87R4581 BRG-F

By:  Gutierrez S.B. No. 656

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Val Verde County Groundwater Conservation District; providing authority to issue bonds; providing authority to impose fees, surcharges, and taxes.

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 8872 to read as follows:

CHAPTER 8872. VAL VERDE COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8872.0101.  DEFINITIONS. (a) Except as provided by Subsection (b), the definitions in Section 36.001, Water Code, apply to this chapter.

(b)  In this chapter:

(1)  "Aquifer" means that part of the Edwards-Trinity (Plateau) Aquifer located in Val Verde County.

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

(3)  "City" means the City of Del Rio.

(4)  "City council" means the city council of the city.

(5)  "Commissioners court" means the Val Verde County Commissioners Court.

(6)  "County" means Val Verde County.

(7)  "Development board" means the Texas Water Development Board.

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

(9)  "District" means the Val Verde County Groundwater Conservation District.

(10)  "Domestic use" means the use of groundwater in the district by a member of a well owner's household or by household employees, tenants, licensees, or guests for the following purposes:

(A)  drinking, washing, or culinary activities;

(B)  irrigation of:

(i)  lawns;

(ii)  family gardens; or

(iii)  orchards, if the produce of the orchard is used only for household consumption;

(C)  filling or maintaining swimming pools, decorative ponds, or fountains located on the well owner's property; and

(D)  drinking water for domestic animals not raised, maintained, or sold for commercial purposes.

(11)  "Existing well" means a well that is completed to produce groundwater in Val Verde County on or before January 1, 2021. The term includes a well that is reworked or repaired after January 1, 2021, to restore the well's historic production capacity, provided that the reworking or repair does not enlarge the diameter of the well bore as the well bore existed on January 1, 2021.

(12)  "Historic use" means the production and beneficial use of groundwater from an existing well in any calendar year before January 1, 2021.

(13)  "Political subdivision" means a governmental entity of this state, including a county, municipality, state agency, or district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution. The term also includes a nonprofit water supply corporation created under Chapter 67, Water Code.

Sec. 8872.0102.  NATURE OF DISTRICT; PURPOSE. (a) The district is a groundwater conservation district in Val Verde County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution, including:

(1)  the permitting, recharge, conservation, protection, and prevention of the waste of groundwater in Val Verde County;

(2)  the control of subsidence caused by the unreasonable withdrawal of groundwater;

(3)  the regulation of transporting groundwater outside the boundaries of the district;

(4)  the regulation of groundwater production and the implementation of drought management and conservation plans for the reduction of drawdown when conditions warrant action to protect spring flow and base flow;

(5)  the maintenance of sufficient river flows during periods of drought and water shortage to protect endangered species and the habitats of endangered species;

(6)  the development, with the assistance of the development board, the Parks and Wildlife Department, and the Texas Commission on Environmental Quality, of empirical groundwater flow models to inform the district's groundwater management; and

(7)  the management of the issuance of permits by requiring studies and groundwater availability model analyses of permit applications that include the use of conservation triggers to mitigate the impact on spring flow, base flow, and drawdown.

(b)  The district is created to serve a public use and benefit.

(c)  All of the land and other property included within the boundaries of the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution, this chapter, and Chapter 36, Water Code.

Sec. 8872.0103.  CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8872.0153 before September 1, 2026:

(1)  the district is dissolved September 1, 2026, except that:

(A)  any debts incurred shall be paid;

(B)  any assets that remain after the payment of debts shall be transferred to the county and the city in proportion to the amount each entity has contributed to the costs of the confirmation election and district operations; and

(C)  the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2)  this chapter expires September 1, 2028.

Sec. 8872.0104.  INITIAL DISTRICT TERRITORY. The boundaries of the district are coextensive with the boundaries of the county.

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8872.0151.  APPOINTMENT OF TEMPORARY DIRECTORS; VACANCIES; TERMS. (a) As soon as practicable after the effective date of the Act enacting this chapter, nine temporary directors shall be appointed as follows:

(1)  three temporary directors shall be appointed by the commissioners court;

(2)  three temporary directors shall be appointed by the city council; and

(3)  three temporary directors shall be appointed jointly by the commissioners court, the city council, and the mayor of the city.

(b)  An individual appointed to serve as a temporary director must be at least 18 years of age and be:

(1)  a registered voter of the county; or

(2)  an owner of taxable property in the county.

(c)  If there is a vacancy on the temporary board of directors of the district, the remaining temporary directors shall appoint a person to fill the vacancy in a manner that meets the representational requirements of this section.

(d)  Temporary directors serve until the earlier of:

(1)  the date the temporary directors become initial directors under Section 8872.0155; or

(2)  the date this chapter expires under Section 8872.0103.

(e)  Before the confirmation election under Section 8872.0153, the presiding officer of the district or the presiding officer's designee may represent the district in the joint planning process under Section 36.108, Water Code, and shall be considered a voting district representative.

Sec. 8872.0152.  ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. (a) 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 Val Verde County Courthouse.

(b)  At the organizational meeting described by Subsection (a), the temporary directors shall:

(1)  elect a president as presiding officer, vice president, secretary, and treasurer;

(2)  schedule the confirmation election described by Section 8872.0153; and

(3)  notify the applicable groundwater management area of the district's creation, subject to confirmation under Section 8872.0153.

Sec. 8872.0153.  CONFIRMATION ELECTION. (a) The temporary board shall order an election to be held on the uniform election date in November following January 1, 2022, to confirm the creation of the district and authorize the collection of taxes.

(b)  The ballot for the election must be printed to permit voting for or against the following proposition: "The creation of the Val Verde County Groundwater Conservation District and the imposition of an ad valorem tax in the district at a rate not to exceed three cents for each $100 of assessed valuation."

(c)  Except as provided by this section, a confirmation election must be conducted as provided by Sections 36.017(b)-(i), Water Code, and the Election Code.

(d)  If the district's creation is not confirmed at an election held under this section, the temporary directors may order one or more subsequent elections to be held to confirm the creation of the district not earlier than the first anniversary of the preceding confirmation election. If the district's creation is not confirmed at an election held under this section before September 1, 2026, the district is dissolved in accordance with Section 8872.0103.

(e)  The costs of an election held under this section shall be paid equally by the county and the city.

Sec. 8872.0154.  LIMITED POWERS OF DISTRICT BEFORE CONFIRMATION. (a) Before confirmation of the district, the district's powers are limited to:

(1)  performance of the duties necessary to hold an election to confirm the creation of the district;

(2)  registration of existing wells that are not exempt from the district requirement to obtain a permit under this chapter or Chapter 36, Water Code;

(3)  collection of annual groundwater production reports from wells that are not exempt from the district requirement to obtain a permit under this chapter or Chapter 36, Water Code; and

(4)  participation in joint planning under Section 36.108, Water Code.

(b)  The district shall adopt rules and prescribe forms necessary to implement Subsections (a)(2) and (3).

Sec. 8872.0155.  INITIAL DIRECTORS. (a) If the creation of the district is confirmed at an election held under Section 8872.0153, the temporary directors become the initial directors and serve until successor directors are appointed under Section 8872.0202.

(b)  The initial directors shall provide notice to the members of the groundwater management area in which the district is located that the creation of the district is confirmed.

Sec. 8872.0156.  EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2028.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8872.0201.  COMPOSITION OF BOARD. The district is governed by a board of nine directors.

Sec. 8872.0202.  TERMS; APPOINTMENT OF DIRECTORS; VACANCIES; QUALIFICATIONS. (a) Directors serve staggered four-year terms, with five or four terms expiring December 1 every other year. The directors must be appointed as follows:

(1)  one director appointed by the commissioners court to represent each of the three management zones established by Section 8872.0311;

(2)  one director appointed jointly by the city council and mayor of the city to represent each of the three management zones established by Section 8872.0311; and

(3)  one director appointed jointly by the commissioners court, the city council, and the mayor of the city to represent each of the three management zones established by Section 8872.0311.

(b)  An individual appointed to serve as a director must be a registered voter of the county.

(c)  An individual appointed to serve as a director representing a management zone must own taxable property in the management zone.

(d)  A director may serve consecutive terms.

Sec. 8872.0203.  VACANCIES. (a) If there is a vacancy on the board, a majority of the board shall appoint an individual to fill the vacancy for the remainder of the term of the vacant director place. The individual appointed to fill the vacancy must meet the qualifications under Section 8872.0202 for the vacant place.

(b)  If the board has not filled a vacancy before the 90th day after the date of the vacancy, the county judge of the county and the mayor of the city jointly shall appoint an individual who meets the qualifications under Section 8872.0202 for the vacant place to serve as director for the remainder of the term being filled.

Sec. 8872.0204.  COMPENSATION. (a) A director is not entitled to receive compensation for performing the duties of a director.

(b)  The board may authorize a director to receive reimbursement for the director's reasonable and actual expenses incurred while engaging in activities inside or outside the district on behalf of the board.

Sec. 8872.0205.  BOARD OFFICERS. (a) At the first meeting of the board in each calendar year, the board shall elect directors to serve as the president, vice president, secretary, and treasurer.

(b)  The president shall serve as the presiding officer of the board.

(c)  The treasurer shall serve as the financial officer of the district.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8872.0301.  GENERAL POWERS. Except as otherwise provided by this chapter, the district has all of the rights, powers, privileges, functions, and duties provided by the general law of this state applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution, including Chapter 36, Water Code.

Sec. 8872.0302.  LIMITATION ON RULEMAKING POWER NOT APPLICABLE. Section 36.121, Water Code, does not apply to the district.

Sec. 8872.0303.  PERMITS: RULES. (a) The district shall adopt rules to:

(1)  require a person to obtain a permit from the district to drill and produce groundwater from a well, including an existing well, unless the well is exclusively for agricultural or domestic use or otherwise exempt from permitting under this chapter or Chapter 36, Water Code;

(2)  regulate the terms of a transfer of groundwater out of the district;

(3)  regulate the spacing of wells drilled after September 1, 2021, to prevent unreasonable adverse interference with other wells;

(4)  provide for the uniform and nondiscriminatory reduction or curtailment of the production of groundwater by all permit holders in the district, if necessary, to protect spring flow and base flow and reduce aquifer drawdown;

(5)  limit groundwater production:

(A)  by the spacing of wells;

(B)  by basing production on acreage or tract size; or

(C)  for a public water supplier, by basing production on the service area of the supplier;

(6)  provide for permit provisions that allow the reduction or curtailment of the production of groundwater, if necessary, to protect spring flow and base flow and reduce aquifer drawdown;

(7)  allow for the injection of a nontoxic tracer dye as part of a hydrological study; and

(8)  require the owner of a well that is not exempt from the district requirement to obtain a permit under this chapter or Chapter 36, Water Code, to report to the district in January of each year the annual production of groundwater from the well based on metered production.

(b)  The terms of a permit that authorizes the production of groundwater for transfer out of the district for beneficial use must be consistent with applicable law, including Section 36.122, Water Code, and may not be more restrictive than the terms of a permit authorizing the production of groundwater for beneficial use inside the district.

(c)  The district may establish permit conditions and limitations as provided by Section 36.122, Water Code.

(d)  The district may not require a permit or a permit amendment for the maintenance or repair of a well that is not exempt from permitting under this chapter or Chapter 36, Water Code, if the maintenance or repair does not make the well capable of producing an amount of groundwater that is greater than the production amounts provided by the well's permit.

Sec. 8872.0304.  PERMITS: CITY. The district shall grant to the city permits in the city's name that authorize the city to pump from all wells operated or controlled by the city a cumulative volume of groundwater of 18,400 acre-feet per year.

Sec. 8872.0305.  PERMITS: RETAIL PUBLIC UTILITY. (a) In this section, "retail public utility" has the meaning assigned by Section 13.002, Water Code.

(b)  The district shall grant a permit to a retail public utility in the district or to a political subdivision other than the city that is providing water or sewer service on or before the effective date of the Act enacting this chapter. The permit must authorize the production of a cumulative volume of groundwater from the wells owned by the entity in an amount equal to the amount of groundwater required to meet the entity's current and projected needs as determined under Section 13.250, Water Code.

(c)  Unless the district has authorized otherwise in writing, a permitted entity may not resell groundwater produced under the permit to any person for use or resale outside the entity's service area, including the area covered by a certificate of convenience and necessity, and must put the produced water to beneficial use in the entity's service area.

Sec. 8872.0306.  PERMITS: COMMERCIAL, INDUSTRIAL, AND TRANSPORT. (a) The district shall require a person to install a meter and obtain a permit from the district for commercial use, industrial use, or transport outside the district.

(b)  The district shall grant a permit for commercial use that authorizes a person to drill one or more wells not to exceed 12 inches in diameter on land owned or controlled by the person through a lease or other legal right.

(c)  The district shall grant a permit for the production of groundwater from an existing well that is beneficially used for commercial or industrial purposes outside the limits or the extraterritorial jurisdiction of the city. The permit must authorize the production of a cumulative volume of groundwater that is equal to the maximum historic use as proven by the person seeking the permit.

Sec. 8872.0307.  PERMIT RENEWAL. (a) Except as provided by Subsection (b), the district without a hearing shall renew or approve an application to renew an operating permit before the date on which the permit expires, provided that:

(1)  the application, if required by the district, is submitted in a timely manner and accompanied by any required fees in accordance with district rules; and

(2)  the permit holder is not requesting a change related to the renewal that would require a permit amendment under district rules.

(b)  The district is not required to renew a permit under this section if the applicant:

(1)  is delinquent in paying a fee required by the district;

(2)  is subject to a pending enforcement action for a substantive violation of a district permit, order, or rule that has not been settled by agreement with the district or a final adjudication; or

(3)  has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a district permit, order, or rule.

(c)  If the district is not required to renew a permit under Subsection (b)(2), the permit remains in effect until the final settlement or adjudication on the matter of the substantive violation.

Sec. 8872.0308.  AGRICULTURAL AND DOMESTIC USE. (a) The district may not require a person to install a meter or obtain a permit from the district for a well that produces groundwater only for domestic or agricultural use in the district's territory.

(b)  The district may not restrict the production of a well that produces groundwater only for domestic or agricultural use.

(c)  An owner of a well that produces groundwater for domestic or agricultural use shall register the well with the district.

(d)  Subsection (a) does not affect the applicability in the district of Section 36.113(a), Water Code.

Sec. 8872.0309.  WELL REGISTRATION. A permit issued under this chapter authorizing the production of groundwater from the aquifer must also authorize the drilling and operation of a well or wells in the aquifer, and must require the permit holder to:

(1)  register each well with the district at no cost; and

(2)  file a copy of the well driller's log with the district on completion of each well.

Sec. 8872.0310.  PROPERTY RIGHTS. (a) A permit issued by the district for the drilling, operation, or production of a well is appurtenant to the real property on which the well is located. Ownership of the groundwater, or the right to use and produce the groundwater authorized by the permit, may be sold, leased, assigned, or otherwise transferred by the owner, provided that the rights granted by the permit to drill a well and to produce groundwater are exercised on the real property described in the permit based on the actual production authorized by the permit.

(b)  Except as provided by this chapter, groundwater produced as authorized by a permit, once captured at the wellhead, may be beneficially used for any lawful purpose at any location, whether on or off the real property to which the permit is attached, provided that any beneficial use outside the boundaries of the district is authorized by a transport permit issued by the district.

Sec. 8872.0311.  MANAGEMENT ZONES. (a) For the purpose of better managing groundwater resources, the district is divided into three management zones as follows:

(1)  the San Felipe Springs Management Zone, composed of the territory described by Section 2(a) of the Act enacting this chapter;

(2)  the Devils River Management Zone, composed of the territory described by Section 2(b) of the Act enacting this chapter; and

(3)  the Pecos River Management Zone, composed of the territory described by Section 2(c) of the Act enacting this chapter.

(b)  The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the management zone's:

(1)  organization, existence, or validity; or

(2)  legality or operation.

(c)  The district may adopt different rules to regulate production from the management zones based on the acreage, tract size, or service area of the public water supplier.

(d)  The district must regulate the production of groundwater in a management zone on a proportional, uniform, and nondiscriminatory basis, except as provided by Section 8872.0303(a)(6).

Sec. 8872.0312.  REGIONAL GROUNDWATER PLANNING AND SUSTAINABILITY. (a) The district shall obtain or develop groundwater models for use in planning and management of the aquifer and to assist the district in the district's role as a member of the groundwater management area in which the district is located.

(b)  The district, to the extent possible, shall diligently pursue the long-term health and sustainability of the aquifer through joint planning under Section 36.108, Water Code.

Sec. 8872.0313.  REDUCTION AND CURTAILMENT. (a) The board by rule may provide for the reduction and curtailment of the production of groundwater from a well permitted under this chapter to protect spring flow and base flow and reduce drawdown in accordance with Sections 8872.0303(a)(4) and (5).

(b)  To implement a reduction or curtailment, the district may, to the extent not otherwise authorized by Section 36.101(a), Water Code, limit groundwater production as provided by district rules.

(c)  Rules adopted by the board under Sections 8872.0303(a)(4) and (5) requiring a reduction or curtailment of the production of groundwater must be applied on a proportional, uniform, and nondiscriminatory basis to all permitted production, unless the condition requiring reduction or curtailment is limited to a management zone created under Section 8872.0311.

(d)  This section does not apply to a permit provision imposed under Section 8872.0303(a)(6).

Sec. 8872.0314.  RIGHT TO ENTER LAND. Section 36.123, Water Code, which authorizes a district's employees or agents to go on and inspect the property of a landowner, applies to the district provided that:

(1)  access is subject to written notice to the landowner; and

(2)  the district's employees and agents are prohibited from carrying firearms on the landowner's property.

Sec. 8872.0315.  WATER CONSERVATION INITIATIVE. The district may create a water conservation initiative as provided by Section 11.32, Tax Code.

Sec. 8872.0316.  PROHIBITION ON DISTRICT PURCHASE, SALE, TRANSPORT, OR DISTRIBUTION OF WATER. The district may not purchase, sell, transport, or distribute surface water or groundwater for any purpose.

Sec. 8872.0317.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8872.0401.  LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds three cents on each $100 valuation of taxable property in the district.

Sec. 8872.0402.  APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, and 26.07, Tax Code, do not apply to a tax imposed by the district.

(b)  Section 49.236, Water Code, applies to the district.

Sec. 8872.0403. FEES. (a) The board by rule may impose uniform, reasonable, equitable, and nondiscriminatory annual production fees on the amount of permitted water actually produced from each well.

(b)  A production fee must be consistent with Section 36.205, Water Code, and may be based on:

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

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

(c)  The district may assess a uniform and nondiscriminatory export fee consistent with Section 36.122, Water Code, on groundwater that is produced from a well inside the district and transferred outside the district.

(d)  The district by rule or resolution may set fees relating to administrative acts of the district, including filing applications, reviewing and processing permits, conducting permit hearings, providing public notice, and paying costs of legal fees, expert fees, and hearing facility rental fees. The district may not assess a fee in an amount greater than $250 for processing permits.

SECTION 2.  (a) The San Felipe Springs Management Zone includes all the territory contained in the following area:

BEGINNING: At the point at which U.S. Highway 77 intersects with the Eastern boundary of Val Verde County;

THENCE: Along the Southeasterly right-of-way line of U.S. Route 77 to the junction of U.S. Route 90 and U.S. Route 377;

THENCE: Along the Easterly right-of-way line of U.S. Route 90 to the junction of U.S. Route 90 and Texas Highway 349, to the Southwestern boundary of Val Verde County;

THENCE: Eastward along the border of Val Verde County, and in a Northward direction along the border of Val Verde County to the POINT OF BEGINNING.

(b)  The Devils River Management Zone includes all the territory contained in the following area:

BEGINNING: At the point at which U.S. Highway 77 intersects with the Eastern boundary of Val Verde County;

THENCE: Along the Southeasterly right-of-way line of U.S. Route 77 to the junction of U.S. Route 90 and U.S. Route 377;

THENCE: Along the Northerly right-of-way of U.S. Route 90 to the junction of U.S. Route 90 and Texas Ranch to Market Road 1024;

THENCE: Along the Northerly right-of-way of Texas Ranch to Market Road 1024 to the point that Texas Ranch to Market Road 1024 bears in a Westerly direction at an approximate latitude of 30.188886 and an approximate longitude of -101.331504;

THENCE: Northwesterly to the Northern boundary of Val Verde County;

THENCE: Easterly along the boundary of Val Verde County and Southerly along the boundary of Val Verde County to the POINT OF BEGINNING.

(c)  The Pecos River Management Zone includes all the territory contained in the following area:

BEGINNING: At the point Texas Highway 349 intersects with the Southeastern boundary of Val Verde County;

THENCE: Northwesterly along the boundary of Val Verde County; continuing along the county's border until the Western boundary of the Devil's River Management Zone;

THENCE: Southerly along the Western Boundary of the Devil's River Management Zone to the POINT OF BEGINNING.

SECTION 3.  At the first meeting of the board of directors of the Val Verde County Groundwater Conservation District that follows the election held under Section 8872.0153, Special District Local Laws Code, as added by this Act, the directors shall draw lots to determine which three directors serve a term expiring December 1 of the year two years after the date of the election and which two directors serve a term expiring December 1 of the year four years after the date of the election.

SECTION 4.  (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act 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, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c)  The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the 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 Act are fulfilled and accomplished.

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.