

Groundwater at the Capitol



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2026 Post Oak Savannah GCD Summit

The Legislative Cycle: where we are now

The interim is when ideas become bill language.



Practical takeaway: by the time session starts, many “new” groundwater bills will already have been negotiated.

The Interim



House Natural Resources Committee Membership

- **Chair:** Cody Harris
- **Vice Chair:** Armando Martinez
- Trent Ashby
- Jeff Barry
- Cecil Bell, Jr.
- Brad Buckley
- Caroline Fairly
- Erin Elizabeth Gámez
- Josey Garcia
- Mary González
- Ramon Romero, Jr.
- Denise Villalobos
- Erin Zwiener

Committee chairs and assignments typically announced late Jan./early Feb.

Senate Water, Ag., and Rural Affairs Committee

- **Chair:** Charles Perry
- **Vice-Chair:** Kevin Sparks
- César Blanco
- Roland Gutierrez
- Adam Hinojosa
- Lois Kolkhorst
- José Menéndez

Committee chairs and assignments typically announced late Jan./early Feb.

How a billionaire's plan to export East Texas groundwater sparked a rural uprising

As fast-growing cities and suburbs scramble for new water sources, farmers in East Texas are turning to government regulation to keep their wells from running dry.

Dallas businessman sues over stalled plans to export East Texas water

The proposed project that would install 43 high-capacity wells drew the ire of East Texans, worried their wells would run dry.

Lawmakers fail to pass a bill to end massive water exports from East Texas

The House refused Senate changes allowing exports to continue while the state studies its underground water supply. Lawmakers left the Capitol without reaching a compromise.

Who controls the water? Dallas investor Kyle Bass takes East Texas property-rights fight to court

A legal battle in Texas pits investor Kyle Bass' companies against a groundwater conservation district over access to valuable East Texas groundwater.

Anderson County Court Halts Exploratory Groundwater Drilling Permits Sought by Dallas Investor

The permits are now on pause pending completion of three studies about the groundwater extraction.

Houston County Confirms Plans to Form Water District

Wood County explores creation of groundwater conservation district

Counties move forward on groundwater plans

East Texas counties join regional groundwater district amid 'imminent and real threat' to supplies

— East Texas counties unite to protect groundwater by joining a proposed conservation district. Leaders hope for legislative approval in 2027.

Harrison, Upshur counties move toward 16-county groundwater conservation district

East Texas counties advance groundwater district proposal to protect water supply

Corpus Christi Water Crisis Spurs Stampede on South Texas Aquifers

Cities, towns and industrial complexes aim to quickly pump tens of millions of gallons per day in a bid to avert disaster.

Nueces County residents fear city's groundwater well expansion could drain their private wells

Corpus Christi well drilling program raises fears for San Patricio resident relying on private well

Groundwater project approved for more drilling permits despite pushback from rural Nueces County residents

Orange Grove residents protest Corpus Christi groundwater expansion to protect local water resources

Corpus Christi says two new developments will buy it more time before reaching water crisis

The city manager said the city received permits to pump more groundwater and will avoid water reductions from a shrinking reservoir for now, pushing a potential water crisis to July.

Texas Groundwater Conservation District Appeals to Legislature for Protection in Regulating Data Centers

Data center companies' continued investment in the state has raised local and state concerns around water consumption.

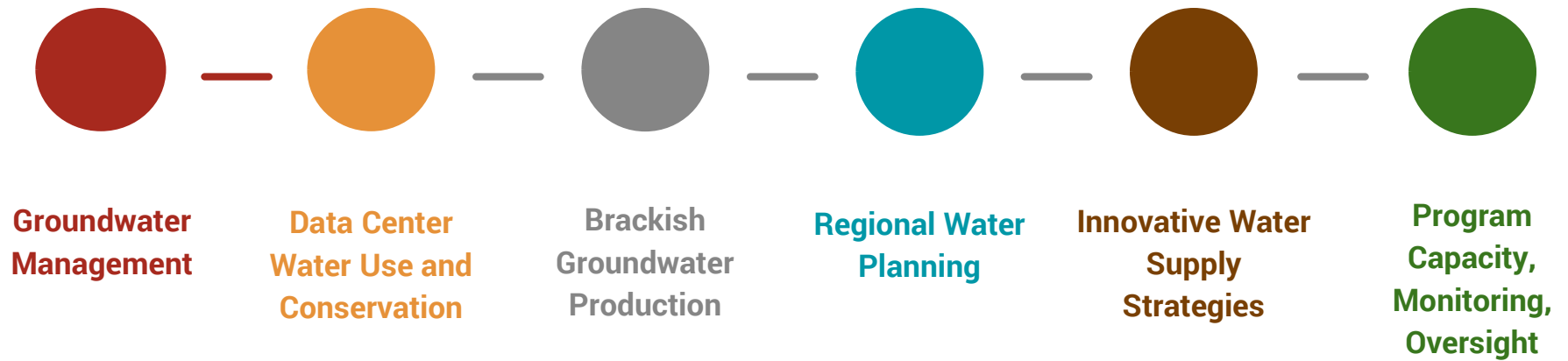
Could data centers pump unlimited groundwater in parts of East Texas? Lawmakers raise concern

Most data centers won't share data about water use with Texas lawmakers

AI Data Centers' Effects on Texas Groundwater Raises Bipartisan Concerns

AI data center water usage exposes a statewide groundwater issue, with local governments bearing the brunt of the issue.

House Interim Charges



Interim Charges - House Natural Resources

Groundwater Management: Study groundwater regulation and make recommendations to ensure groundwater management is adequately focused on protecting the long-term viability of the state's aquifers.

- If DFCs provide sufficient protection of groundwater resources, and whether impediments to achieving desired future conditions exist;
- The adequacy of GCD authority to address impacts from large-scale groundwater production projects, including export projects;
- The need for increased investment in groundwater data and modeling tools to support advanced planning, decision-making, and management; and
- How groundwater production in unregulated portions of the state impacts the aquifer management efforts of existing groundwater conservation districts.

HNRC Interim Charges

Regional Water Planning: Study state & regional water planning process, data used to project long-term water needs and available water supplies, criteria used to adopt water supply projects and management strategies, and progress made to address water supply deficits described within the most recent state water plan. Make recommendations to improve state & regional water planning process.

Data Center Water Use and Conservation: Examine the total water usage of data center operations in Texas, including direct and indirect uses. Evaluate regulatory, permitting, and infrastructure considerations for water-efficient data center development, particularly in water-stressed regions. Consider policy options to optimize water resources and enhance water stewardship in the data center sector.

Brackish Groundwater Production: Monitor the status of brackish groundwater production zone (BGPZ) designations and the development of brackish groundwater projects within designated BGPZs. Study the adequacy of scientific understanding of the use and development of brackish aquifers, including a review of current regulatory measures and monitoring requirements to encourage the use of brackish groundwater while ensuring that fresh groundwater resources are preserved and protected.

Interim Charges - Senate WARA

Assessing the Water Demands of Energy-Intensive Technologies:

Examine the current water consumption rates for high-consumption cooling technologies, including data centers. Make recommendations to improve transparency for local water providers and ensure industrial growth does not compromise the affordability of water for Texas residents and agricultural producers.

Evaluating Desalination Viability and Regulatory Efficiency:

Inventory existing facilities and review the permitting framework across relevant state agencies to improve efficiency. Assess the practicality of desalination in high feasibility regions and identify opportunities for local-level implementation. Make recommendations to streamline the regulatory process.

Others:

- Safeguarding the Texas Livestock Industry
- Prioritizing Utility Revenue for Infrastructure Maintenance
- Managing the Pecos River Basin

Interim Hearings

Hearings surface local fact patterns. Interim reports turn those facts into recommendations.

- Jul. 15, 2025** ● **HNRC: high-capacity / large-volume production in NTVGCD area**
- Feb. 10, 2026** ● **HNRC: condition and long-term sustainability of aquifers**
- May 26, 2026** ● **Senate WARA: desalination, utility revenue, livestock**
- Jun. 23, 2026** ● **HNRC: data center water use**
- Aug. 24, 2026** ● **HNRC: oversight, regional planning, innovative supply (Weslaco)**
- Sep. 1, 2026** ● **Senate WARA: energy-intensive technologies / data centers**
- Oct. 2026?** ● **Brackish / Rio Grande hearing (El Paso); Groundwater management hearing (East Texas)**

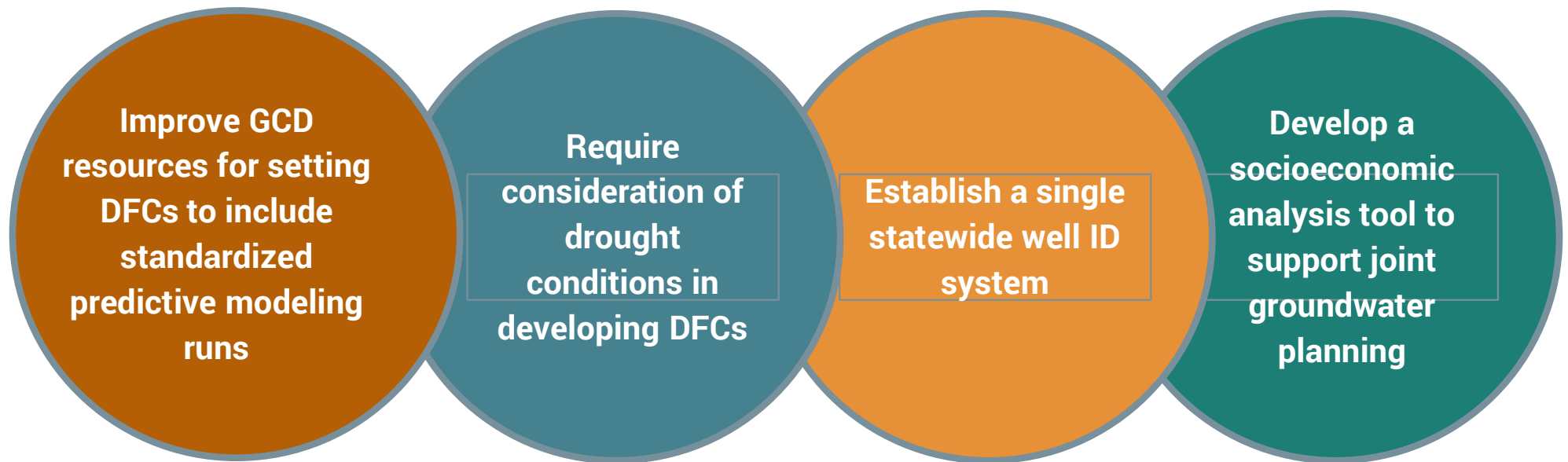
Watch for

- invited witnesses
- agency data requests
- interim report language
- concepts repeated by both chambers

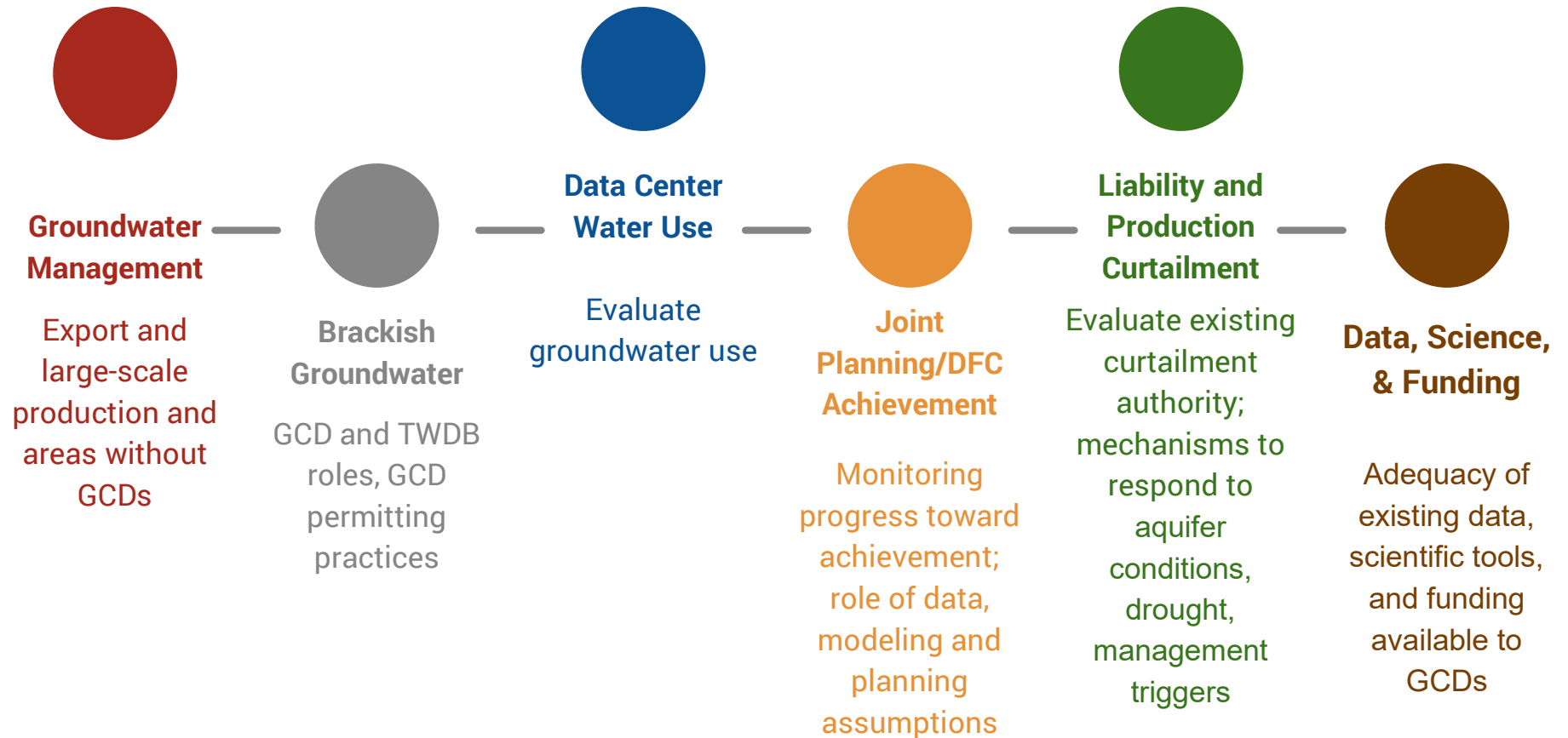
A single local controversy can become statewide bill language.

Added: Sept. 3, 2026: Senate WARA Pecos River Basin

TWDB Legislative Recommendations (SWP)



TAGD Legislative Committee



TWA Legislative Committee

Groundwater Export and Large Scale Production

- Definitions
- Addressing permit requirements
- GCD authority related to: denying permits; requiring demonstration of need; prioritizing use; use of transport fees

Joint Planning, DFCs, Production Caps, and Sustainability

- GCD requirements on demonstrating DFC achievement
- Production caps/curtailment
- Conservation
- TERS, sustainability, and long-term aquifer viability

Data Centers

- Water use & cooling technologies
- Tools available to water providers

State Water Planning and Implementation

- Permitting consistency, RWPG membership
- Strategies, infeasibility assessments, interregional conflicts
- Socioeconomics of water shortages
- Hurdles to large water supply projects

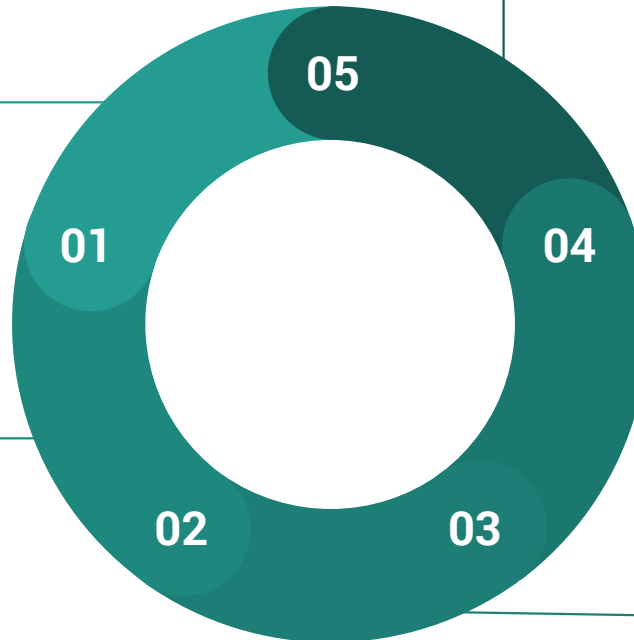
Emerging Themes

Export & Large Scale Production

Ensuring aquifer is viable in the long-term and resources remain available for local communities

GCD Coverage, Formation, & Rule of Capture

Effective, widespread aquifer management to protect all groundwater users



Meaningful DFCs/Improved Planning

Should DFCs aim to ensure long-term viability of aquifer, are they be monitored/tracked appropriately, are GCDs prepared to respond to protect DFCs

Brackish Groundwater

How to regulate and incentivize development of brackish groundwater in a way that reduces demands on fresh groundwater without threatening the water quality of fresh groundwater aquifers.

Funding for Data, Science, and Models

Effective groundwater planning and and management requires robust data, science, and models but many districts do not have sufficient financial resources to invest in these efforts.

Rural Communities

Improved groundwater management focused on long-term aquifer viability may better secure economic future and water availability

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Landowners

Outcomes may cut both ways - more protections and greater certainty but potentially more rules; changes to liability?

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GCDs

Expanded authority would likely come with increased accountability; needed investments in data, science and modeling; benefits of greater GCD coverage

Private Property Rights

Balancing/tensions between: rights to use and develop groundwater under land; avoiding unreasonable impacts; providing for long-term aquifer viability; and ensuring clear rules and impartial decisions.