SUBJECT: Regulating groundwater production for retail public utilities

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 7 ayes — Keffer, D. Bonnen, Kacal, Larson, Lucio, Nevárez, Workman

3 nays — Burns, Frank, T. King

1 absent — Ashby

WITNESSES: For — Jason Knobloch, Coryell City Water Supply District; Paul Pittman, Polonia Water Supply Corporation; Fred Aus and Lara Zent, Texas Rural Water Association; (*Registered, but did not testify*: Matt Phillips, Brazos River Authority; Perry Fowler, Texas Water Infrastructure Network)

Against — (*Registered, but did not testify*: Steve Box, Environmental Stewardship; Drew Satterwhite, North Texas Groundwater Conservation District; C.E. Williams, Panhandle Groundwater Conservation District; Jason Skaggs, Texas and Southwestern Cattle Raisers Association; Josh Winegarner, Texas Cattle Feeders Association; Billy Howe, Texas Farm Bureau; Doug Shaw, Upper Trinity Groundwater Conservation District)

On — Paul Nelson, Lone Star Groundwater Conservation District; Ty Embrey, Middle Trinity Groundwater Conservation District, Clearwater Underground Water Conservation District; Brian Sledge, Prairielands Groundwater Conservation District, Upper Trinity Groundwater Conservation District, Lone Star Groundwater Conservation District, Benbrook Water Authority, Barton Springs Edwards Aquifer Conservation District; (*Registered, but did not testify*: John Dupnik, Barton Springs Edwards Aquifer Conservation District)

BACKGROUND: Under Water Code, sec. 36.116 a groundwater conservation district, by rule, may regulate the production of groundwater by limiting the amount of water produced based on acreage or tract size. In regulating the production of groundwater based on acreage or tract size, groundwater conservation districts may consider the service needs or service area of a

retail water utility.

DIGEST:

CSHB 3356 would amend the Water Code by requiring a groundwater conservation district to determine the production amount for a retail public utility that provided retail water service inside the district by considering the service needs or service area of the retail public utility.

The bill would take effect September 1, 2015.

SUPPORTERS SAY:

CSHB 3356 would ensure that retail public utilities could produce an adequate amount of groundwater for their service areas. For groundwater conservation districts that determine permit amounts based on tract size or acreage, the bill would require them to consider production amounts for a retail public utility based on the service needs or service area of the community it serves, not on the size of the well site. Current law already allows districts to consider the service area. The bill simply would strengthen that provision.

Retail public utilities typically own only a small amount of land surrounding the well site, but they provide potable water service to a large service area. When a groundwater district restricts pumping based on the size of the well site, it results in an insufficient amount of water to meet the community's needs. Rural systems are having to purchase large tracts of land in order to pump what is needed to serve their communities.

This bill would provide discretion and flexibility to groundwater districts in their permitting decisions and in how they interpret the service needs of a utility, while also ensuring that service needs were taken into account.

OPPONENTS SAY:

CSHB 3356 could infringe on the property rights of landowners by requiring groundwater conservation districts to consider the service area of a retail public utility when determining production amounts. Acreage typically is associated with a groundwater well to allow for enough space to not affect other well owners. Requiring groundwater conservation districts to consider the service area of a retail public utility, rather than tract size or acreage, could impact the groundwater production

of a landowner if the landowner’s acreage was within the service area of the utility. A retail public utility should not be able to produce groundwater underneath land it does not own.