

A BILL TO BE ENTITLED

AN ACT

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relating to the creation of the Panola County Groundwater Conservation District; providing authority to impose a tax and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8819 to read as follows:

CHAPTER 8819. PANOLA COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8819.001. DEFINITIONS. In this chapter:

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

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

(3) "District" means the Panola County Groundwater Conservation District.

Sec. 8819.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Panola County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8819.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held on or before December 31, 2008, the district is dissolved on that date, except that:

1 (1) any debts incurred shall be paid;

2 (2) any assets that remain after the payment of debts
3 shall be transferred to Panola County; and

4 (3) the organization of the district shall be
5 maintained until all debts are paid and remaining assets are
6 transferred.

7 Sec. 8819.004. INITIAL DISTRICT TERRITORY. The initial
8 boundaries of the district are coextensive with the boundaries of
9 Panola County, Texas.

10 Sec. 8819.005. APPLICABILITY OF OTHER GROUNDWATER
11 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
12 chapter, Chapter 36, Water Code, applies to the district.

13 Sec. 8819.006. DISTRICT PURPOSE. The district is created
14 to:

15 (1) provide for the protection, recharging, and
16 prevention of pollution and waste of groundwater in the Panola
17 County area;

18 (2) control subsidence caused by the withdrawal of
19 water from the groundwater reservoirs in the Panola County area;
20 and

21 (3) regulate the transport of groundwater out of the
22 district.

23 [Sections 8819.007-8819.020 reserved for expansion]

24 SUBCHAPTER A-1. TEMPORARY PROVISIONS

25 Sec. 8819.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
26 Not later than the 45th day after the effective date of this
27 chapter, nine temporary directors shall be appointed as follows:

1 (1) the Panola County Commissioners Court shall
2 appoint eight temporary directors, with two of the temporary
3 directors appointed from each of the four commissioners precincts
4 in the county to represent the precincts in which the temporary
5 directors reside; and

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

9 (b) Of the temporary directors, at least one director must
10 represent rural water suppliers in the district, one must represent
11 agricultural interests in the district, and one must represent
12 industrial interests in the district.

13 (c) If there is a vacancy on the temporary board of
14 directors of the district, the Panola County Commissioners Court
15 shall appoint a person to fill the vacancy in a manner that meets
16 the representational requirements of this section.

17 (d) Temporary directors serve until the earlier of:

18 (1) the election of initial directors under Section
19 8819.023; or

20 (2) the date this subchapter expires under Section
21 8819.026.

22 Sec. 8819.022. ORGANIZATIONAL MEETING OF TEMPORARY
23 DIRECTORS. As soon as practicable after all the temporary
24 directors have qualified under Section 36.055, Water Code, a
25 majority of the temporary directors shall convene the
26 organizational meeting of the district at a location within the
27 district agreeable to a majority of the directors. If an agreement

1 on location cannot be reached, the organizational meeting shall be
2 at the Panola County Courthouse.

3 Sec. 8819.023. CONFIRMATION AND INITIAL DIRECTORS'
4 ELECTION. (a) The temporary directors shall hold an election to
5 confirm the creation of the district and to elect the initial
6 directors of the district.

7 (b) The temporary directors shall have placed on the ballot
8 the names of all candidates for an initial director's position who
9 have filed an application for a place on the ballot as provided by
10 Section 52.003, Election Code.

11 (c) The ballot must be printed to provide for voting for or
12 against the proposition: "The creation of the Panola County
13 Groundwater Conservation District."

14 (d) If the district levies a maintenance tax for payment of
15 expenses, the ballot must be printed to provide for voting for or
16 against the proposition: "The levy of a maintenance tax at a rate
17 not to exceed ____ cents for each \$100 of assessed valuation."

18 (e) Section 41.001(a), Election Code, does not apply to an
19 election held under this section.

20 (f) Except as provided by this section, an election under
21 this section must be conducted as provided by Sections
22 36.017(b)-(i), Water Code, and the Election Code. The provision of
23 Section 36.017(d), Water Code, relating to the election of
24 permanent directors does not apply to an election under this
25 section.

26 Sec. 8819.024. INITIAL DIRECTORS. (a) If creation of the
27 district is confirmed at an election held under Section 8819.023,

1 the initial directors of the district serve on the board of
2 directors until permanent directors are elected under Section
3 8819.025 or 8819.053.

4 (b) The two initial directors representing each of the four
5 commissioners precincts shall draw lots to determine which of the
6 two directors shall serve a term expiring June 1 following the first
7 regularly scheduled election of directors under Section 8819.025,
8 and which of the two directors shall serve a term expiring June 1
9 following the second regularly scheduled election of directors.
10 The at-large director shall serve a term expiring June 1 following
11 the second regularly scheduled election of directors.

12 Sec. 8819.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
13 the uniform election date prescribed by Section 41.001, Election
14 Code, in May of the first even-numbered year after the year in which
15 the district is authorized to be created at a confirmation
16 election, an election shall be held in the district for the election
17 of four directors to replace the initial directors who, under
18 Section 8819.024(b), serve a term expiring June 1 following that
19 election.

20 Sec. 8819.026. EXPIRATION OF SUBCHAPTER. This subchapter
21 expires September 1, 2012.

22 [Sections 8819.027-8819.050 reserved for expansion]

23 SUBCHAPTER B. BOARD OF DIRECTORS

24 Sec. 8819.051. DIRECTORS; TERMS. (a) The district is
25 governed by a board of nine directors.

26 (b) Directors serve staggered four-year terms, with four or
27 five directors' terms expiring June 1 of each even-numbered year.

1 (c) A director may serve consecutive terms.

2 Sec. 8819.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
3 PRECINCTS. (a) The directors of the district shall be elected
4 according to the commissioners precinct method as provided by this
5 section.

6 (b) One director shall be elected by the voters of the
7 entire district, and two directors shall be elected from each
8 county commissioners precinct by the voters of that precinct.

9 (c) Except as provided by Subsection (e), to be eligible to
10 be a candidate for or to serve as director at large, a person must be
11 a registered voter in the district. To be a candidate for or to
12 serve as director from a county commissioners precinct, a person
13 must be a registered voter of that precinct.

14 (d) A person shall indicate on the application for a place
15 on the ballot:

16 (1) the precinct that the person seeks to represent;
17 or

18 (2) that the person seeks to represent the district at
19 large.

20 (e) When the boundaries of the county commissioners
21 precincts are redrawn after each federal decennial census to
22 reflect population changes, a director in office on the effective
23 date of the change, or a director elected or appointed before the
24 effective date of the change whose term of office begins on or after
25 the effective date of the change, shall serve in the precinct to
26 which elected or appointed even though the change in boundaries
27 places the person's residence outside the precinct for which the

1 person was elected or appointed.

2 Sec. 8819.053. ELECTION DATE. The district shall hold an
3 election to elect the appropriate number of directors on the
4 uniform election date prescribed by Section 41.001, Election Code,
5 in May of each even-numbered year.

6 Sec. 8819.054. COMPENSATION. (a) Sections 36.060(a), (b),
7 and (d), Water Code, do not apply to the district.

8 (b) A director is entitled to receive compensation of not
9 more than \$50 a day for each day the director actually spends
10 performing the duties of a director. The compensation may not
11 exceed \$3,000 a year.

12 (c) The board may authorize a director to receive
13 reimbursement for the director's reasonable expenses incurred
14 while engaging in activities on behalf of the board.

15 Sec. 8819.055. BOARD ACTION. A majority vote of a quorum is
16 required for board action. If there is a tie vote, the proposed
17 action fails.

18 [Sections 8819.056-8819.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8819.101. GENERAL POWERS. Except as otherwise
21 provided by this chapter, the district has all of the rights,
22 powers, privileges, functions, and duties provided by the general
23 law of this state applicable to groundwater conservation districts
24 created under Section 59, Article XVI, Texas Constitution.

25 Sec. 8819.102. GROUNDWATER WELLS UNDER RAILROAD COMMISSION
26 JURISDICTION. (a) Except as provided by this section, a
27 groundwater well drilled or operated within the district under a

1 permit issued by the Railroad Commission of Texas is under the
2 jurisdiction of the railroad commission, and, in respect to such a
3 well, the district has only the authority provided by Chapter 36,
4 Water Code.

5 (b) Groundwater produced in an amount authorized by a
6 railroad commission permit may be used within or exported from the
7 district without a permit from the district.

8 (c) To the extent groundwater is produced in excess of
9 railroad commission authorization, the holder of the railroad
10 commission permit:

11 (1) shall apply to the district for the appropriate
12 permit for the excess production; and

13 (2) is subject to the applicable regulatory fees.

14 Sec. 8819.103. PROHIBITION ON DISTRICT PURCHASE, SALE,
15 TRANSPORT, OR DISTRIBUTION OF WATER. The district may not
16 purchase, sell, transport, or distribute surface water or
17 groundwater for any purpose.

18 Sec. 8819.104. PROHIBITION ON DISTRICT USE OF EMINENT
19 DOMAIN POWERS. The district may not exercise the power of eminent
20 domain.

21 Sec. 8819.105. METERING. The district may meter water from
22 a well under its jurisdiction only if:

23 (1) water from the well is being transported outside
24 Panola County;

25 (2) the directors have reason to believe that the well
26 has produced water in excess of 25,000 gallons per day for an
27 extended period of time; or

1 (3) the directors have reason to believe that the well
2 is causing pollution or undue interference with other
3 water-producing wells.

4 Sec. 8819.106. REGIONAL COOPERATION. (a) In this section,
5 "designated groundwater management area" means an area designated
6 as a groundwater management area under Section 35.004, Water Code.

7 (b) To provide for regional continuity, the district shall
8 comply with the requirements of Section 36.108, Water Code, and:

9 (1) participate as needed in coordination meetings
10 with other groundwater conservation districts in its designated
11 groundwater management area;

12 (2) coordinate the collection of data with other
13 groundwater conservation districts in its designated groundwater
14 management area in such a way as to achieve relative uniformity of
15 data type and quality;

16 (3) coordinate efforts to monitor water quality with
17 other groundwater conservation districts in its designated
18 groundwater management area, local governments, and state
19 agencies;

20 (4) provide groundwater level data to other
21 groundwater conservation districts in its designated groundwater
22 management area;

23 (5) investigate any groundwater or aquifer pollution
24 with the intention of locating its source;

25 (6) notify other groundwater conservation districts
26 in its designated groundwater management area and all appropriate
27 agencies of any groundwater pollution detected;

1 (7) annually provide to other groundwater
2 conservation districts in its designated groundwater management
3 area an inventory of water wells and an estimate of groundwater
4 production in the district; and

5 (8) include other groundwater conservation districts
6 in its designated groundwater management area on the mailing lists
7 for district newsletters, seminars, public education events, news
8 articles, and field days.

9 [Sections 8819.107-8819.150 reserved for expansion]

10 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

11 Sec. 8819.151. LIMITATION ON TAXES. The district may not
12 impose ad valorem taxes at a rate that exceeds 1.5 cents on each
13 \$100 valuation of taxable property in the district.

14 Sec. 8819.152. FEES. (a) The board by rule may impose
15 reasonable fees on each well:

16 (1) for which a permit is issued by the district; and

17 (2) that is not exempt from district regulation.

18 (b) A production fee may be based on:

19 (1) the size of column pipe used by the well; or

20 (2) the amount of water actually withdrawn from the
21 well, or the amount authorized or anticipated to be withdrawn.

22 (c) The board shall base the initial production fee on the
23 criteria listed in Subsection (b)(2). The initial production fee:

24 (1) may not exceed:

25 (A) 25 cents per acre-foot for water used for
26 agricultural irrigation; or

27 (B) 6.75 cents per thousand gallons for water

1 used for any other purpose; and

2 (2) may be increased at a cumulative rate not to exceed
3 three percent per year.

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

7 (e) Fees authorized by this section may be:

8 (1) assessed annually;

9 (2) used to pay the cost of district operations; and

10 (3) used for any other purpose allowed under Chapter
11 36, Water Code.

12 Sec. 8819.153. LIMITATION ON INDEBTEDNESS. The district
13 may issue bonds and notes under Subchapter F, Chapter 36, Water
14 Code, except that the total indebtedness created by that issuance
15 may not exceed \$500,000 at any time.

16 SECTION 2. (a) The legal notice of the intention to
17 introduce this Act, setting forth the general substance of this
18 Act, has been published as provided by law, and the notice and a
19 copy of this Act have been furnished to all persons, agencies,
20 officials, or entities to which they are required to be furnished
21 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
22 Government Code.

23 (b) The governor has submitted the notice and Act to the
24 Texas Commission on Environmental Quality.

25 (c) The Texas Commission on Environmental Quality has filed
26 its recommendations relating to this Act with the governor,
27 lieutenant governor, and speaker of the house of representatives

1 within the required time.

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

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2007.