



TEXAS WATER BANK PARTICIPANT RESPONSIBILITIES

The Texas Water Bank is an administrative entity created to provide a means by which potential buyers and sellers of water can locate one another. Authorized in June of 1993 by the passage of Senate Bill 1030, it is administered by the Texas Water Development Board (TWDB; Board) according to Water Bank Rules passed by the Board. The Water Bank is not an actual physical storage location for water, but can be likened to a "bulletin board", matching buyers with sellers so as to encourage marketing of water and/or water rights.

The Water Bank does not usurp regulatory authority held by the Texas Commission on Environmental Quality (TCEQ, formerly Texas Natural Resource Conservation Commission), underground water conservation districts or authorities, or any other state or federal regulatory agency. Transfers through the Water Bank must comply with all applicable law (31 TAC Section 359.4 of the Water Bank Rules) and with regulatory requirements imposed by such law.

Participants in the Water Bank are: 1) buyers who request to be listed in the Registry and are interested in buying a water right or temporarily obtaining the use of water under a water right and 2) depositors or sellers interested in selling their water right or a portion of that right or temporarily leasing the use of water under that right, who must submit either an "Application for Deposit" form or a request to be listed in the Registry as a seller. All potential depositors must provide evidence of holding a valid surface water right, or a valid groundwater withdrawal authorization if within the jurisdiction of groundwater conservation district or authority.

A buyer and depositor/seller should note that their particular contemplated sale or lease is unique and a surface water right amendment or groundwater withdrawal authorization amendment may be necessary. The Water Bank recommends that, while negotiating a contract to sell or lease water or a water right, a buyer and/or depositor/seller should contact the appropriate regulatory agency(ies) to initially determine what amendment procedures may be necessary. The buyer and depositor/seller should monitor the progress of the amendment procedure. The transfer of water or the water right is not complete until all necessary regulatory approvals have been obtained (§359.8(d)(1) of the Water Bank Rules).

The Water Bank may serve as a broker or negotiator between a buyer and **depositor only** if both parties request such service (§359.12 of the Water Bank Rules). **Registration as a seller** does not entitle the seller to protection from cancellation by the TCEQ, since registered sellers are not depositors in the Texas Water Bank. **Depositors are protected** pursuant to §15.704(a) and (b) of the Texas Water Code.

WATER BANK RULES ARE AVAILABLE ON REQUEST