

Amend CSSB 3 by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill accordingly:

ARTICLE _____. MCLENNAN COUNTY GROUNDWATER CONSERVATION DISTRICT
SECTION _____.01. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8821 to read as follows:

CHAPTER 8821. MCLENNAN COUNTY GROUNDWATER
CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8821.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the McLennan County Groundwater Conservation District.

Sec. 8821.002. NATURE OF DISTRICT. The district is a groundwater conservation district in McLennan County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8821.003. CONFIRMATION ELECTION REQUIRED. (a) If the creation of the district is not confirmed at a confirmation election held before September 1, 2012:

(1) the district is dissolved on September 1, 2012, except that the district shall:

- (A) pay any debts incurred;
- (B) transfer to McLennan County any assets that remain after the payment of debts; and
- (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires on September 1, 2012.

(b) This section expires on September 1, 2012.

Sec. 8821.004. INITIAL DISTRICT TERRITORY. The initial boundaries of the district are coextensive with the boundaries of McLennan County, Texas.

Sec. 8821.005. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to achieve the legislative intent and purposes of Chapter 36, Water Code. A power granted by Chapter 36,

Water Code, or this chapter shall be broadly interpreted to achieve that intent and those purposes.

Sec. 8821.006. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

[Sections 8821.007-8821.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8821.021. APPOINTMENT OF TEMPORARY DIRECTORS.

(a) Not later than the 45th day after the effective date of this chapter, five temporary directors shall be appointed as follows:

(1) the McLennan County Commissioners Court shall appoint one temporary director from each of the four commissioners precincts in the county to represent the precincts in which the temporary directors reside; and

(2) the county judge of McLennan County shall appoint one temporary director who resides in the district to represent the district at large.

(b) If there is a vacancy on the temporary board, the authority who appointed the temporary director whose position is vacant shall appoint a person to fill the vacancy.

(c) Temporary directors serve until the earlier of:

(1) the time the temporary directors become initial directors as provided by Section 8821.024; or

(2) the date this chapter expires under Section 8821.003.

Sec. 8821.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the McLennan County Courthouse.

Sec. 8821.023. CONFIRMATION ELECTION. (a) The temporary directors shall hold an election to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a

confirmation election held as provided by this section.

(c) Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b), (c), and (e)-(i), Water Code, and the Election Code. Section 36.017(d), Water Code, does not apply to the confirmation election.

(d) The ballot for the election must be printed in accordance with the Election Code and provide for voting for or against the proposition: "The creation of the McLennan County Groundwater Conservation District."

(e) If a majority of the votes cast at the election are not in favor of the creation of the district, the temporary directors may call and hold a subsequent confirmation election. The subsequent election may not be held before the first anniversary of the date on which the previous election was held.

(f) The district may contract with the elections administrator of McLennan County to conduct an election under this section.

Sec. 8821.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8821.023, the temporary directors become the initial directors and serve for the terms provided by Subsection (b).

(b) The initial directors representing commissioners precincts 2 and 4 serve a term expiring on December 31 following the expiration of two years after the date of the confirmation election, and the initial directors representing commissioners precincts 1 and 3 and the at-large director serve a term expiring on December 31 following the expiration of four years after the date of the confirmation election.

Sec. 8821.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8821.026-8821.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8821.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms, with two or three directors' terms expiring December 31 of each even-numbered year.

(c) A director may not serve more than three consecutive terms.

Sec. 8821.052. APPOINTMENT OF DIRECTORS. (a) The McLennan County Commissioners Court shall appoint one director from each of the four commissioners precincts and one director to represent the district at large.

(b) Except as provided by Subsection (c), to be eligible to serve as director at large, a person must be a registered voter in the district. To serve as director from a county commissioners precinct, a person must be a registered voter of that precinct.

(c) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which appointed even though the change in boundaries places the person's residence outside the precinct for which the person was appointed.

[Sections 8821.053-8821.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8821.101. GROUNDWATER CONSERVATION DISTRICT POWERS AND DUTIES. Except as provided by this chapter, the district has the powers and duties provided by the general law of this state, including Chapter 36, Water Code, and Section 59, Article XVI, Texas Constitution, applicable to groundwater conservation districts.

Sec. 8821.102. REGISTRATION AND REPORTING REQUIREMENTS FOR CERTAIN EXEMPT WELLS. The district may adopt rules that require the owner or operator of a well or class of wells exempt from permitting under Section 36.117, Water Code, to register the well with the district and, if the well is not exempt under Section 36.117(b)(1), Water Code, to report groundwater withdrawals from the well using reasonable and appropriate reporting methods and frequency.

Sec. 8821.103. WELL SPACING RULES; EXEMPTIONS. (a) Except as provided by Subsection (b), the district shall exempt from the well spacing requirements adopted by the district any well that is completed on or before the effective date of those requirements.

(b) The district may provide by rule that a well may lose its exemption under this section if the well is modified in a manner that substantially increases the capacity of the well after the effective date of the well spacing requirements adopted by the district.

(c) Except as provided by this section, the district may require any well or class of wells exempt from permitting under Chapter 36, Water Code, to comply with the well spacing requirements adopted by the district. The district shall apply well spacing requirements uniformly to any well or class of wells based on the size or capacity of the well and without regard to the type of use of the groundwater produced by the well.

Sec. 8821.104. ADOPTION OF RULES AND ISSUANCE OF PERMITS. Before the district adopts a management plan, the district may adopt rules and issue permits.

Sec. 8821.105. CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES. The district and another governmental entity, including a river authority located in the district, may contract for the performance by that entity of a district function.

Sec. 8821.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 8821.107. DISTRICT TERRITORY REQUIREMENTS; DISSOLUTION OF DISTRICT. (a) On September 1, 2011, the district boundaries must include at least one county adjacent to McLennan County.

(b) As soon as practicable after September 1, 2011, the Texas Commission on Environmental Quality shall determine whether the district complies with Subsection (a).

(c) If the Texas Commission on Environmental Quality determines that the district does not comply with Subsection (a), the commission shall dissolve the district in accordance with Sections 36.304, 36.305, 36.307, 36.308, 36.309, and 36.310, Water Code, regardless of whether the district meets the criteria for dissolution under Section 36.304(a), Water Code.

(d) This section expires September 1, 2013.

[Sections 8821.108-8821.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8821.151. REVENUE. To pay the maintenance and operating costs of the district and to pay any bonds or notes issued by the district, the district may:

(1) assess fees for services or for water withdrawn from nonexempt wells; or

(2) solicit and accept grants from any private or public source.

Sec. 8821.152. FEES. The district may impose a user fee to pay for the creation and operation of the district, including permit hearings. The district may not impose a fee for agricultural use that is more than 20 percent of the rate for municipal use.

[Sections 8821.153-8821.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 8821.201. ELECTION FOR DISSOLUTION. (a) If the district has no outstanding bond or other long-term indebtedness, the district may be dissolved by a favorable vote of a majority of the registered voters of the district at an election held for that purpose.

(b) The board shall hold a dissolution election if the board receives a petition for dissolution signed by at least 50 percent of the registered voters in the district as computed by using the list of registered voters for McLennan County.

(c) If the district is dissolved under this section, the board shall:

(1) notify the Texas Commission on Environmental Quality and the secretary of state of the dissolution; and

(2) transfer title to any assets of the district to McLennan County.

SECTION ____ .02. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and article to the

Texas Commission on Environmental Quality.

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

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.