

- SUBJECT:** Removing state auditor review of groundwater management planning
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 8 ayes — Larson, Phelan, Ashby, Kacal, T. King, Lucio, Nevárez, Price
0 nays
3 absent — Burns, Frank, Workman
- WITNESSES:** For — Brian Sledge and Stacey Steinbach, Texas Water Conservation Association; (*Registered, but did not testify:* Buddy Garcia, Aqua Texas; Heather Harward, Brazos Valley GCD; Claudia Russell, Brush Country Groundwater Conservation District; Kent Satterwhite, Canadian River Municipal Water Authority; Trent Townsend, The Nature Conservancy; C.E. Williams, Panhandle Groundwater Conservation District; Jim Conkwright, Prairielands Groundwater Conservation District; Bill Stevens, Texas Alliance of Energy Producers; Sarah Schlessinger, Texas Alliance of Groundwater Districts; Kyle Frazier, Texas Desalination Association; Dean Robbins, Texas Water Conservation Association; Doug Shaw, Upper Trinity Groundwater Conservation District; Jim Allison, Victoria County Groundwater Conservation District)

Against — None
- BACKGROUND:** Water Code, sec. 36.1072 requires groundwater conservation districts to submit their management plans to the Texas Water Development Board (TWDB) for approval. Sec. 36.303 requires the Texas Commission on Environmental Quality to take certain actions if groundwater conservation districts fail to submit or receive TWDB approval of a management plan.

Section 36.302 makes groundwater conservation districts' management planning subject to review by the State Auditor's Office.
- DIGEST:** HB 180 would make groundwater conservation districts' management planning no longer subject to review by the State Auditor's Office (SAO).

SAO could conduct a financial audit of a groundwater conservation district if one were deemed necessary.

This bill would take effect immediately if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2017.

**SUPPORTERS
SAY:**

HB 180 would eliminate duplicative regulation of groundwater conservation districts' management planning activities by repealing provisions making them subject to review by the State Auditor's Office (SAO). Currently, both the Texas Commission on Environmental Quality (TCEQ) and the SAO oversee the management planning and activities of groundwater conservation districts, creating unnecessary regulatory overlap.

The bill would leave management planning oversight to TCEQ, which is better suited to evaluate the operations of groundwater conservation districts. It would allow the SAO to continue to review the financial aspects of groundwater conservation districts' operations, maintaining the fiscal integrity of these districts. The SAO is well equipped to evaluate the financial records of a political subdivision, but it does not have the expertise to review the development and implementation of such entities' planning documents.

HB 180 would make management planning more effective because planners would not construct goals and objectives purely with the intent of achieving a passing audit under the SAO's standards. Because the SAO is not equipped to properly evaluate groundwater conservation planning, it often applies rigid pass/fail quantitative standards that do not account for qualitative circumstances. In practice, this has led to the creation of management plans that are not as useful because they are designed with avoidance of failed audits in mind.

The bill also would end an inconsistent method of management review. Because of the large number of groundwater conservation districts in Texas, the SAO does not consistently audit all of them and instead only

audits those it deems to be at highest risk of audit failure.

Not having to comply with SAO management reviews would relieve bureaucratic pressure from groundwater conservation districts, which are often short-staffed and may lack the manpower or funding to comply easily with requests for program data.

**OPPONENTS
SAY:**

SAO's comprehensive management reviews of groundwater conservation districts are important in ensuring that districts reach management plan goals. Technical assistance from TCEQ, the Texas Parks and Wildlife Department, and the Texas Water Development Board required under sec. 36.302(b) informs the audits and helps address any gaps in expertise.