

BILL ANALYSIS

Senate Research Center
79R13081 QS-F

C.S.S.B. 1674
By: Barrientos
Natural Resources
4/18/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, there is a heavy reliance by many users in the Barton Springs-Edwards Aquifer District (district) on groundwater because groundwater is less expensive than surface water.

C.S.S.B. 1674 gives the district the authority to adopt an alternative fee structure to encourage voluntary conservation and the conjunctive use of surface and groundwater resources.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 36.205(d), Water Code, to delete existing text authorizing the district to assess a water use fee against certain municipalities.

SECTION 2. Amends Section 2, Chapter 429, Acts of the 70th Legislature, Regular Session, 1987, by amending Subsection (f)(2) and adding Subsections (g) and (h), as follows:

(f)(2) Authorizes the board of directors (board) of the Barton Springs-Edwards Aquifer Conservation District (district) to assess the City of Austin, as a water use fee, each year an amount not to exceed 60, rather than 40, percent of the total funding that the district expects to receive for the next fiscal year from water use fees assessed against Austin and other nonexempt users. Requires the district, for purposes of computing water use fees under this subsection, to estimate the amount of permitted pumpage for the next fiscal year by considering various factors including historical growth rates, future growth rates, the amount of permitted pumpage, historical permitted pumpage, and any pending applications for permitted pumpage. Requires the district to use the estimated amount of permitted pumpage and its water use fee rate to compute the water use fee to be assessed against the City of Austin for the district's next fiscal year. Requires the district to compute the water use fee assessed against the City of Austin at a rate of 17 cents per thousand gallons for the total amount of water permitted for any nonagricultural purpose, regardless of the rate actually imposed on or remitted by the permittee.

(g) Prohibits the board, except as provided by this subsection, from charging an annual production fee of more than \$1 per acre-foot for water permitted for agricultural use or 17 cents per thousand gallons for water permitted for any other purpose. Authorizes the board, for a permit issued or materially amended after September 1, 1995, or a permit issued after September 9, 2004, and renewed after September 1, 2005, to charge an annual production fee of not more than 35 cents per thousand gallons for the amount of water permitted under the permit as issued or renewed or the increase in the amount of water permitted under the permit as materially amended if the water is permitted for any purpose other than agricultural use. Authorizes the board to adopt a differential rate structure for the nonagricultural production fees described by this subsection to promote alternatives to the exclusive use of groundwater resources.

(h) Provides that a material amendment of Subsection (g) of this section is an amendment to a permit that increases the amount of water permitted by more than 10 percent in one fiscal year or by more than 25 percent in any three-year period. Provides

that the renewal on or after September 1, 2005, of a permit that was issued on or before September 9, 2004, is considered to be a material amendment for purposes of Subsection (g) of this section if the permit as renewed increases the amount of water permitted by an amount that exceeds the limits specified by this subsection.

SECTION 3. Provides that the legislature finds that the Barton Springs-Edwards Aquifer Conservation District benefits the sustainable use of groundwater by promoting, through fee and permitting mechanisms, alternatives to the exclusive use of groundwater resources, including the conjunctive use of groundwater and surface water resources.

SECTION 4. Effective date: September 1, 2005.