

**SUBJECT:** Extending the terms of groundwater exporting permits

**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 — Bob Harden, Texas Association of Groundwater Owners and Producers; Hope Wells, Texas Water Conservation Association and San Antonio Water System; (*Registered, but did not testify:* Buddy Garcia, Aqua Texas; Heather Harward, Brazos Valley GCD; Kent Satterwhite, Canadian River Municipal Water Authority; Tara Snowden, Capitol Aggregates, Inc.; Claudia Russell, Central Texas Regional Water Supply Corporation; Megan Dodge, City of San Antonio; Ed McCarthy, Fort Stockton Holdings LP, Clayton Williams Farms, Inc.; Sarah Floerke Gouak, Lower Colorado River Authority; C.E. Williams, Panhandle Groundwater Conservation District; Jim Conkwright, Prairielands Groundwater Conservation District; Steve Kosub, San Antonio Water System; Kerry Cammack, SouthWest Water Company; Sarah Schlessinger, Texas Alliance of Groundwater Districts; Jason Skaggs, Texas and Southwestern Cattle Raisers Association; Stephen Minick, Texas Association of Business; Kyle Frazier, Texas Desalination Association; Dean Robbins and Stacey Steinbach, Texas Water Conservation Association; Doug Shaw, Upper Trinity Groundwater Conservation District; Gregory Ellis)

Against — Judith McGeary, Farm and Ranch Freedom Alliance; (*Registered, but did not testify:* Ryan Simpson, League of Independent Voters; Robyn Ross; Conrad Walton Jr.)

On — Ken Kramer, Sierra Club-Lone Star Chapter; (*Registered, but did not testify:* Charles Flatten, Hill Country Alliance)

**BACKGROUND:** Water Code, sec. 36.122 establishes that a permit to export groundwater outside the boundaries of a groundwater conservation district (GCD) has a term of at least 30 years, if the GCD began conveyance construction before the permit was issued or before the initial term of the permit expired. A GCD may periodically review the amount of water exported under a permit and limit that amount if certain factors such as water availability and aquifer conditions warrant limitation.

Water Code, sec. 36.1145 requires a GCD to renew an operating permit without a hearing, provided that the permit holder is not requesting changes to the permit and submits the application in a timely manner, subject to district rules.

**DIGEST:** HB 2378 would extend a permit to export groundwater outside the boundaries of a groundwater conservation district (GCD) to no shorter than the term of the associated operating permit. The exporting permit also would be automatically extended for each additional term the operating permit would be renewed or remain in effect.

The exporting permit would continue to be subject to conditions contained in the permit as issued. The bill would take effect September 1, 2017, and would apply only to exporting permits that expired after that date.

**SUPPORTERS SAY:** HB 2378 would extend groundwater exporting permit terms, reducing uncertainty for landowners, water utilities, and groundwater conservation districts (GCDs). Exporting permits, which normally have a term of 30 years, may expire before operating permits, leaving a water project developer without the ability to transport the water it produces. The bill would roll forward exporting permits along with their associated operating permits to close this awkward gap.

Exporting permits extended by the bill still would be subject to original conditions. An exporting permit would not be automatically renewed in perpetuity, and the two permits would not become one under the bill. A GCD also would retain the ability to review water availability and aquifer

conditions and change the amount of water authorized to be transferred by the permit.

OPPONENTS  
SAY:

HB 2378 would remove the separate process of reviewing groundwater exported out of GCD boundaries by effectively combining exporting permits and operating permits. GCDs should periodically review exporting permits rather than automatically extending them to ensure concerns about water availability and aquifer conditions were fully studied.

The bill should grandfather in existing exporting permit terms. A GCD likely would take a more rigorous approach to analyzing the effect of a permit if the permit could be extended in perpetuity. Most existing permits were intended to expire after 30 years and should be subject to original renewal procedures.

NOTES:

A companion bill, SB 774 by Perry, was referred to the Senate Committee on Agriculture, Water, and Rural Affairs on February 22.