

- SUBJECT:** Creating the Terrell County Groundwater Conservation District
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 7 ayes — Ritter, Corte, Creighton, T. King, Laubenberg, Lucio, D. Miller  
0 nays  
4 absent — Callegari, Frost, Martinez Fischer, Smithee
- WITNESSES:** For — Leo Smith, Terrell County, Terrell County Commissioners Court  
Against — None
- BACKGROUND:** Water Code, ch. 36, governs groundwater conservation districts, the state's preferred method of groundwater management. These districts have the authority to impose taxes, issue bonds, issue permits for water wells, and adopt and enforce rules to manage groundwater resources.
- DIGEST:** HB 4743 would create the Terrell County Groundwater Conservation District to serve all of Terrell County. The district would be governed by a board of directors and have the powers of groundwater conservation districts established under Water Code, ch. 36 and Texas Constitution, Art. 16, sec. 59. The district would have the authority to impose taxes and issue bonds.
- Fees.** The bill would allow the board to impose production and export fees on wells that were permitted and regulated by the district. Production fees could be based on the size of the well's column pipe or the amount of water withdrawn or anticipated to be withdrawn from the well. Initial production fees would be capped at 25 cents per acre-foot for water used for agricultural irrigation and at 4.25 cents per thousand gallons of water used for any other purpose. Production fees could be increased by no more than three percent each year. The bill would allow export fees to be assessed annually and used to pay for district operations and for any other purpose allowed under Water Code, ch. 36.
- Prohibitions.** Districts would not be able to impose ad valorem taxes that exceeded 1.5 cents for each \$100 of taxable property in the district. The

bill would not give the district the power of eminent domain. The district would be prohibited from assuming a debt greater than \$500,000. The bill also would prohibit the district from buying, selling, transporting, or distributing water.

**Board of directors.** A temporary board of directors for the district would be appointed within 45 days of the enactment of this bill. Four temporary board members would be appointed by the Terrell County Commissioners Court, and the fifth member would be appointed by the Terrell County Judge. The board would consist of at least one representative of each of the following: rural suppliers, agricultural interests, and industrial interests. The temporary board would govern for four years or until the initial directors were elected.

**Elections.** The bill would require an election to confirm the creation of the district and the selection of the initial directors, who would serve until the permanent directors were elected. Directors would serve staggered four-year terms.

The bill would take effect September 1, 2009.