

1-1 By: Madla S.B. No. 1896  
1-2 (In the Senate - Filed May 9, 2005; May 9, 2005, read first  
1-3 time and referred to Committee on Intergovernmental Relations;  
1-4 May 16, 2005, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 5, Nays 0; May 16, 2005,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1896 By: Madla

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation, administration, powers, duties,  
1-11 operation, and financing of the Val Verde County Groundwater  
1-12 Conservation District.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. DEFINITIONS. In this Act:

1-15 (1) "Board" means the board of directors of the  
1-16 district.

1-17 (2) "Director" means a member of the board.

1-18 (3) "District" means the Val Verde County Groundwater  
1-19 Conservation District.

1-20 SECTION 2. CREATION. A groundwater conservation district,  
1-21 to be known as the Val Verde County Groundwater Conservation  
1-22 District, is created in Val Verde County, subject to approval at a  
1-23 confirmation election under Section 8 of this Act.

1-24 SECTION 3. FINDINGS OF BENEFIT. (a) The district is  
1-25 created to serve a public use and benefit.

1-26 (b) The district is created under and is essential to  
1-27 accomplish the purposes of Section 59, Article XVI, Texas  
1-28 Constitution.

1-29 (c) All of the land and other property included within the  
1-30 boundaries of the district will be benefited by the works and  
1-31 projects that are to be accomplished by the district under powers  
1-32 conferred by Section 59, Article XVI, Texas Constitution.

1-33 SECTION 4. CONTINUING PROVISIONS OF DISTRICT. Subtitle H,  
1-34 Title 6, Special District Local Laws Code, is amended by adding  
1-35 Chapter 8804 to read as follows:

1-36 CHAPTER 8804. VAL VERDE COUNTY GROUNDWATER

1-37 CONSERVATION DISTRICT

1-38 SUBCHAPTER A. GENERAL PROVISIONS

1-39 Sec. 8804.001. DEFINITIONS. In this chapter:

1-40 (1) "Agricultural use" means any use or activity  
1-41 involving agriculture, including irrigation.

1-42 (2) "Agriculture" means any of the following  
1-43 activities:

1-44 (A) cultivating the soil to produce crops for  
1-45 human food, animal feed, or planting seed or for the production of  
1-46 fibers;

1-47 (B) the practice of floriculture, viticulture,  
1-48 silviculture, and horticulture, including the cultivation of  
1-49 plants in containers of nonsoil media, by a nursery grower;

1-50 (C) raising, feeding, or keeping animals, other  
1-51 than fish, for breeding purposes or for the production of food or  
1-52 fiber, leather, pelts, or other tangible products having a  
1-53 commercial value;

1-54 (D) planting cover crops, including cover crops  
1-55 cultivated for transplantation, or leaving land idle for the  
1-56 purpose of participating in any governmental program or normal crop  
1-57 or livestock rotation procedure;

1-58 (E) wildlife management; and

1-59 (F) raising or keeping equine animals.

1-60 (3) "Board" means the board of directors of the  
1-61 district.

1-62 (4) "Director" means a member of the board.

1-63 (5) "District" means the Val Verde County Groundwater

2-1 Conservation District.  
2-2 (6) "Domestic use" means use in the district of water  
2-3 by a person owning the well from which the water is withdrawn and by  
2-4 that person's household for:

- 2-5 (A) drinking, washing, or culinary purposes;
- 2-6 (B) irrigation of lawns;
- 2-7 (C) irrigation of a family garden or orchard the  
2-8 produce of which is for household consumption only;
- 2-9 (D) swimming pools, decorative ponds, or  
2-10 fountains on the person's property; and
- 2-11 (E) watering of domestic animals not raised,  
2-12 maintained, or sold for commercial purposes.

2-13 (7) "Political subdivision" means a county,  
2-14 municipality, or other body politic or corporate of the state,  
2-15 including a district or authority created under Section 52, Article  
2-16 III, or Section 59, Article XVI, Texas Constitution, a state  
2-17 agency, or a nonprofit water supply corporation created under  
2-18 Chapter 67, Water Code.

2-19 Sec. 8804.002. NATURE OF DISTRICT. The district is a  
2-20 groundwater conservation district in Val Verde County created under  
2-21 Section 59, Article XVI, Texas Constitution.

2-22 Sec. 8804.003. DISTRICT PURPOSE. The district is created  
2-23 to:

- 2-24 (1) provide for the protection, recharging, and  
2-25 prevention of waste of groundwater in Val Verde County;
- 2-26 (2) control subsidence caused by the withdrawal of  
2-27 water from the groundwater reservoirs in Val Verde County;
- 2-28 (3) regulate the transport of groundwater out of the  
2-29 boundaries of the district;
- 2-30 (4) manage the issuance of permits for the transfer of  
2-31 groundwater by requiring groundwater availability models of permit  
2-32 applicants; and
- 2-33 (5) protect water quality.

2-34 [Sections 8804.004-8804.050 reserved for expansion]

2-35 SUBCHAPTER B. TERRITORY

2-36 Sec. 8804.051. BOUNDARIES. The boundaries of the district  
2-37 are coextensive with the boundaries of Val Verde County, Texas.

2-38 [Sections 8804.052-8804.100 reserved for expansion]

2-39 SUBCHAPTER C. BOARD OF DIRECTORS

2-40 Sec. 8804.101. BOARD. The board consists of seven  
2-41 directors.

2-42 Sec. 8804.102. METHOD OF ELECTING DIRECTORS: COMMISSIONERS  
2-43 PRECINCTS. (a) The directors of the district shall be elected  
2-44 according to the commissioners precinct method as provided by this  
2-45 section.

2-46 (b) Three directors shall be elected by the voters of the  
2-47 entire district, and one director shall be elected from each county  
2-48 commissioners precinct by the voters of that precinct.

2-49 (c) Except as provided by Subsection (e), to be eligible to  
2-50 be a candidate for or to serve as director at large, a person must be  
2-51 a registered voter in the district. To be a candidate for or to  
2-52 serve as director from a county commissioners precinct, a person  
2-53 must be a registered voter of that precinct.

2-54 (d) A person shall indicate on the application for a place  
2-55 on the ballot:

- 2-56 (1) the precinct that the person seeks to represent;
- 2-57 or
- 2-58 (2) that the person seeks to represent the district at  
2-59 large.

2-60 (e) When the boundaries of the county commissioners  
2-61 precincts are redrawn after each federal decennial census to  
2-62 reflect population changes, a director in office on the effective  
2-63 date of the change, or a director elected or appointed before the  
2-64 effective date of the change whose term of office begins on or after  
2-65 the effective date of the change, shall serve in the precinct from  
2-66 which elected or appointed even if the change in boundaries places  
2-67 the person's residence outside the precinct from which the person  
2-68 was elected or appointed.

2-69 Sec. 8804.103. ELECTION DATE. The district shall hold an

3-1 election to elect the appropriate number of directors on the  
 3-2 uniform election date prescribed by Section 41.001, Election Code,  
 3-3 in November of each even-numbered year.

3-4 Sec. 8804.104. TERMS. (a) Directors serve staggered  
 3-5 four-year terms.

3-6 (b) A director may serve for consecutive terms.

3-7 Sec. 8804.105. COMPENSATION. (a) A director is not  
 3-8 entitled to receive fees of office for performing the duties of a  
 3-9 director.

3-10 (b) The board may authorize a director to receive  
 3-11 reimbursement for the director's reasonable expenses incurred  
 3-12 while engaging in activities outside the district on behalf of the  
 3-13 board.

3-14 [Sections 8804.106-8804.150 reserved for expansion]

3-15 SUBCHAPTER D. POWERS AND DUTIES

3-16 Sec. 8804.151. POWERS AND DUTIES. Except as otherwise  
 3-17 provided by this chapter, the district has all of the rights,  
 3-18 powers, privileges, authority, functions, and duties provided by  
 3-19 the general law of this state, including Chapter 36, Water Code,  
 3-20 applicable to groundwater conservation districts created under  
 3-21 Section 59, Article XVI, Texas Constitution.

3-22 Sec. 8804.152. PERMIT TO TRANSFER GROUNDWATER. (a) The  
 3-23 district by rule shall:

3-24 (1) require a person to obtain a permit from the  
 3-25 district to transfer groundwater out of the district; and

3-26 (2) regulate the terms of a transfer of groundwater  
 3-27 out of the district.

3-28 (b) The district shall develop rules under this section that  
 3-29 are consistent with the requirements of Section 36.122, Water Code.

3-30 (c) The district shall use a groundwater availability  
 3-31 model, and not historical use, as the basis for issuing permits.

3-32 (d) A permit issued under this section, except for a permit  
 3-33 issued under Section 8804.153(a), does not establish historical  
 3-34 use.

3-35 (e) In the event of a conflict between the information  
 3-36 provided by the groundwater study conducted under Section 8804.161  
 3-37 and the recommendations submitted under Section 8804.164 regarding  
 3-38 the minimum flow requirements for any spring in the district, the  
 3-39 determination of the Texas Water Development Board study under  
 3-40 Section 8804.161 controls for purposes of development of rules  
 3-41 under this section.

3-42 Sec. 8804.153. PERMITS FOR USE SOLELY INSIDE DISTRICT. (a)  
 3-43 The district shall grant the City of Del Rio a permit in the city's  
 3-44 name that authorizes the city to pump from all city wells a stated  
 3-45 cumulative amount of not less than 15,000 acre-feet of water  
 3-46 annually for use solely inside the district. If the study performed  
 3-47 under Section 8804.162 finds that sufficient groundwater is  
 3-48 available, the district shall amend the city's permit to authorize  
 3-49 the city to pump from all city wells a stated cumulative amount of  
 3-50 not less than 20,000 acre-feet of water annually for use solely  
 3-51 inside the district. This subsection does not limit the City of Del  
 3-52 Rio's right to apply for or obtain a permit to transfer groundwater  
 3-53 under Section 8804.152.

3-54 (b) The district shall grant to a nonprofit rural water  
 3-55 supply corporation, water district, or other political subdivision  
 3-56 a permit that authorizes the water supply corporation, water  
 3-57 district, or other political subdivision to pump from its wells  
 3-58 annually a volume of water that is not less than the volume equal to  
 3-59 twice its greatest water usage in a calendar year before the date  
 3-60 the district is confirmed at an election held for that purpose, for  
 3-61 use solely inside the district.

3-62 Sec. 8804.154. AGRICULTURAL USE PERMIT. (a) Except as  
 3-63 provided by Section 8804.155, the district shall grant any  
 3-64 application for an agricultural use permit for any well that is used  
 3-65 solely for agricultural use inside the district. The district  
 3-66 shall issue an agricultural use permit in an amount that is not less  
 3-67 than five acre-feet of water per acre actually cultivated per year.  
 3-68 An agricultural use permit is nontransferable and expires on the  
 3-69 date the well ceases to be used solely for agricultural use inside

4-1 the district.

4-2 (b) This section does not limit the well owner's right to  
4-3 apply for or obtain a permit to transfer groundwater under Section  
4-4 8804.152.

4-5 Sec. 8804.155. LIMITATION ON WELL PERMIT REQUIREMENTS.

4-6 (a) The district may not require a person to obtain a permit from  
4-7 the district for:

4-8 (1) a well used solely for domestic use or for  
4-9 providing water for livestock or poultry on a tract of land smaller  
4-10 than 10 acres that is either drilled, completed, or equipped so that  
4-11 it is incapable of producing more than 30,000 gallons of  
4-12 groundwater a day;

4-13 (2) a well used solely for domestic use or for  
4-14 providing water for livestock or poultry on a tract of land 10 acres  
4-15 or larger that is either drilled, completed, or equipped so that it  
4-16 is incapable of producing more than 50,000 gallons of groundwater a  
4-17 day; or

4-18 (3) any well in use before the date the district is  
4-19 confirmed at an election held for that purpose and used solely for  
4-20 agricultural use.

4-21 (b) The district shall require a permit for a well described  
4-22 by Subsection (a)(3) that ceases to be used solely for agricultural  
4-23 use. The district also may impose a fee on the well as provided by  
4-24 Section 8804.202(c)(1)(A).

4-25 (c) An owner of a well described by this section shall  
4-26 register the well with the district.

4-27 (d) A well owner is entitled to a permit exemption under  
4-28 this section only if water from the well is used solely inside the  
4-29 district. If water from a well is not used solely inside the  
4-30 district, the well owner must obtain a permit.

4-31 Sec. 8804.156. REPLACEMENT WELL. (a) A new well that  
4-32 replaces an abandoned or decommissioned well is subject to the same  
4-33 permit requirements or exemption as the well it replaces if the  
4-34 replacement well:

4-35 (1) is used solely for the same purposes as the well it  
4-36 replaces; and

4-37 (2) serves the same area as the well it replaces.

4-38 (b) The district may not require a person who repairs or  
4-39 modifies a well to obtain a permit for that well if the well:

4-40 (1) is exempt under Section 8804.155; and

4-41 (2) continues to be used solely for agricultural use.

4-42 Sec. 8804.157. PROHIBITION ON DISTRICT PURCHASE, SALE,  
4-43 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not  
4-44 purchase, sell, transport, or distribute surface water or  
4-45 groundwater for any purpose.

4-46 Sec. 8804.158. PROHIBITION ON DISTRICT USE OF EMINENT  
4-47 DOMAIN. The district may not exercise the power of eminent domain.

4-48 Sec. 8804.159. REGIONAL COOPERATION. To provide for  
4-49 regional continuity, the district shall:

4-50 (1) participate as needed in coordination meetings  
4-51 with other groundwater conservation districts in its designated  
4-52 management area;

4-53 (2) coordinate the collection of data with other  
4-54 groundwater conservation districts in its designated management  
4-55 area in such a way as to achieve relative uniformity of data type  
4-56 and quality;

4-57 (3) coordinate efforts to monitor water quality with  
4-58 other groundwater conservation districts in its designated  
4-59 management area, local governments, and state agencies;

4-60 (4) provide groundwater level data to other  
4-61 groundwater conservation districts in its designated management  
4-62 area;

4-63 (5) investigate any groundwater or aquifer pollution  
4-64 with the intention of locating its source;

4-65 (6) notify other groundwater conservation districts  
4-66 in its designated management area and all appropriate agencies of  
4-67 any groundwater pollution detected; and

4-68 (7) include other groundwater conservation districts  
4-69 in its designated management area on the mailing lists for district

5-1 newsletters, seminars, public education events, news articles, and  
 5-2 field days.

5-3 Sec. 8804.160. WATER CONSERVATION INITIATIVE. The district  
 5-4 may create a water conservation initiative as described by Section  
 5-5 11.32, Tax Code.

5-6 Sec. 8804.161. TEXAS WATER DEVELOPMENT BOARD STUDY. At  
 5-7 least once every 10 years and at any other time the board considers  
 5-8 necessary to implement Section 8804.152, the staff of the Texas  
 5-9 Water Development Board shall make a complete study of the  
 5-10 groundwater in the district and determine:

5-11 (1) the water level;

5-12 (2) the rates and amounts of groundwater withdrawal;

5-13 (3) the rates and amounts by which the groundwater is

5-14 recharged;

5-15 (4) rainwater levels; and

5-16 (5) other information relating to the groundwater  
 5-17 availability of the aquifer.

5-18 Sec. 8804.162. LOCAL STUDY OF GROUNDWATER AVAILABILITY.

5-19 (a) Except as provided by Subsection (b), not later than the 10th  
 5-20 anniversary of the date on which the district is confirmed, the  
 5-21 district shall complete a study to determine whether there is  
 5-22 sufficient groundwater to amend the permit granted under Section  
 5-23 8804.153(a) to the City of Del Rio as authorized by Section  
 5-24 8804.153(a).

5-25 (b) In place of the district's study, the City of Del Rio may  
 5-26 perform a study of the groundwater availability in the district and  
 5-27 the board shall rely on the city's study if the city's study meets  
 5-28 the criteria of the Texas Water Development Board study required by  
 5-29 Section 8804.161 and the Texas Water Development Board study has  
 5-30 not been completed or is otherwise unavailable.

5-31 Sec. 8804.163. MORATORIUM ON TRANSFER PERMITS. (a) Except  
 5-32 as provided by Subsection (d), the district shall impose a  
 5-33 moratorium on the issuance of permits for the transfer of  
 5-34 groundwater during each period set aside to conduct and consider a  
 5-35 groundwater study under Section 8804.161.

5-36 (b) Except for the initial study, the district by rule shall  
 5-37 specify the length of the period set aside to conduct and consider  
 5-38 groundwater studies under Section 8804.161.

5-39 (c) The district may not issue a permit for the transfer of  
 5-40 groundwater until:

5-41 (1) an initial groundwater study under Section  
 5-42 8804.161 is completed and submitted to the district; and

5-43 (2) the spring flow and groundwater availability  
 5-44 advisory panel makes a determination under Section 8804.164 of the:

5-45 (A) flow of each spring in the district; and

5-46 (B) groundwater availability in the district.

5-47 (d) The board by emergency order may issue a permit during a  
 5-48 moratorium on the affirmative vote of at least five directors.

5-49 Sec. 8804.164. SPRING FLOW AND GROUNDWATER AVAILABILITY  
 5-50 ADVISORY PANEL. (a) Not later than the 90th day after the date on  
 5-51 which the first permanent directors are elected, the board shall  
 5-52 appoint a spring flow and groundwater availability advisory panel  
 5-53 to determine the minimum spring flow of each spring and the  
 5-54 groundwater availability in the district and recommend to the board  
 5-55 the maximum groundwater withdrawal rate that should be permitted by  
 5-56 the district to achieve or maintain at least those minimum flows and  
 5-57 that groundwater availability.

5-58 (b) The advisory panel shall be composed of the following  
 5-59 members:

5-60 (1) two members who represent the City of Del Rio;

5-61 (2) two members who represent agricultural interests  
 5-62 and each own a minimum of 5,000 acres of land in the district;

5-63 (3) two members who represent the interests of and are  
 5-64 riparian landowners in the district;

5-65 (4) one member who represents rural water suppliers;

5-66 (5) one member who represents environmental  
 5-67 interests; and

5-68 (6) one member who represents a water marketing group,  
 5-69 or, if the board is unable to locate a person to represent water

6-1 marketing, a member appointed by the board.  
 6-2 (c) The advisory panel shall develop and submit to the board  
 6-3 recommendations for limitations on groundwater withdrawal rates  
 6-4 consistent with maintaining minimum spring flows and groundwater  
 6-5 availability. In developing the recommendations, the panel shall  
 6-6 consider:  
 6-7 (1) the results of the Texas Water Development Board  
 6-8 study required by Section 8804.161 and the findings of any other  
 6-9 study presented to the panel;  
 6-10 (2) the best available science;  
 6-11 (3) the water level;  
 6-12 (4) the rate and amount of groundwater withdrawal;  
 6-13 (5) the rate and amount of groundwater recharge;  
 6-14 (6) underflow from outside the district;  
 6-15 (7) information related to the availability of  
 6-16 groundwater in the district for withdrawal;  
 6-17 (8) spring discharge rates as a function of  
 6-18 groundwater withdrawal rates;  
 6-19 (9) historical data;  
 6-20 (10) drought period management; and  
 6-21 (11) other factors required to be considered by the  
 6-22 board.  
 6-23 (d) The district shall provide the advisory panel with:  
 6-24 (1) any information the district has that is relevant  
 6-25 to the work and purpose of the panel; and  
 6-26 (2) any support necessary to determine spring flows  
 6-27 and groundwater availability in the district.  
 6-28 (e) The board shall review the recommendations submitted by  
 6-29 the advisory panel under Subsection (c) and shall consider them in  
 6-30 conjunction with other factors, including the present and future  
 6-31 needs for water related to water supply planning in Val Verde  
 6-32 County.  
 6-33 (f) The board may accept or reject the advisory panel's  
 6-34 recommendations, but the board may not change the determination of  
 6-35 the panel regarding the limitations on groundwater withdrawal rates  
 6-36 necessary to achieve or maintain at least the minimum spring flows  
 6-37 and groundwater availability.  
 6-38 [Sections 8804.165-8804.200 reserved for expansion]  
 6-39 SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS  
 6-40 Sec. 8804.201. LIMITATION ON TAXES. (a) The district may  
 6-41 not levy ad valorem taxes at a rate that exceeds five cents on each  
 6-42 \$100 of assessed valuation of taxable property in the district.  
 6-43 (b) The district may not levy ad valorem taxes at a rate that  
 6-44 exceeds 2-1/2 cents on each \$100 of assessed valuation of taxable  
 6-45 property in the district for the first two tax years after the  
 6-46 district's confirmation.  
 6-47 (c) Not later than the seventh anniversary of the date on  
 6-48 which the district is confirmed, the district shall maintain in  
 6-49 reserve at all times not less than six months and not more than two  
 6-50 years of operating capital. If the district's reserve operating  
 6-51 capital at any time exceeds the amount needed to operate the  
 6-52 district for two years, the district must:  
 6-53 (1) reduce taxes so as not to collect more revenue than  
 6-54 is needed to operate the district; or  
 6-55 (2) perform a recharge project with the excess  
 6-56 revenue.  
 6-57 Sec. 8804.202. FEES. (a) The board by rule may impose  
 6-58 reasonable fees on each well:  
 6-59 (1) for which a permit is issued by the district; and  
 6-60 (2) that is not exempt from district regulation.  
 6-61 (b) A production fee may be based on:  
 6-62 (1) the size of column pipe used by the well; or  
 6-63 (2) the amount of water actually withdrawn from the  
 6-64 well, or the amount authorized or anticipated to be withdrawn.  
 6-65 (c) The board shall base the initial production fee on the  
 6-66 criteria listed in Subsection (b)(2). The initial production fee:  
 6-67 (1) may not exceed:  
 6-68 (A) \$0.25 per acre-foot for water used for  
 6-69 agricultural irrigation; or

7-1 (B) \$0.0425 per thousand gallons for water used  
7-2 for any other purpose; and  
7-3 (2) may be increased at a cumulative rate not to exceed  
7-4 three percent per year.

7-5 (d) In addition to the production fee authorized under this  
7-6 section, the district may assess an export fee on groundwater from a  
7-7 well that is produced for transport outside the district.

7-8 (e) Fees authorized by this section may be:  
7-9 (1) assessed annually or monthly; and  
7-10 (2) used to pay the cost of district operations.

7-11 Sec. 8804.203. EXEMPTION FROM FEES. (a) Except as  
7-12 provided by Subsection (b), the district may not impose a fee on a  
7-13 well drilled by a nonprofit rural water supply corporation, water  
7-14 district, or other political subdivision if the well's production  
7-15 is for use within the district.

7-16 (b) The district by emergency order of the board may impose  
7-17 a reasonable and temporary production fee on a well described by  
7-18 Subsection (a) if:

7-19 (1) at least five of the directors approve the  
7-20 emergency order;

7-21 (2) severe drought or another district emergency makes  
7-22 the fee necessary; and

7-23 (3) the term of the order does not exceed 180 days.

7-24 SECTION 5. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Not  
7-25 later than the 45th day after the effective date of this Act:

7-26 (1) the Val Verde County Commissioners Court shall  
7-27 appoint one temporary director from each of the four commissioners  
7-28 precincts in the county to represent the precinct in which the  
7-29 temporary director resides;

7-30 (2) the county judge of Val Verde County shall appoint  
7-31 one temporary director who resides in the district to represent the  
7-32 district at large; and

7-33 (3) the Del Rio City Council shall appoint two  
7-34 temporary directors, each of whom resides in the district, to  
7-35 represent the district at large.

7-36 (b) Of the temporary directors appointed under Subdivisions  
7-37 (1) and (2), Subsection (a) of this section, at least one director  
7-38 must represent rural water suppliers in the district, one must  
7-39 represent agricultural interests in the district, one must  
7-40 represent industrial interests in the district, and one must  
7-41 represent municipal water suppliers.

7-42 (c) If there is a vacancy on the temporary board of  
7-43 directors of the district, the authority who appointed the  
7-44 temporary director whose position is vacant shall appoint a person  
7-45 to fill the vacancy in a manner that meets the representational  
7-46 requirements of this section.

7-47 (d) Temporary directors serve until the earliest of the  
7-48 date:

7-49 (1) temporary directors become initial directors as  
7-50 provided by Section 9 of this Act;

7-51 (2) the confirmation election under Section 8 of this  
7-52 Act fails to pass; or

7-53 (3) this Act expires under Section 13 of this Act.

7-54 SECTION 6. LIMITED POWERS AND DUTIES OF TEMPORARY BOARD OF  
7-55 DIRECTORS. (a) The temporary board may only:

7-56 (1) hold an election under Section 8 of this Act;

7-57 (2) manage the day-to-day governance of the district;

7-58 (3) make administrative and nondiscretionary  
7-59 decisions; and

7-60 (4) establish temporary fees under Section 36.206,  
7-61 Water Code.

7-62 (b) The temporary board does not have rulemaking or  
7-63 permitting authority.

7-64 (c) Any procedures, fees, or policies established by the  
7-65 temporary board are subject to ratification by the permanent  
7-66 directors elected under Section 10 of this Act.

7-67 SECTION 7. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS.  
7-68 As soon as practicable after all the temporary directors have  
7-69 qualified under Section 36.055, Water Code, a majority of the

8-1 temporary directors shall convene the organizational meeting of the  
8-2 district at a location within the district agreeable to a majority  
8-3 of the directors. If no location can be agreed upon, the  
8-4 organizational meeting shall be at the Val Verde County Courthouse.

8-5 SECTION 8. CONFIRMATION ELECTION. (a) The temporary  
8-6 directors shall hold an election to confirm the creation of the  
8-7 district.

8-8 (b) Subsection (a), Section 41.001, Election Code, does not  
8-9 apply to a confirmation election held as provided by this section.

8-10 (c) Except as provided by this section, a confirmation  
8-11 election must be conducted as provided by Subsections (b) through  
8-12 (i), Section 36.017, Water Code, and the Election Code.

8-13 (d) The district may hold a subsequent confirmation  
8-14 election if the previous confirmation election fails to pass. A  
8-15 subsequent confirmation election may not be held sooner than one  
8-16 year after the date of the previous confirmation election.

8-17 (e) The confirmation election ballot shall be printed to  
8-18 permit voting for or against the proposition: "To create the Val  
8-19 Verde County Groundwater Conservation District and to authorize the  
8-20 district to impose an ad valorem tax at a rate not to exceed 2.5  
8-21 cents for each \$100 valuation of all taxable property in the  
8-22 district for the first two tax years after the district's  
8-23 confirmation and at a rate not to exceed 5 cents for each \$100  
8-24 valuation of all taxable property in the district after the second  
8-25 tax year."

8-26 (f) If a majority of the voters voting at a confirmation  
8-27 election under this section do not vote in favor of the ballot  
8-28 proposition, the proposition fails and the temporary board is  
8-29 dissolved. The authorities that appointed the temporary board may  
8-30 agree to establish a new temporary board in the manner provided by  
8-31 Section 5 of this Act. A person who served on the original or a  
8-32 subsequent temporary board is eligible to serve on another  
8-33 temporary board. Each temporary board has the duties and powers  
8-34 provided by this section and Sections 6 and 7 of this Act.

8-35 (g) If the establishment of the district is not confirmed at  
8-36 an election held under this section before September 1, 2010, the  
8-37 district is dissolved, except that:

8-38 (1) any debts incurred shall be paid;  
8-39 (2) any assets that remain after the payment of debts  
8-40 shall be transferred to Val Verde County; and

8-41 (3) the organization of the district shall be  
8-42 maintained until all debts are paid and remaining assets are  
8-43 transferred.

8-44 SECTION 9. INITIAL DIRECTORS. (a) If creation of the  
8-45 district is confirmed at an election held under Section 8 of this  
8-46 Act, the temporary directors of the district become the initial  
8-47 directors of the district and serve on the board of directors until  
8-48 permanent directors are elected under Section 10 of this Act.

8-49 (b) The initial directors have the powers and duties of the  
8-50 temporary directors under Subdivisions (2), (3), and (4),  
8-51 Subsection (a), and Subsections (b) and (c), Section 6 of this Act,  
8-52 and shall hold an election for permanent directors under Section 10  
8-53 of this Act.

8-54 SECTION 10. ELECTION OF PERMANENT DIRECTORS. (a) The  
8-55 initial directors serve until the first regularly scheduled  
8-56 election of directors under Subsection (b) of this section.

8-57 (b) On the uniform election date prescribed by Section  
8-58 41.001, Election Code, in November of the first even-numbered year  
8-59 after the year in which the district is authorized to be created at  
8-60 a confirmation election, an election shall be held in the district  
8-61 for the election of seven directors. The elected directors shall  
8-62 draw lots to determine which three directors shall serve terms  
8-63 lasting until the first regularly scheduled election under Section  
8-64 8804.103, Special District Local Laws Code, as added by this Act,  
8-65 and which four shall serve until the second regularly scheduled  
8-66 directors election.

8-67 SECTION 11. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS.  
8-68 (a) The legal notice of the intention to introduce this Act,  
8-69 setting forth the general substance of this Act, has been published



9-1 as provided by law, and the notice and a copy of this Act have been  
9-2 furnished to all persons, agencies, officials, or entities to which  
9-3 they are required to be furnished under Section 59, Article XVI,  
9-4 Texas Constitution, and Chapter 313, Government Code.

9-5 (b) The governor has submitted the notice and Act to the  
9-6 Texas Commission on Environmental Quality.

9-7 (c) The Texas Commission on Environmental Quality has filed  
9-8 its recommendations relating to this Act with the governor, the  
9-9 lieutenant governor, and the speaker of the house of  
9-10 representatives within the required time.

9-11 (d) All requirements of the constitution and laws of this  
9-12 state and the rules and procedures of the legislature with respect  
9-13 to the notice, introduction, and passage of this Act are fulfilled  
9-14 and accomplished.

9-15 SECTION 12. STUDY COMPLETION. Not later than the last day  
9-16 of the 18th month after the month in which the district is confirmed  
9-17 at an election held for that purpose, the Texas Water Development  
9-18 Board shall complete the initial study required by Section  
9-19 8804.161, Special District Local Laws Code, as added by this Act,  
9-20 and deliver the findings of the study to the board.

9-21 SECTION 13. EXPIRATION. (a) If the creation of the  
9-22 district is not confirmed at a confirmation election held under  
9-23 Section 8 of this Act before September 1, 2010, this Act expires on  
9-24 that date.

9-25 (b) The expiration of this Act does not affect the liability  
9-26 of the district to pay any debt incurred or the transfer of any  
9-27 assets remaining to Val Verde County as required by Subsection (g),  
9-28 Section 8 of this Act.

9-29 SECTION 14. EFFECTIVE DATE. This Act takes effect  
9-30 immediately if it receives a vote of two-thirds of all the members  
9-31 elected to each house, as provided by Section 39, Article III, Texas  
9-32 Constitution. If this Act does not receive the vote necessary for  
9-33 immediate effect, this Act takes effect September 1, 2005.

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