

BILL ANALYSIS

Senate Research Center

S.B. 1821
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Natural Resources
4/28/2001
As Filed

DIGEST AND PURPOSE

Texas faces a difficult challenge to develop water policies that serve state and regional interests. The Texas Constitution authorizes the creation of groundwater conservation districts to plan, develop, and regulate the use of water. As proposed, S.B. 1821 ratifies the creation of the Neches and Trinity Valleys Groundwater Conservation District, subject to approval at a confirmation election, to manage Anderson, Cherokee, and Henderson counties' groundwater resources.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Neches and Trinity Valleys Groundwater Conservation District and the board of directors of the Neches and Trinity Valleys Groundwater Conservation District in SECTION 5 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. CREATION. (a) Creates a groundwater conservation district, to be known as the Neches and Trinity Valleys Groundwater Conservation District, in Anderson, Cherokee, and Henderson counties subject to approval at a confirmation election held under Section 9 of this Act. Provides that the district is a governmental agency and body politic and corporate.

(b) Provides that the district is created under and is essential to accomplish the purposes of Section 591, Article XVI, Texas Constitution.

SECTION 2. DEFINITION. Defines "district."

SECTION 3. BOUNDARIES. Sets forth the boundaries of the district.

SECTION 4. FINDING OF BENEFIT. Sets forth finding of benefit.

SECTION 5. POWERS. (a) Provides that, except as provided by this section, 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 Chapter 49, Water Code, does not apply to the district. Provides that this Act prevails over any provision of general law that is in conflict or inconsistent with this Act.

(b) Authorizes the district by rule to require a person to obtain a permit from the district for the transfer of groundwater out of the district consistent with Section 36.122 (Transfer of Groundwater Out of District), Water Code. Provides that the delivery of water by a certificated retail public utility whose source of water on the effective date of this Act is one or more wells located within the district to the utility's certificated service area under a certificate of convenience and necessity issued by the Texas Natural Resource Conservation Commission, or to that certificated area as it may be modified in the future by the Texas Natural Resource Conservation Commission, is not a transfer of groundwater outside the boundaries of the

district subject to Section 36.122, Water Code, if the water is not transported and used outside the utility's certificated area.

(c) Prohibits the district from levying or collecting taxes in the district.

(d) 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. Requires the fee to be based on the amount of water to be withdrawn from the well and may not exceed \$0.25 per acre foot for water used for irrigating agricultural crops or operating existing steam electric stations or \$0.0425 per thousand gallons for water used for any other purpose. Authorizes the fees to be assessed annually, based on the size of column pipe used in the wells, the production capacity of the well, or actual, authorized, or anticipated pumpage.

(e) Provides that a well meeting the criteria established under Section 36.117 (Exemptions; Exception; Limitations), Water Code, including a well used for dewatering and monitoring in the production of coal and lignite, is exempt from permit requirements, regulations, and fees imposed by the district.

(f) Prohibits the district from carrying out certain duties.

SECTION 6. BOARD OF DIRECTORS. (a) Provides that the district is governed by a board of directors appointed as provided by Section 7 of this Act.

(b) Provides that, except for the initial term, all directors serve a four-year term. Provides that the terms of three initial directors will expire at the end of the calendar year two years after the effective date of the Act and the terms of three initial directors will expire at the end of the calendar year four years after the effective date of this Act.

(c) Requires the initial directors, subject to Subsection (b) of this section, to draw lots to determine one initial director from each county who shall serve a two-year term. Requires the other initial directors to serve terms of four years.

(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 directors 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 7. APPOINTMENT OF DIRECTORS. (a) Requires the Anderson County Commissioners Court to appoint two directors. Requires one director to represent the rural water and utilities and small municipal water supply interests, and one director to represent the agricultural, industry, or landowner groundwater supply interests of the county.

(b) Requires the Cherokee County Commissioners Court to appoint two directors. Requires one director to represent the rural water and utilities and small municipal water supply interests, and one director to represent the agriculture, industry, or landowner groundwater supply interests of the county.

(c) Requires the Henderson County Commissioners Court to appoint two directors. Requires one director to represent the rural water and utilities and small municipal water supply interests, and one director to represent the agriculture, industry or landowner groundwater supply interests of the county.

(d) Requires the City Councils of the most populous municipality in each county to jointly appoint one director representing the most populous cities of the counties. Requires the appointment to be selected from each county on a rotating basis.

SECTION 8. ORGANIZATIONAL MEETING. Requires that as soon as practicable after all the initial directors are appointed as provided in this Act, 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 at which time the directors will take office. Requires that if no location can be agreed upon, the organizational meeting of the directors to be at the Anderson County Courthouse.

SECTION 9. CONFIRMATION ELECTION. (a) Requires the initial board of directors to call and hold an election to confirm the establishment of the district.

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

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

SECTION 10. ADDITION OF OTHER COUNTIES TO DISTRICT. (a) Requires an adjacent county that wishes to join the district to petition the district by resolution of the commissioners court of the county.

(b) Authorizes the board by resolution to approve the addition of the county to the district if the board finds after a hearing on the resolution that the addition of the county would benefit the district and the county to be added.

(c) Provides that the addition of a county to the district under this section is not final until ratified by a majority vote of the qualified voters in the county to be added voting in an election held for that purpose.

(d) Requires the ballots to be printed to permit a person to vote for or against the proposition and sets forth specific wording to be contained on the ballot.

(e) Provides that the notice of the election, the manner and the time of giving the notice, the manner of holding the election, and the qualifications of the voters are governed by the Election Code.

SECTION 11. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. Sets forth findings related to procedural requirements.

SECTION 12. EFFECTIVE DATE. Effective date: upon passage or September 1, 2001.