

#### **Item 4 | Policy Limiting Fees Charged for Indirect Costs**

Universities and academic-based institutions commonly charge for administrative costs (indirect costs) associated with a grant-funded studies. The indirect charges are added on to the total cost of performing the project. Having spoken with Dirk Aaron, General Manager – Clearwater Underground Water Conservation District (CUWCD), and Gary Westbrook, General Manager – Post Oak Savannah Groundwater Conservation District, I was informed a district can adopt a policy limiting (capping) the administrative fees.

Capping the indirect cost charge allows more money to be directed to work performed. Attached is Resolution 4-13-23.4 for board consideration limiting the indirect charges to 15%. This mirrors the policy adopted by CUWCD and authorized by Chapter 36 Texas Water Code.

**It is the recommendation of the General Manager that the Board adopt Resolution 4-13-23.4 limiting administrative fees charged by a University/Academic-based institution for a grant-funded study approved by the District to 15%.**



**A RESOLUTION OF THE  
GROUNDWATER CONSERVATION DISTRICT'S  
BOARD OF DIRECTORS CONFIRMING THE  
DISTRICT ADMINISTRATIVE FEE CAP FOR  
RESEARCH/AQUIFER SCIENCE CONTRACTS  
ESTABLISHED WITH  
UNIVERSITY/ACADEMIC BASED  
INSTITUTIONS  
No. 4-13-23.4**

WHEREAS, the Brazos Valley Groundwater Conservation District ("District") was created and charged by the Texas Legislature to provide for the conservation, preservation, protection, and prevention of waste of groundwater, and of groundwater resources in Robertson and Brazos Counties, under Act of May 26, 2001, 77th Leg., R.S., Ch. 1307, 2001 Tex. Gen. Laws (HB 1784), §36.0015, Tex. Water Code, and Section 59 of Article XVI of the Texas Constitution;

WHEREAS, §36.158 of the Texas Water Code authorizes a groundwater conservation district to make or accept grant funding per contract with both private and public institutions of higher learning and research for advanced understanding of the aquifer geology and conditions within the jurisdiction of BVGCD; and

WHEREAS, §36.207 of the Texas Water Code authorizes BVGCD to set a maximum amount of administrative cost/fees within a proposed grant requested by said institutions for Uniform Administrative Guidance and Oversight not to exceed fifteen percent of project budget established and presented by said principle investigator, knowing that the maximum administrative fee set by a district may not unreasonably exceed the necessary cost on behalf of the district thus performing the administrative function for which the fee is charged; and

WHEREAS, §36.101 of the Texas Water Code authorizes a groundwater conservation district to make and enforce rules to provide for conserving, preserving, protecting, and recharging of the groundwater or of a groundwater reservoir or its subdivisions in order to control subsidence or prevent waste of groundwater and to carry out the powers and duties provided by Chapter 36 of the Texas Water Code; and

WHEREAS, the General Manager has evaluated past, current and anticipated costs of the District when contracting with Institutions of Higher Learning and Research who require and incorporate the uniform administrative fees for the functions associated with processing research grants on-behalf of said institution, it's principle investigators and approved by the District, including but not limited to the overall grant budget which includes personnel, travel, equipment, technical and academic costs associated with the identified scope of work, deliverables and time-line for completion; and

WHEREAS, the General Manager has developed and presented a recommendation on the maximum amount allowable on said research-based grant contracts and administrative fees based upon the above-referenced considerations; and

WHEREAS, the Board desires to establish the District's Maximum Limit to Administrative Fees requested under the Districts policy for establishing and approving research grant projects and efforts of aquifer science thus specifically limiting administrative fees required by said institutions.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT THAT**

1. The Allowable Administrative Fees are limited to fifteen percent of all proposed grants funded by the District per this resolution and is hereby incorporated into District policy.
2. The Uniform Administrative Fee Schedule is revised and adopted in accordance with District Rules and § 36.158 and § 36.207 of the Texas Water Code.
3. The Board of Directors and/or General Manager are further authorized to take all action necessary to implement this resolution.

**PASSED AND APPROVED this the 13th day of April 2023.**

**BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT**

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Stephen Cast, President

Date

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David Stratta, Secretary

Date