HTGCD Legislation Updates Under Consideration January 2021

The Hays Trinity Groundwater Conservation District (HTGCD) serves one of the top-5 fastest growing counties in the US with a population supplied primarily by groundwater, and it is mandated by the State Legislature to protect and plan for the long-term use and quality of the Trinity Aquifer.

As the District's population grows, more and more people will be using the aquifer's limited water supply for home and business needs. This presents challenges for resource management that can only be resolved at the legislature.

A variety of stakeholders including water utilities, County Commissioners, permittees, legislators, and exempt well owners have informed the creation of a list of legislative requests that the HTGCD Board of Directors will consider for inclusion in proposed legislation at the January 26 HTGCD Board Meeting. As always, the meeting is open to the public, and public comment is being accepted as described in the posted Agenda.

The proposed legislative revisions will help the District more effectively gather scientific data, align the District's definition of a "Connection Fee" to conform with national utility standards, and ensure the District's long-term budgetary stability in order to fulfill its mission. See below for a short explanation of these proposed revisions.

The proposed legislative revisions presented below are offered as possible solutions, incorporate regional feedback from the previous two public meetings, and work toward establishing regional consensus on these issues. Some, all, or none of these changes may be submitted in a legislative request to help fulfil the District's mandate. The rest of the District's enabling legislation would remain unchanged.

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These notes reflect 2021 HTGCD DRAFT legislation being considered and are intended for reference and discussion only.

Proposed Legislative Updates for Consideration

1. **Connection Fees:**

- The conversion of the District's existing Connection Fee authorization to language based on the American Water Works Association (AWWA) utility meter-size computation was requested by a large utility within the District to standardize the District's fee schedule with the industry standard.

Legislative Proposal Options Under Consideration:

Connection Fees (Option 1)

The District may adopt a fee schedule establishing different fee rates based on the size of the meter installed for each new water service connection.

Connection Fees (Option 2)

Water utility service connection fees shall be assessed according to the following schedule based on the size of the meter to be installed:

Maximum base fee equals $1,000.		
Meter Size	Multiplier	Total Fee
5/8"	1.0	$
3/4"	1.5	$
1"	2.5	$
1.5"	5.0	$
2"	8.0	$
3"	16.0	$
4"	25.0	$

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2. Production and Management Fees:

- This section defines a revenue alternative based on production fees and annual management fees for all exempt wells. It is a common tool that Districts across the state use to generate stable revenue streams. *Management Fees* would be a flat fee with no relation to quantity of water produced or acreage and would only apply to exempt wells and are typically in the range of $15 to $30 per well per year. *Production Fees* would only apply to permitted (not exempt) wells, and the District is considering a maximum of $0.25/1000 gallons.
- These options represent a sustainable system that does not depend on an expanding population to sustain District operations. The District recognizes that its current growth-based revenue system (fees on new wells and new utility connections) is suitable in times of growth, but as long-term planners, we recognize that growth is not perpetual. Additionally, several of our large permittees have proposed some combination of this system to more equitably spread the costs across permittees.
- If a Management and/or Production Fee system can be incorporated, our Connection Fees would decrease proportionally**. The District would balance any new fees to approved budgets and has no interest in building financial reserves above reasonable budgetary needs.**

Legislative Proposal Under Consideration:

The district may assess production fees *as authorized by Section 36.205, Water Code.*

The district may set a reasonable fee for administrative management on a per well basis.

The district may set a ***fee for administrative management*** *on:*

(1) a well used solely for domestic or livestock purposes in an amount not greater than $ INSERT FEE per well, per year; and

(2) a well that is exempt from permitting and that is not used solely for domestic or livestock purposes in an amount not greater than $ INSERT FEE

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per well, per year.

The district may not charge for an annual period a production fee greater than INSERT FEE cents per 1,000 gallons authorized to be withdrawn under a permit issued by the district.

3. **Exempt use:**

- This language is NOT designed to act as a regulatory or revenue tool. It is designed to aid the District's science staff in understanding how much and when commercial agricultural irrigators are using water. Currently the District has no way of determining or quantifying that use -- and thus no way of incorporating that important data into the methods that are used to estimate use and protect existing users' water availability.

Legislative Proposal Under Consideration:

A well owner of a well used for commercial agricultural use shall register the well with the district, install a meter that meets district standards for accuracy, and annually report the total amount of groundwater production from the well on a form approved by the district.

The District may not impose a tax

- No change: The District has no authority or desire to impose ad-valorem taxes.

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Items Under Review for Repeal:

REPEAL *prohibition on District's ability to establish well construction standards for residential wells*

- The State Legislature has requested that all Groundwater Districts in the State attempt (to the extent possible) to create rules that are "in common." This language allows the District to protect water quality within the Trinity Aquifer AND satisfies the Legislature's request.

REPEAL *duplicative uniform election date requirement that already exists in current election law*

- This language is an edit that recognizes uniform election dates are already covered in election law and need not be defined in District Enabling Legislation. Additionally, it will have no effect on actual District elections procedures or dates.

REPEAL *the requirement for County Commissioners to delegate new District Directors in the event of a vacated position*

- This language comes at the request of the District's two County Commissioners and would transfer that responsibility to the District Board of Directors. This also aligns with most other GCDs.

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