

Item 6 – Update on Legislative Efforts

In an attempt to address BVGCD issues relating to HB 1318 (use of CCN water rights with no contiguous production acreage at the well site) and its direct effect on the permitting process and protection of landowner property rights, I initiated a conference call with all groundwater districts that could be identified as having similar rules governing production acreage associated with the well site. On December 12, 2017, six districts (Panhandle, North Plains, High Plains, Middle Trinity, Rusk County, and Brazos Valley) met by phone conference to express the issues each of their districts have with HB 1318 and its concept.

Panhandle GCD provided a template to create a white paper addressing the matters which had already been spoken prior to the conference call. My research on affected districts led to conversations with each of the general managers during November and December. Following the conference, it was agreed that any comments and possible revisions to the white paper were to be submitted by January 10th. In the interest of avoiding any confusion, I will provide you the white paper once revisions are made and have been agreed upon by the districts involved.

The revisions will be made rather quickly due the Texas Alliance of Groundwater Districts Business meeting and initial meeting of the Legislative Committee will occur January 30th-31st.

On November 15th, Heather Harward and I met with Chairman Larson during the Bell County Water Symposium. The conversation involved HB 1318 and its effects on groundwater districts.

On November 16th, Heather Harward and I met with Taylor Borer, legislative aide, after having invited Senator Schwertner and his staff to the TAGD Legislative Dinner in Salado, Texas. This was an attempt to further open door relations with the senator's office.

Item 6 – 2017 HNRC & SAWR Interim Charges Affecting the District

Interim charges were issued for both the House Natural Resources Committee (HNRC) & the Senate Agriculture, Water & Rural Affairs Committee (SAWR) and were recently released. Several of the charges have a direct effect on Brazos Valley GCD. We will need to be fully engaged in any discussions during the interim. Much of the groundwork is laid in the year leading up to the 86th Legislative Session.

Some of the charges affecting the District Rules include:

- Streamlining the permitting process, applicable date of permit in relation to district rules, dissolution of export permits, permit moratoriums, synchronization of existing operating and export permit term lengths.
- Aquifer-wide (regional) management challenges and opportunities.
- Service area consideration of a water supplier when using surface area as criteria for the allocation of groundwater resources.

The Board needs to have a discussion on how these issues directly affect the District's ability to manage the aquifers and protect property rights. The General Manager needs to have full authority to have the discussions, when necessary, to protect promulgated rules of the District and the property rights of landowners within the District. The engagement will be in an effort to find common ground with the affected groups without compromising the rules or property rights.

Attached is the complete listing of Interim Charges relating to groundwater.

2017 Interim Legislative Charges: 2

Senate Agriculture, Water and Rural Affairs Committee

1.) Streamlining Water Permitting: Study and recommend changes that promote..... uniform and streamline permitting by groundwater conservation districts for groundwater. Evaluate more transparent process needs and proper valuation of water.

2.) Regulatory Framework of Groundwater Conservation Districts and River Authorities: Study and make recommendations on the regulatory framework for managing groundwater in Texas to ensure that private property rights are being sufficiently protected. Study the role of river authorities and groundwater conservation districts including the state's oversight role of their operations and fees imposed.

House Committee on Natural Resources

3.) Evaluate the status of groundwater policy in Texas, including the following issues:

a. Progress and challenges in encouraging coordination and consistency in aquifer-wide management and permitting practices;

b. Developments in case law regarding groundwater ownership and regulation;

c. Potential improvements to the existing groundwater permitting process, including those contemplated in H.B. 31 (85R);

d. The appropriate consideration of the service area of a water supplier when groundwater resources are allocated based on surface ownership;

e. The designation of brackish groundwater production zones and related research;

f. Groundwater data and science needs; and

g. Emerging issues in groundwater and surface water interaction, in particular in areas of increasing competition for scarce resources.

8.) Study the hazards presented by abandoned and deteriorated groundwater wells, and make recommendations to address the contamination and other concerns these wells may represent.