

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 22, 2009**

**TO:** Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: SB2120** by Seliger (Relating to the management, operation, and review of groundwater conservation districts.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB2120, Committee Report 1st House, Substituted: a negative impact of (\$193,866) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$99,568)
2011	(\$94,298)
2012	(\$94,298)
2013	(\$96,898)
2014	(\$94,298)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>	<b>Change in Number of State Employees from FY 2009</b>
2010	(\$99,568)	1.0
2011	(\$94,298)	1.0
2012	(\$94,298)	1.0
2013	(\$96,898)	1.0
2014	(\$94,298)	1.0

**Fiscal Analysis**

The bill would amend the Water Code to require the Water Development Board (TWDB) to establish a training program for members of boards of directors and general managers of groundwater conservation districts. The bill would provide the Commission on Environmental Quality (TCEQ) the authority to take action if a groundwater conservation district amends, repeals, or adopts a rule without an approved district management plan; if the district fails to submit a district management plan or to receive certification of the plan; if a district fails to timely readopt the plan; if the Executive Administrator of TWDB determines that a readopted plan does not meet the requirements for approval, and the district has exhausted all appeals; or if a district fails to submit or receive certification of an amendment to the plan. The bill would require TWDB to conduct a review of a district management plan within 60 days of approval of the district management plan.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house; otherwise it would take effect September 1, 2009.

### **Methodology**

For TWDB to conduct a review of a districts management plan within 60 days of approval of the plan, it is estimated that TWDB would require an additional 1.0 FTE. The annual salary for this position would be \$69,610, with estimated annual benefits costs of \$19,888. Related operating, travel and equipment costs are estimated to be \$10,070 in fiscal year 2010 and \$4,800 in fiscal years 2011 and 2012, \$7,400 in fiscal year 2013, and \$4,800 in fiscal year 2014.

### **Technology**

The cost for computer equipment and software would be \$2,600 in fiscal year 2010 and \$2,600 in fiscal year 2014.

### **Local Government Impact**

The bill would require board members and general managers of groundwater conservation districts to attend at least one hour of training during each one-year period in which the person serves established by the board.

The bill would require each district to adopt rules to implement the district management plan, but would not be permitted to adopt rules other than those pertaining to the registration and interim permitting of new and existing wells, and rules governing spacing and procedure until the district's first management plan has been approved. After the first district management plan is adopted, a district may not amend rules, repeal rules, or adopt new rules unless its management plan has been approved and is in effect.

According to information provided by several groundwater conservation districts, the costs to implement the provisions of the bill would not result in significant costs.

The Refugio Groundwater Conservation District reported the costs would be an estimated total of \$61,000 in 2010 which would include costs for one additional employee with salary and benefits (\$30,000), a vehicle (\$25,000), operational costs (\$5,000), and increased reimbursements to the director (\$1,000).

The Fort Davis Underground Water District reported costs to the district, which includes Jeff Davis and Presidio County Underground Water Conservation District, would be an estimated total of \$25,000 in 2010 which would include the audit and TWDB hearing. The total budget for Jeff Davis is \$42,772 and for Presidio \$15,000.

The Live Oak Underground Water Conservation District reported costs for the following districts for 2010:

The Bee Groundwater Conservation District costs would be an estimated total of \$25,000 (25 percent of the districts total budget).

The Live Oak Underground Water Conservation District costs would be an estimated total of \$25,000 (50 percent of the districts total budget).

The McMullen Groundwater Conservation District costs would be an estimated total of \$25,000 (100 percent of the districts total budget).

The Real Edwards Conservation and Reclamation District reported costs to the district would be an estimated total of \$7,700 in 2010 which would include operational costs (\$200), travel and training costs (\$2,500), and drafting and implementing new rules (\$5,000).

**Source Agencies:** 308 State Auditor's Office, 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** JOB, SZ, ZS, AH, TP, SD