliability
Water diversions, meters, temporary permits, and complaints and potential violations populations	(1) Observed Commission staff extract requested populations, (2) reviewed query parameters for reasonableness and completeness, and (3) tested user access to TxWAS, SharePoint, and CCEDS.
Site visit population	(1) Observed Commission staff extract requested populations and (2) compared records in Site Tracker to watermaster deputy daily work logs and TxWAS records.

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

Appendix 2

Management's Response

Brooke T. Paup, *Chairwoman*
Bobby Janecka, *Commissioner*
Catarina R. Gonzales, *Commissioner*
Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 2, 2025

Lisa R. Collier, CPA DFE, IDA, State Auditor
Texas State Auditor's Office
1501 North Congress Ave.
Austin, TX 78701

Re: Management Response – An Audit Report on Selected Watermaster Programs at the
Commission on Environmental Quality

Dear Ms. Collier:

I am in receipt of the draft *An Audit Report on Selected Watermaster Programs at the Commission on Environmental Quality* and appreciate the opportunity to preview and respond to the report's findings. The Texas Commission on Environmental Quality (TCEQ) also greatly appreciates the work of the Texas State Auditor's Office (SAO) in conducting this audit. We recognize the efforts that your staff made to conduct fieldwork prior to the summer months, which are critical times for water management in watermaster programs.

The SAO audit processes provided valuable insight into watermaster program operations. As a result, TCEQ has identified opportunities to improve policies, procedures, tools, documentation, data, and planning – all of which will enhance water management in the watermaster programs. TCEQ agrees with all the recommendations, although TCEQ disagrees with some of the findings and level of risk asserted. Please see TCEQ's management response to the report's findings enclosed.

Please don't hesitate to contact Cari-Michel La Caille, Director, Office of Water, at 512-239-6479 or by email at cari-michel.lacaille@tceq.texas.gov if you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "K Keel".

Kelly Keel
Executive Director

Enclosure

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Management Response to an Audit Report on Selected Watermaster Programs

Management of Water Diversions

TCEQ disagrees that watermaster program management of water diversions create a high risk that watermasters will be unable to allocate water to water right holders. The findings and recommendations for the management of water diversions largely rely on the analysis of data obtained from the Texas Watermaster Accounting System (TXWAS). TXWAS was originally designed to maintain the data required to support watermaster assessments (billing) and collect water use data. Additional functionality has been added to assist in program management. This added functionality did not result in TXWAS being able to serve as a proxy for water management in the programs. The watermasters maintain other records for water rights in addition to the information found in TXWAS. The audit findings based primarily on TXWAS-generated data reflect the level of documentation in TXWAS that do not fully represent the operations of the watermaster programs.

Diversion Request

TCEQ agrees that Declarations of Intent (DOIs) were not always submitted and approved before diversions started. However, our review of TXWAS and other program records identified that 93 percent of diversions had DOIs that were submitted and approved, the diversions were exempt, or the program allowed diversions to occur using a mechanism other than a DOI based on technical considerations, permit requirements, or for program efficiency under 30 Texas Administrative Code (TAC) §304.15(g). For example, holders of more complex water rights often report water use under accounting plans as opposed to DOIs. The watermasters do not believe that any of the diversions that occurred without prior approval from the watermaster have resulted in impacts to senior water right holders. The watermaster programs can be improved by updating existing policies and procedures to ensure that, when required, DOIs are submitted and approved prior to diversion and/or watermasters take responsive action. Corrective action for this finding will include policy and procedure revision and implementation.

Diversion Approval

TCEQ agrees that watermaster programs did not have documentation to show that it evaluated approved diversion requests outside of the entry of the DOI into TXWAS. However, the watermasters have procedures in place and tools are made available for the evaluation of diversion requests that staff are trained on. When a diversion request must be denied, the reason(s) for denial are documented in accordance with existing practices and procedures. As a result, the watermasters believe the programs have demonstrated that diversion requests are appropriately evaluated prior to approval. The watermaster programs can be improved by updating policies and procedures to document that approved diversion requests are evaluated. Corrective action for this finding will include policy and procedure revision and implementation. Corrective action may also require modification to the structure of TXWAS.

Reports of Completed Diversions

See discussion under Diversion Charges, below.

Diversion Charges

TCEQ agrees that watermasters did not consistently charge water use penalties when diverters deviated more than 10 percent from approved diversion amounts, as required by 30 TAC §304.16(b). Corrective action for this finding will include the watermaster programs consistently assessing these penalties.

TCEQ agrees that the watermaster program records do not always contain the information necessary to verify that measuring devices are certified or not required. However, our review of TXWAS and other program records identified that 94 percent of completed diversions relied on measuring devices that were certified, a measuring device was not required, or the diversion was associated with an accounting plan or other alternate reporting method. Documentation that a measurement device has been certified can include a serial number, certification date, or a picture of a meter or Supervisory Control and Data Acquisition (SCADA) system. The watermaster programs can be improved by updating policies and procedures to require documentation in TXWAS that the program has verified that measuring devices are certified or not required. Corrective action for this finding will include policy and procedure revision and implementation.

TCEQ agrees that DOIs do not always include beginning meter readings. It is not necessary, and sometimes not possible, for DOIs to include beginning meter readings. For example, DOIs for continuous diversions cannot include the beginning meter reading and be submitted for approval prior to diversion. Beginning meter

Management Response: An Audit Report on Selected Watermaster Programs at the Commission on Environmental Quality

readings should not be required for all diversions by the watermaster program. TCEQ also agrees that TXWAS records do not always include beginning and ending meter readings. Based on a review of TXWAS and other program records, 95 percent of the total diversions received the information needed to ensure the accuracy of diversion records. Pump Operation Reports (PORs) include the necessary meter readings unless a measuring device is not required, or the diversion was associated with an accounting plan or other alternate reporting method. Circumstances beyond the control of the diverter may also result in no records of meter readings, such as pump or meter malfunction. Results reported in the audit findings are different than TCEQ's primarily because the reports evaluated in the audit are impacted by a coding error in TXWAS and/or where diversions are associated with multiple meters or water right permits. Corrective action for this finding will include correcting the TXWAS coding error and other adjustments to TXWAS reports and structure, as resources allow. Corrective action will also include policy, procedure, and tool revisions and implementation.

Temporary Permits

TCEQ agrees with this finding that it has processes and controls in place to ensure that watermasters award temporary permits in accordance with statute.

Site Visits and Enforcement

Prioritization of Sites for Investigation

TCEQ disagrees that not meeting the goals established for visiting water right diversion sites translate into an increased risk for the watermaster programs. The Brazos and South Texas Watermaster Programs conducted 22,392 site inspections from September 2023 to December 2024. The watermaster program policies and procedures establish goals for routine investigations and deviation from those goals is appropriate to address circumstances where higher water management risks to the program exist. Those circumstances include drought, suspicion of unauthorized activity or non-compliance, increased complaints, increased temporary permit authorizations, and maximizing existing staff resources. All these circumstances were present during the period examined. TCEQ agrees that the program efficiency tool used to assist in planning water right diversion site investigations did not contain complete or accurate information but disagrees that those issues impacted the integrity of compliance monitoring in the program. Watermaster deputies are in the field an average of four days per week. The watermaster programs rely on deputies to identify potential water management risks and tailor inspections based on their field observations. Nonetheless, the watermaster programs can improve operations by developing and implementing a formal investigation plan that outlines how the programs will plan, prioritize, and monitor investigations; and improve the completeness and accuracy of the information of the tools used to track site visits.

Complaints

TCEQ agrees with the finding that complaints are investigated and resolved appropriately.

Corrective Action

The watermaster program's policies, procedures, and tools will be revised to ensure that the issues resulting in the audit findings are addressed while also examining program efficiency. Updated policies, procedures, and tools will be fully implemented and will enhance water rights compliance.

A formal watermaster program investigation plan is currently in development and will address how watermaster programs plan, prioritize, and monitor investigations. Upon completion, this plan will be fully implemented and enhance water management.

Timeline for Implementation

TCEQ will ensure corrective actions are completed by December 19, 2025. Though work on corrective actions will begin immediately, TCEQ is requesting this longer implementation timeline to ensure that the work can be balanced with drought response and water management in the programs through critical management periods.

Management Response: An Audit Report on Selected Watermaster Programs at the Commission on Environmental Quality

Responsible Person

The Deputy Director of the Water Availability Division will be responsible for overseeing the implementation of the corrective actions.

Auditor Follow-up Comment

In view of management's response, auditors offer the following clarification:

Auditors evaluated compliance with the Commission's written policies. Calculations in the Commission's management's response rely on exceptions and processes that were not included in the Commission's written policies. Auditors stand by the report's ratings and conclusions based on the Commission's policies as written.



Copies of this report have been distributed to the following:

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The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dustin Burrows, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Commission on Environmental Quality

Members of the Commission on Environmental Quality

Ms. Kelly Keel, Executive Director



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