

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 1784
By: Cook (Ogden)
Natural Resources
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Committee Report (Substituted)

DIGEST AND PURPOSE

Texas faces a difficult challenge to develop water policies that serve both state and regional interests. The Texas Constitution authorizes the creation of groundwater districts to plan, develop, and regulate the use of water. C.S.H.B. 1784 creates the Brazos Valley Groundwater Conservation District, the Post Oak Savannah Groundwater Conservation District, and the Mid-East Texas Groundwater Conservation District.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of directors of the Brazos Valley Groundwater Conservation District in SECTION 2.06, to the board of directors of the Post Oak Savannah Groundwater Conservation District in SECTION 3.06, and to the board of directors of the Mid-East Texas Groundwater Conservation District in SECTION 4.06 of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. GENERAL PROVISIONS

SECTION 1.01. TITLE. Provides that this Act may be referred to as the Central Carrizo-Wilcox Groundwater Management Act.

SECTION 1.02. PURPOSE. Sets forth the purpose of this Act.

ARTICLE 2. BRAZOS VALLEY GROUNDWATER CONSERVATION DISTRICT

SECTION 2.01. RATIFICATION OF CREATION. Ratifies the creation by Chapter 1331, Acts of the 76th Legislature, Regular Session, 1999 (Senate Bill No. 1911), of the Brazos Valley Groundwater Conservation District in Robertson and Brazos counties as required by Section 15(a) of that Act, subject to approval at a confirmation election under Section 2.15 of this article.

SECTION 2.02. DEFINITION. Defines "district."

SECTION 2.03. BOUNDARIES. Provides that the boundaries of the district are coextensive with the boundaries of Robertson and Brazos counties, Texas.

SECTION 2.04. GENERAL POWERS. (a) Provides that, except as otherwise provided by this article, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapter 36 (Groundwater Conservation Districts), Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution. Provides that this article prevails over any provision of general law that is in conflict or inconsistent with this article, including any provision of Chapter 36, Water Code, or Chapter 1331, Acts of the 76th Legislature, Regular Session, 1999 (Senate Bill No. 1911).

(b) Provides that the district does not have the authority granted by the following provisions of

Chapter 36, Water Code:

- (1) Section 36.105, relating to eminent domain; and
- (2) Sections 36.020 and 36.201-36.204, relating to taxes.

SECTION 2.05. BONDS. Authorizes the district to issue bonds and notes under Sections 36.171-36.181, Water Code, not to exceed \$500,000 total indebtedness at any time.

SECTION 2.06. FEES. (a) Authorizes the board of directors of the district by rule to impose reasonable fees on each well for which a permit is issued by the district and which is not exempt from regulation by the district. Authorizes a fee to be based on the size of column pipe used by the well or on the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) Requires the initial fee to be based on the amount of water to be withdrawn from the well. Sets forth provisions relating to the initial fee.

(c) Authorizes the district, in addition to the fee authorized under Subsection (b) of this section, to impose a reasonable fee or surcharge for an export fee using a certain method.

(d) Authorizes fees authorized by this section to be assessed annually and to be used to fund the cost of operations of the district or the Central Carrizo-Wilcox Coordinating Council (council).

SECTION 2.07. EXEMPTIONS. (a) Authorizes the district to exempt wells under Section 36.117, Water Code, from the requirements to obtain a drilling permit, an operating permit, or any other permit required by Chapter 36, Water, or the district's rules.

(b) Prohibits the district from requiring certain permits.

(c) Prohibits the district from denying the owner of a tract of land, or his lessee, who has no well equipped to produce more than 25, 000 gallons a day on the tract, either a permit to drill a well on his land or the privilege to produce groundwater from his land, subject to the rules of the district.

(d) Prohibits the district from restricting the production of any well that is exempt from permitting under Subsection (b)(1) of this section.

(e) Authorizes the district, notwithstanding Subsection (b) of this section, to require a well to be permitted by the district and to comply with all district rules under certain conditions.

(f) Requires an entity holding a permit issued by the Railroad Commission of Texas under Chapter 134 (Texas Surface Coal Mining and Reclamation Act), Natural Resources Code, that authorizes the drilling of a water well to report certain information monthly to the district.

(g) Prohibits the district, notwithstanding Subsection (e) of this section, from requiring a well exempted under Subsection (b)(3) of this section to comply with the spacing requirements of the district.

(h) Prohibits the district from denying an application for a permit to drill and produce water for hydrocarbon production activities if the application meets the spacing, density, and production rules applicable to all permitted water wells in the district.

(i) Authorizes a water well exempted under Subsection (a) or (b) of this section to carry out certain duties.

(j) Authorizes the district to require the driller of a well exempted under Subsection (a) or (b) of

this section to file the drilling log with the district.

(k) Provides that a well to supply water for a subdivision of land for which a plat approval is required by Chapter 232 (County Regulation of Subdivisions), Local Government Code, is not exempted under Subsection (b) of this section.

(l) Requires groundwater withdrawn from a well exempt from permitting or regulation under this section and subsequently transported outside the boundaries of the district to be subject to any applicable production and export fees under Section 2.06 of this article.

(m) Provides that this section applies to water wells, including water wells used to supply water for activities related to the exploration or production of hydrocarbons or minerals. Provides that this section does not apply to production or injection wells drilled for oil, gas, sulphur, uranium, or brine, or for core tests, or for injection of gas, saltwater, or other fluid, under permits issued by the Railroad Commission of Texas.

SECTION 2.08. MITIGATION ASSISTANCE. Authorizes the district, in addition to the authority granted under Chapter 36, Water Code, to assist in the mediation between landowners regarding the mitigation of the loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others.

SECTION 2.09. MEMBERSHIP ON COORDINATING COUNCIL. Provides that the district is a member of the Central Carrizo-Wilcox Coordinating Council created by Section 5.01(a) of this Act.

SECTION 2.10. MANAGEMENT PLAN. Requires the district to develop or contract to develop its own management plan under Section 36.1071 (Management Plan), Water Code, and submit it to the council to be included in the management plan developed by the council under Section 5.06 of this Act.

SECTION 2.11. PERMITTING. Requires the district to issue permits for wells based on certain considerations.

SECTION 2.12. BOARD OF DIRECTORS. (a) Provides that the district is governed by a board of eight directors.

(b) Provides that initial directors serve until permanent directors are appointed under Section 2.13 of this article and qualified as required by Subsection (d) of this section.

(c) Provides that permanent directors serve staggered four-year terms.

(d) Requires each director to qualify to serve as a director in the manner provided by Section 36.055 (Sworn Statement, Bond, and Oath of Office), Water Code.

(e) Provides that a director serves until the director's successor has qualified.

(f) Authorizes a director to serve consecutive terms.

(g) Requires that if there is a vacancy on the board, the governing body of the entity that appointed the director who vacated the office appoint a director to serve the remainder of the term.

(h) Provides that directors are not entitled to receive compensation for serving as a director but are authorized to be reimbursed for actual, reasonable expenses incurred in the discharge of official duties.

- (i) Provides that a majority vote of a quorum is required for board action. Provides that if there is a tie vote, the proposed action fails.

SECTION 2.13. APPOINTMENT OF DIRECTORS. (a) Requires the Robertson County Commissioners Court to appoint four directors, of whom:

- (1) one must represent municipal interests in the county;
- (2) one must represent agricultural interests in the county;
- (3) one must represent rural water suppliers' interests in the county; and
- (4) one must represent industrial interests in the county.

(b) Requires the Brazos County Commissioners Court to appoint two directors, of whom:

- (1) one must represent rural water suppliers' interests in the county; and
- (2) one must represent agricultural interests in the county.

(c) Requires the governing body of the City of Bryan, with the approval of the Brazos County Commissioners Court, to appoint one director.

(d) Requires the governing body of the City of College Station, with the approval of the Brazos County Commissioners Court, to appoint one director.

(e) Requires each of the governing bodies authorized by this section to make an appointment to appoint the appropriate number of initial directors as soon as practicable following the effective date of this Act, but not later than the 45th day after the effective date of this Act.

(f) Requires the four initial directors from Robertson County to draw lots to determine their terms. Provides that two initial directors from Robertson County and the two initial directors from Brazos County serve terms that expire on January 1 of the second year following the confirmation of the district at an election held under Section 2.15 of this article. Provides that the remaining four initial directors serve terms that expire on January 1 of the fourth year following the confirmation of the district. Requires that on January 1 of the second year following confirmation of the district and every two years after that date, the appropriate governing body appoint the appropriate number of permanent directors.

SECTION 2.14. ORGANIZATIONAL MEETING. Requires a majority of the directors, as soon as practicable after all the initial directors have been appointed and have qualified as provided in this article, to convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. Requires that if no location can be agreed on, the organizational meeting of the directors be at the Robertson County Courthouse.

SECTION 2.15. CONFIRMATION ELECTION. (a) Requires the initial board of directors to call and hold an election on the same date in each county within the district to confirm the creation of the district.

(b) Requires a confirmation election, except as provided by this section, to be conducted as provided by Sections 36.017 (Confirmation and Directors' Election), 36.018 (Inclusion of Municipality), and 36.019 (Confirmation Election in District Including Land in More Than One County), Water Code, and Section 41.001 (Uniform Election Dates), Election Code.

(c) Provides that confirmation of the district requires a vote in favor of confirmation by a majority of the qualified voters voting in the election.

(d) Provides that if the establishment of the district is not confirmed by an election held under this section before the second anniversary of the effective date of this Act, the district is dissolved and this article expires on that date.

ARTICLE 3. POST OAK SAVANNAH GROUNDWATER CONSERVATION DISTRICT

SECTION 3.01. CREATION. (a) Creates a groundwater conservation district, to be known as the Post Oak Savannah Groundwater Conservation District, in Milam and Burleson counties, subject to approval at a confirmation election under Section 3.15 of this article. Provides that the district is a governmental agency and a body politic and corporate.

(b) Provides that the district is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

SECTION 3.02. DEFINITION. Defines "district."

SECTION 3.03. BOUNDARIES. Provides that the boundaries of the district are coextensive with the boundaries of Milam and Burleson counties.

SECTION 3.04. FINDING OF BENEFIT. Sets forth finding of benefit.

SECTION 3.05. GENERAL POWERS. (a) Provides that, except as otherwise provided by this article, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution. Provides that this article prevails over any provision of general law that is in conflict or inconsistent with this article, including any provision of Chapter 36, Water Code.

(b) Provides that the district does not have the authority granted by the following provisions of Chapter 36, Water Code:

- (1) Section 36.105, relating to eminent domain; and
- (2) Sections 36.020 and 36.201-36.204, relating to taxes.

SECTION 3.06. FEES. (a) Authorizes the board of directors of the district by rule to impose reasonable fees on each well for which a permit is issued by the district and that is not exempt from regulation by the district. Authorizes a fee to be based on the size of column pipe used by the well or on the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) Prohibits fees from exceeding:

- (1) one dollar per acre-foot for water used for irrigating agricultural crops; or
- (2) 17 cents per thousand gallons for water used for any other purpose.

(c) Authorizes the district, in addition to the fee authorized under Subsection (b) of this section, to impose a reasonable fee or surcharge for an export fee using a certain method.

(d) Authorizes fees authorized by this section to be assessed annually and to be used to fund the cost of operations of the district or the council.

SECTION 3.07. EXEMPTIONS. (a) Authorizes the district to exempt wells under Section 36.117, Water Code, from the requirements to obtain a drilling permit, an operating permit, or any other permit required by Chapter 36, Water, or the district's rules.

(b) Prohibits the district from requiring certain permits.

(c) Prohibits the district from denying the owner of a tract of land, or his lessee, who has no well equipped to produce more than 25, 000 gallons a day on the tract, either a permit to drill a well on his land or the privilege to produce groundwater from his land, subject to the rules of the district.

- (d) Prohibits the district from restricting the production of any well that is exempt from permitting under Subsection (b)(1) of this section.
- (e) Authorizes the district, notwithstanding Subsection (b) of this section, to require a well to be permitted by the district and to comply with all district rules under certain conditions.
- (f) Requires an entity holding a permit issued by the Railroad Commission of Texas under Chapter 134 (Texas Surface Coal Mining and Reclamation Act), Natural Resources Code, that authorizes the drilling of a water well to report certain information monthly to the district.
- (g) Prohibits the district, notwithstanding Subsection (e) of this section, from requiring a well exempted under Subsection (b)(3) of this section to comply with the spacing requirements of the district.
- (h) Prohibits the district from denying an application for a permit to drill and produce water for hydrocarbon production activities if the application meets the spacing, density, and production rules applicable to all permitted water wells in the district.
- (i) Authorizes a water well exempted under Subsection (a) or (b) of this section to carry out certain duties.
- (j) Authorizes the district to require the driller of a well exempted under Subsection (a) or (b) of this section to file the drilling log with the district.
- (k) Provides that a well to supply water for a subdivision of land for which a plat approval is required by Chapter 232 (County Regulation of Subdivisions), Local Government Code, is not exempted under Subsection (b) of this section.
- (l) Requires groundwater withdrawn from a well exempt from permitting or regulation under this section and subsequently transported outside the boundaries of the district to be subject to any applicable production and export fees under Section 3.06 of this article.
- (m) Provides that this section applies to water wells, including water wells used to supply water for activities related to the exploration or production of hydrocarbons or minerals. Provides that this section does not apply to production or injection wells drilled for oil, gas, sulphur, uranium, or brine, or for core tests, or for injection of gas, saltwater, or other fluid, under permits issued by the Railroad Commission of Texas.

SECTION 3.08. MITIGATION ASSISTANCE. Authorizes the district, in addition to the authority granted under Chapter 36, Water Code, to assist in the mediation between landowners regarding the mitigation of the loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others.

SECTION 3.09. MEMBERSHIP ON COORDINATING COUNCIL. Provides that the district is a member of the Central Carrizo-Wilcox Coordinating Council created by Section 5.01(a) of this Act.

SECTION 3.10. MANAGEMENT PLAN. Requires the district to develop or contract to develop its own management plan under Section 36.1071, Water Code, and submit it to the council to be included in the management plan developed by the council under Section 5.06 of this Act.

SECTION 3.11. PERMITTING. Requires the district to issue permits for wells based on certain considerations.

SECTION 3.12. BOARD OF DIRECTORS. (a) Provides that the district is governed by a board of 10 directors.

- (b) Provides that initial directors serve until permanent directors are appointed under Section 3.13 of this article and qualified as required by Subsection (d) of this section.
- (c) Provides that permanent directors serve staggered four-year terms.
- (d) Requires each director to qualify to serve as a director in the manner provided by Section 36.055, Water Code.
- (e) Provides that a director serves until the director's successor has qualified.
- (f) Authorizes a director to serve consecutive terms.
- (g) Requires the governing body of the entity that appointed the director who vacated the office, if there is a vacancy on the board, to appoint a director to serve the remainder of the term.
- (h) Provides that directors are not entitled to receive compensation for serving as a director but are authorized to be reimbursed for actual, reasonable expenses incurred in the discharge of official duties.
- (i) Provides that a quorum exists when at least two-thirds of the board members are present. Provides that a majority vote of a quorum is required for board action. Provides that if there is a tie vote, the proposed action fails.

SECTION 3.13. APPOINTMENT OF DIRECTORS. (a) Requires the Milam County Commissioners Court to appoint five directors, of whom:

- (1) one must represent municipal interests in the county;
- (2) one must represent agricultural interests in the county;
- (3) one must represent rural water suppliers' interests in the county;
- (4) one must represent industrial interests in the county; and
- (5) one must represent the interests of the county at large.

(b) Requires the Burleson County Commissioners Court to appoint five directors, of whom:

- (1) one must represent municipal interests in the county;
- (2) one must represent agricultural interests in the county;
- (3) one must represent rural water suppliers' interests in the county;
- (4) one must represent industrial interests in the county; and
- (5) one must represent the interests of the county at large.

(c) Requires each of the governing bodies authorized by this section to make an appointment to appoint the appropriate number of initial directors as soon as practicable following the effective date of this Act, but not later than the 45th day after the effective date of this Act.

(d) Requires the initial directors to draw lots to determine their terms. Provides that two initial directors from Milam County and two initial directors from Burleson County serve terms that expire on January 1 of the second year following the confirmation of the district at an election held under Section 3.15 of this article. Provides that the remaining six initial directors serve terms that expire on January 1 of the fourth year following the confirmation of the district. Requires that on January 1 of the second year following confirmation of the district and every two years after that date, the appropriate commissioners courts appoint the appropriate number of permanent directors.

SECTION 3.14. ORGANIZATIONAL MEETING. Requires that as soon as practicable after all the initial directors have been appointed and have qualified as provided in this article, a majority of the directors convene the organizational meeting of the district at a location within the district agreeable to a

majority of the directors. Requires that if no location can be agreed upon, the organizational meeting of the directors be at the Milam County Courthouse.

SECTION 3.15. CONFIRMATION ELECTION. (a) Requires the initial board of directors to call and hold an election on the same date in each county within the district to confirm the creation of the district.

(b) Requires a confirmation election, except as provided by this section, to be conducted as provided by Sections 36.017, 36.018, and 36.019, Water Code, and Section 41.001, Election Code.

(c) Provides that if the majority of qualified voters in a county who vote in the election vote to confirm the creation of the district, that county is included in the district. Provides that if the majority of qualified voters in a county who vote in the election vote not to confirm the creation of the district, that county is excluded from the district.

(d) Provides that if the establishment of the district is not confirmed by an election held under this section before the second anniversary of the effective date of this Act, the district is dissolved and this article expires on that date.

SECTION 3.16. NONBINDING REFERENDUM ON METHOD OF SELECTING DIRECTORS. Requires the ballot for the confirmation election to contain a separate nonbinding ballot proposition to allow the qualified voters of the district to express their preference regarding the method of selecting directors for the district. Requires specific wording on the ballot.

ARTICLE 4. MID-EAST TEXAS GROUNDWATER CONSERVATION DISTRICT

SECTION 4.01. CREATION. (a) Creates a groundwater conservation district, to be known as the Mid-East Texas Groundwater Conservation District, in Leon, Madison, and Freestone counties, subject to approval at a confirmation election under Section 4.15 of this article. Provides that the district is a governmental agency and a body politic and corporate.

(b) Provides that the district is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

SECTION 4.02. DEFINITION. Defines "district."

SECTION 4.03. BOUNDARIES. Provides that the boundaries of the Mid-East Texas Groundwater Conservation District are coextensive with the boundaries of Leon, Madison, and Freestone counties.

SECTION 4.04. FINDING OF BENEFIT. Sets forth finding of benefit.

SECTION 4.05. GENERAL POWERS. (a) Provides that, except as otherwise provided by this article, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapter 36, Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution. Provides that this article prevails over any provision of general law that is in conflict or inconsistent with this article, including any provision of Chapter 36, Water Code.

(b) Provides that the district does not have the authority granted by the following provisions of Chapter 36, Water Code:

- (1) Section 36.105, relating to eminent domain; and
- (2) Sections 36.020 and 36.201-36.204, relating to taxes.

SECTION 4.06. FEES. (a) Authorizes the board of directors of the district by rule to impose

reasonable fees on each well for which a permit is issued by the district and that is not exempt from regulation by the district. Authorizes a fee to be based on the size of column pipe used by the well or on the actual, authorized, or anticipated amount of water to be withdrawn from the well.

(b) Prohibits the fees from exceeding:

- (1) one dollar per acre-foot for water used for irrigating agricultural crops; or
- (2) 17 cents per thousand gallons for water used for any other purpose.

(c) Authorizes the district, in addition to the fee authorized under Subsection (b) of this section, to impose a reasonable fee or surcharge for an export fee using a certain method.

(d) Authorizes fees authorized by this section to be assessed annually and to be used to fund the cost of operations of the district or the council.

SECTION 4.07. EXEMPTIONS. (a) Authorizes the district to exempt wells under Section 36.117, Water Code, from the requirements to obtain a drilling permit, an operating permit, or any other permit required by Chapter 36, Water, or the district's rules.

(b) Prohibits the district from requiring certain permits.

(c) Prohibits the district from denying the owner of a tract of land, or his lessee, who has no well equipped to produce more than 25, 000 gallons a day on the tract, either a permit to drill a well on his land or the privilege to produce groundwater from his land, subject to the rules of the district.

(d) Prohibits the district from restricting the production of any well that is exempt from permitting under Subsection (b)(1) of this section.

(e) Authorizes the district, notwithstanding Subsection (b) of this section, to require a well to be permitted by the district and to comply with all district rules under certain conditions.

(f) Requires an entity holding a permit issued by the Railroad Commission of Texas under Chapter 134 (Texas Surface Coal Mining and Reclamation Act), Natural Resources Code, that authorizes the drilling of a water well to report certain information monthly to the district.

(g) Prohibits the district, notwithstanding Subsection (e) of this section, from requiring a well exempted under Subsection (b)(3) of this section to comply with the spacing requirements of the district.

(h) Prohibits the district from denying an application for a permit to drill and produce water for hydrocarbon production activities if the application meets the spacing, density, and production rules applicable to all permitted water wells in the district.

(i) Authorizes a water well exempted under Subsection (a) or (b) of this section to carry out certain duties.

(j) Authorizes the district to require the driller of a well exempted under Subsection (a) or (b) of this section to file the drilling log with the district.

(k) Provides that a well to supply water for a subdivision of land for which a plat approval is required by Chapter 232 (County Regulation of Subdivisions), Local Government Code, is not exempted under Subsection (b) of this section.

(l) Requires groundwater withdrawn from a well exempt from permitting or regulation under this section and subsequently transported outside the boundaries of the district to be subject to any

applicable production and export fees under Section 3.06 of this article.

(m) Provides that this section applies to water wells, including water wells used to supply water for activities related to the exploration or production of hydrocarbons or minerals. Provides that this section does not apply to production or injection wells drilled for oil, gas, sulphur, uranium, or brine, or for core tests, or for injection of gas, saltwater, or other fluid, under permits issued by the Railroad Commission of Texas.

SECTION 4.08. MITIGATION ASSISTANCE. Authorizes the district, in addition to the authority granted under Chapter 36, Water Code, to assist in the mediation between landowners regarding the mitigation of the loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others.

SECTION 4.09. MEMBERSHIP ON COORDINATING COUNCIL. Provides that the district is a member of the Central Carrizo-Wilcox Coordinating Council created by Section 5.01(a) of this Act.

SECTION 4.10. MANAGEMENT PLAN. Requires the district to develop or contract to develop its own management plan under Section 36.1071, Water Code, and submit it to the council to be included in the management plan developed by the council under Section 5.06 of this Act.

SECTION 4.11. PERMITTING. Requires the district to issue permits for wells based on certain considerations.

SECTION 4.12. BOARD OF DIRECTORS. (a) Provides that the district is governed by a board of nine directors.

(b) Provides that initial directors serve until permanent directors are appointed under Section 4.13 of this article and qualified as required by Subsection (d) of this section.

(c) Provides that permanent directors serve staggered four-year terms.

(d) Requires each director to qualify to serve as a director in the manner provided by Section 36.055, Water Code.

(e) Provides that a director serves until the director's successor has qualified.

(f) Authorizes a director to serve consecutive terms.

(g) Requires the governing body of the entity that appointed the director who vacated the office, if there is a vacancy on the board, to appoint a director to serve the remainder of the term.

(h) Provides that directors are not entitled to receive compensation for serving as a director but are authorized to be reimbursed for actual, reasonable expenses incurred in the discharge of official duties.

(i) Provides that a majority vote of a quorum is required for board action. Provides that if there is a tie vote, the proposed action fails.

SECTION 4.13. APPOINTMENT OF DIRECTORS. (a) Requires the Leon County Commissioners Court to appoint three directors, of whom:

- (1) one must represent the interests of rural water suppliers or municipalities in the county, or both;
- (2) one must represent agricultural interests in the county; and
- (3) one must represent industrial interests in the county.

- (b) Requires the Madison County Commissioners Court to appoint three directors, of whom:
 - (1) one must represent the interests of rural water suppliers or municipalities in the county, or both;
 - (2) one must represent agricultural interests in the county; and
 - (3) one must represent industrial interests in the county.

- (c) Requires the Freestone County Commissioners Court to appoint three directors, of whom:
 - (1) one must represent the interests of rural water suppliers or municipalities in the county, or both;
 - (2) one must represent agricultural interests in the county; and
 - (3) one must represent industrial interests in the county.

- (d) Requires each of the governing bodies authorized by this section to make an appointment to appoint the appropriate number of initial directors as soon as practicable following the effective date of this Act, but not later than the 45th day after the effective date of this Act.

- (e) Requires the initial directors to draw lots to determine their terms. Provides that a simple majority of the initial directors, if an odd number of initial directors are appointed, or half the initial directors, if an even number of initial directors are appointed, serve terms that expire on January 1 of the fourth year following the confirmation of the district at an election held under Section 4.15 of this article. Provides that the remaining initial directors serve terms that expire on January 1 of the second year following the confirmation of the district. Requires that on January 1 of the second year following confirmation of the district and every two years after that date, the appropriate commissioners courts appoint the appropriate number of permanent directors.

SECTION 4.14. ORGANIZATIONAL MEETING. Requires that as soon as practicable after all the initial directors have been appointed and have qualified as provided by this article, a majority of the directors to convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. Requires that if no location can be agreed upon, the organizational meeting of the directors be at the Leon County Courthouse.

SECTION 4.15. CONFIRMATION ELECTION. (a) Requires the initial board of directors to call and hold an election on the same date in each county within the district to confirm the creation of the district.

- (b) Requires a confirmation election, except as provided by this section, to be conducted as provided by Sections 36.017, 36.018, and 36.019, Water Code, and Section 41.001, Election Code.

- (c) Provides that if the majority of qualified voters in a county who vote in the election vote to confirm the creation of the district, that county is included in the district. Provides that if the majority of qualified voters in a county who vote in the election vote not to confirm the creation of the district, that county is excluded from the district.

- (d) Provides that if the creation of the district is not confirmed by an election held under this section before the second anniversary of the effective date of this Act, the district is dissolved and this article expires on that date.

ARTICLE 5. CENTRAL CARRIZO-WILCOX COORDINATING COUNCIL

SECTION 5.01. CREATION. (a) Provides that the Central Carrizo-Wilcox Coordinating Council (council) is created.

- (b) Provides that the council is created under and is essential to accomplish the purposes of

Section 59, Article XVI, Texas Constitution.

(c) Sets forth reasons for the creation of the council.

SECTION 5.02. BOUNDARIES. Sets forth the boundaries of the council.

SECTION 5.03. DEFINITIONS. Defines “council” and “district.”

SECTION 5.04. FINDING OF BENEFIT. Sets forth finding of benefit.

SECTION 5.05. AUTHORITY OF COUNCIL. Provides that the council does not have the powers granted by Chapter 36, Water Code, except as stated in this article and as authorized by the districts. Provides that the failure of one or more of the districts’ confirmation elections does not affect the authority of the council.

SECTION 5.06. MANAGEMENT PLAN. (a) Requires the council to carry out certain duties.

(b) Requires the council to coordinate the comprehensive management plan, as required by Sections 36.1071 and 36.1073, Water Code, for all of the counties within its boundaries. Requires the council, in coordinating the comprehensive management plan, to include and use the management plans developed by the individual districts.

(c) Sets forth provisions relating to the management plan.

(d) Requires the council, on completion of the comprehensive management plan and after approval of the plan by vote of at least 75 percent of the council, to forward a copy of the plan and any amendment to the plan to the Texas Water Development Board as required by Section 36.1072 (Texas Water Development Board Review and Certification of Management Plan), Water Code. Requires the council to make certain considerations in preparing the plan.

SECTION 5.07. MANAGEMENT OF COUNCIL. (a) Requires the districts’ representatives appointed to the council to manage all affairs of the council.

(b) Authorizes the council to contract with any person, public or private, as the council requires to conduct its affairs. Requires the council to set the compensation and terms of consultations.

(c) Requires the council, in selecting an attorney, engineer, auditor, financial advisor, or other professional consultant, to follow the procedures of Chapter 2254A (Professional Services Procurement Act.), Government Code.

(d) Sets forth provisions relating to bonds.

SECTION 5.08. MEETINGS. (a) Requires the council to hold a regular annual meeting and authorizes it to hold meetings at other times as required for council business.

(b) Requires notice of council meetings to be given as required by the open meetings law, Chapter 551, Government Code.

(c) Requires the council to hold its meetings in accordance with the open meetings law, Chapter 551, Government Code.

SECTION 5.09. RECORDS. (a) Requires the council to keep a complete account of all its meetings and proceedings and to preserve all council records in a safe place.

(b) Provides that council records are the property of the council and are subject to Chapter

552 (Public Information), Government Code.

(c) Provides that the preservation, storage, destruction, or other disposition of council records are subject to Chapter 201 (General Provisions), Local Government Code, and rules adopted under that chapter.

SECTION 5.10. RESEARCH, SURVEYS, AND COLLECTION AND DISSEMINATION OF INFORMATION. (a) Authorizes the council, but only as authorized by the districts, to carry out certain duties relating to research, surveys and dissemination of information.

(b) Provides that a unanimous vote of the council is required before the council is authorized to take an action authorized by Subsection (a) of this section.

SECTION 5.11. FUNDING. (a) Requires the council to be funded by assessments to each district, in proportion to the amount of groundwater pumped on which production fees are assessed by the district, for certain purposes.

(b) Authorizes the council to be funded for services other than those listed in Subsection (a) of this section, in any manner determined appropriate by unanimous vote of the council or provided for by interlocal agreement.

SECTION 5.12. SUITS. Requires all courts to take judicial notice of the creation of the council and of its boundaries. Provides that Sections 36.066(f) and (g), Water Code, pertaining to suits, apply to the council.

SECTION 5.13. CONTRACTS. Authorizes the council to contract in the name of the council.

SECTION 5.14. DISTRICT COORDINATION. (a) Authorizes the council to enter into interlocal agreements with its member districts to provide for administrative assistance and other services identified in Section 5.10 of this article.

(b) Authorizes the council to coordinate the activities of the districts to the extent authorized by the districts.

(c) Authorizes the council to mediate disputes concerning the regulation of groundwater along the boundaries of each district and, in the event that the council is unable to reach a resolution, authorizes it to petition the Texas Natural Resource Conservation Commission for resolution of the dispute under Section 36.108 (Joint Planning in Management Area), Water Code.

SECTION 5.15. MITIGATION OF GROUNDWATER DEPLETION. (a) Sets forth provisions relating to mitigation of groundwater depletion.

(b) Authorizes the district to assist in the mediation between landowners regarding the mitigation of the loss of existing groundwater supply of exempt domestic and livestock users due to the groundwater pumping of others in adjoining districts within the council boundaries.

SECTION 5.16. COMPOSITION OF THE COUNCIL. Sets forth provisions relating to the composition of the council, appointment of members, and requirements for a quorum to be achieved.

SECTION 5.17. COORDINATION WITH THE BLUEBONNET GROUNDWATER CONSERVATION DISTRICT. (a) Requires the council to coordinate activities with the Bluebonnet Groundwater Conservation District or any other groundwater conservation district created in certain counties if the groundwater conservation district chooses to coordinate activities.

(b) Authorizes the Bluebonnet Groundwater Conservation District or any other groundwater

conservation district created in certain counties to appoint a nonvoting representative to the council.

(c) Authorizes the council to perform duties described in this article for the Bluebonnet Groundwater Conservation District or any other groundwater conservation district created in certain counties through interlocal agreements.

ARTICLE 6. PROCEDURAL REQUIREMENTS; EFFECTIVE DATE

SECTION 6.01. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. Sets forth provisions relating to findings related to procedural requirements.

SECTION 6.02. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from original as follows:

- ARTICLE 1:
 - SECTION 1.02. Changes proposed language and adds new language relating to the purpose of the Act.
- ARTICLE 2:
 - SECTION 2.02. Removes the definition of “designated management area.”
 - Eliminates proposed SECTIONS 2.06, 2.08, and 2.09 and redesignates subsequent sections accordingly.
 - SECTION 2.06. Changes proposed language in Subsections (c) and (d).
 - Adds a new SECTION 2.07 relating to exemptions.
 - Adds a new SECTION 2.08 relating to mitigation assistance.
 - Adds a new SECTION 2.09 relating to membership on the Central Carrizo-Wilcox Coordinating Council.
 - Adds a new SECTION 2.10 relating to a management plan for the district.
 - Adds a new SECTION 2.11 relating to permitting.
 - SECTION 2.13. Changes proposed language in Subsections (c) and (d) relating to the appointment of directors.
- ARTICLE 3:
 - SECTION 3.02. Removes the definition of “designated management area.”
 - Adds a new SECTION 3.04 relating to finding of benefit and redesignates subsequent sections accordingly.
 - SECTION 3.06. Changes proposed language in Subsections (c) and (d).

- Adds a new SECTION 3.07 relating to exemptions.
- Adds a new SECTION 3.08 relating to mitigation assistance.
- Adds a new SECTION 3.09 relating to membership on the Central Carrizo-Wilcox Coordinating Council.
- Adds a new SECTION 3.10 relating to a management plan for the district.
- Adds a new SECTION 3.11 relating to permitting.
- Adds a new SECTION 3.16 relating to a nonbinding referendum on a method of selecting directors.
- ARTICLE 4.
 - SECTION 4.02. Removes the definition of “designated management area.”
 - Adds a new SECTION 4.04 relating to finding of benefit and redesignates subsequent sections accordingly.
 - SECTION 4.06. Changes proposed language in Subsections (c) and (d).
 - Adds a new SECTION 4.07 relating to exemptions.
 - Adds a new SECTION 4.08 relating to mitigation assistance.
 - Adds a new SECTION 4.09 relating to membership on the Central Carrizo-Wilcox Coordinating Council.
 - Adds a new SECTION 4.10 relating to a management plan for the district.
 - Adds a new SECTION 4.11 relating to permitting.
- ARTICLE 5. Adds a new Article 5 relating to the Central Carrizo-Wilcox Coordinating Council.
- ARTICLE 6. Redesignated from original ARTICLE 5.