

# CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

5/30/15

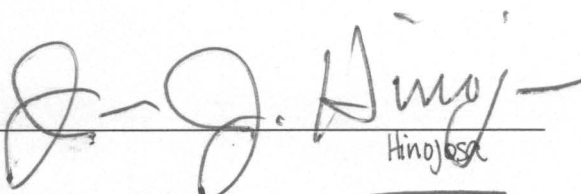
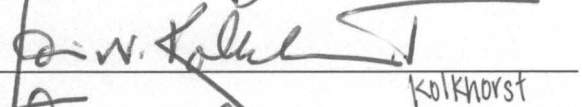
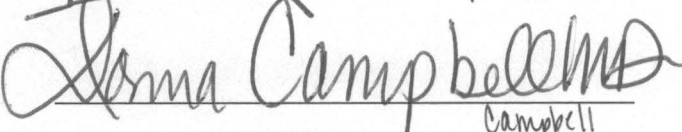
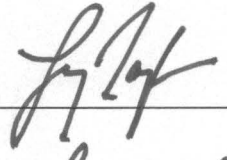
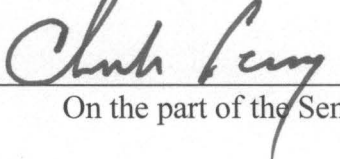
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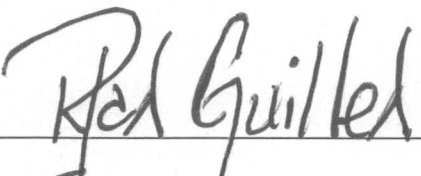
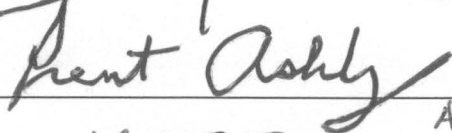


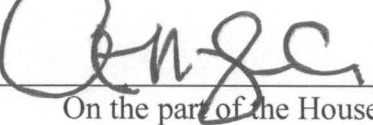
Honorable Dan Patrick  
President of the Senate

Honorable Joe Straus  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on HB 928 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

  
Hinojosa  
  
Kolkhorst  
  
Campbell  
  
Taylor, Larry  
  
On the part of the Senate Perry

  
Guillen  
  
Ashby  
  
Kacal  
  
Lucio  
  
On the part of the House Nevez

## Note to Conference Committee Clerk:

Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.



# CONFERENCE COMMITTEE REPORT

3<sup>rd</sup> Printing

H.B. No. 928

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the management of water, including the authority of  
3 certain entities to issue bonds to finance certain water resource  
4 projects.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 10.003, Water Code, is amended to read as  
7 follows:

8 Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is  
9 composed of 25 [~~23~~] members appointed by the board. The board shall  
10 appoint:

11 (1) one member to represent each of the following  
12 entities or interest groups:

13 (A) [~~(1)~~] Texas Commission on Environmental  
14 Quality;

15 (B) [~~(2)~~] Department of Agriculture;

16 (C) [~~(3)~~] Parks and Wildlife Department;

17 (D) [~~(4)~~] State Soil and Water Conservation  
18 Board;

19 (E) [~~(5)~~] Texas Water Development Board;

20 (F) [~~(6)~~] regional water planning groups;

21 (G) [~~(7)~~] federal agencies;

22 (H) [~~(8)~~] municipalities;

23 (I) [~~(9)~~] groundwater conservation districts;

24 (J) [~~(10)~~] river authorities;



1 years, with [~~seven or~~] eight or nine members' terms, as applicable,  
2 expiring August 31 of each odd-numbered year.

3 SECTION 3. Section 10.010, Water Code, is amended to read as  
4 follows:

5 Sec. 10.010. POWERS AND DUTIES OF COUNCIL. (a) The council  
6 shall:

7 (1) monitor trends in water conservation  
8 implementation;

9 (2) monitor new water conservation technologies for  
10 possible inclusion by the board as best management practices in the  
11 best management practices guide described by Section 16.0552  
12 [~~developed by the water conservation implementation task force~~  
13 ~~under Chapter 109, Acts of the 78th Legislature, Regular Session,~~  
14 ~~2003~~];

15 (3) monitor the effectiveness of the statewide water  
16 conservation public awareness program developed under Section  
17 16.401 and associated local involvement in implementation of the  
18 program;

19 (4) develop and implement a state water management  
20 resource library;

21 (5) develop and implement a public recognition program  
22 for water conservation;

23 (6) monitor the implementation of water conservation  
24 strategies by water users included in regional water plans; and

25 (7) monitor target and goal guidelines for water  
26 conservation to be considered by the board and commission.

27 (b) To assist with drought preparedness and response, the

1 council shall:

2 (1) monitor and recommend strategies for responding to  
3 drought;

4 (2) monitor new drought response technologies for  
5 possible inclusion by the board as best management practices in the  
6 best management practices guide described by Section 16.0552; and

7 (3) recommend methodologies for conducting drought  
8 contingency plan evaluations described by Section 11.1272(g).

9 SECTION 4. Section 11.1272, Water Code, is amended by  
10 adding Subsections (f), (g), (h), and (i) to read as follows:

11 (f) A wholesale or retail public water supplier or  
12 irrigation district may review and update the supplier or  
13 district's drought contingency plan and submit to the commission  
14 the reviewed or updated plan.

15 (g) A wholesale or retail public water supplier or  
16 irrigation district may include in each reviewed or updated drought  
17 contingency plan submitted to the commission an evaluation of the  
18 effectiveness of strategies in the plan that were implemented by  
19 the supplier or district during any previous period of significant  
20 drought. The commission by rule may define "significant drought"  
21 for purposes of this subsection.

22 (h) A wholesale or retail public water supplier shall notify  
23 the commission not later than the fifth business day after the date  
24 the supplier implements, changes the manner of implementing, or  
25 ceases to implement a mandatory provision of the supplier's drought  
26 contingency plan. The commission by rule shall establish criteria  
27 for determining the actions that must be reported under this

1 subsection.

2 (i) The commission shall maintain on its Internet website a  
3 list of wholesale and retail public water suppliers that are  
4 currently implementing a drought contingency plan that displays for  
5 each supplier:

6 (1) the degree of drought severity in the county or  
7 counties in which the service area of the supplier is located;

8 (2) whether the service area of the supplier is in a  
9 county subject to a declaration under Section 418.014 or 418.108,  
10 Government Code, of a state of disaster due to drought conditions;  
11 and

12 (3) the drought response stage the supplier is  
13 implementing.

14 SECTION 5. Section 11.139, Water Code, is amended by  
15 amending Subsection (a) and adding Subsection (a-1) to read as  
16 follows:

17 (a) Except as provided by Section 11.148 [~~of this code~~], the  
18 commission may grant an emergency permit, order, or amendment to an  
19 existing permit, certified filing, or certificate of adjudication  
20 after notice to the governor for an initial period of not more than  
21 270 [~~120~~] days if the commission finds that:

22 (1) emergency conditions exist which present an  
23 imminent threat to the public health and safety and which override  
24 the necessity to comply with established statutory procedures; and

25 (2) there are no feasible practicable alternatives to  
26 the emergency authorization.

27 (a-1) Such emergency action may be renewed once for not

1 longer than 60 days.

2 SECTION 6. Subchapter C, Chapter 16, Water Code, is amended  
3 by adding Section 16.0552 to read as follows:

4 Sec. 16.0552. BEST MANAGEMENT PRACTICES GUIDE. (a) In this  
5 section, "best management practices" has the meaning assigned by  
6 Section 11.002.

7 (b) The board, in coordination with the commission and the  
8 Water Conservation Advisory Council, shall:

9 (1) regularly review and update the water conservation  
10 best management practices guide developed by the water conservation  
11 implementation task force under Chapter 109 (S.B. 1094), Acts of  
12 the 78th Legislature, Regular Session, 2003; and

13 (2) include in the guide best management practices for  
14 drought response.

15 (c) The board shall make the guide available on its Internet  
16 website.

17 SECTION 7. Section 1372.042, Government Code, is amended by  
18 adding Subsection (b-1) and amending Subsection (c) to read as  
19 follows:

20 (b-1) Notwithstanding Subsections (a), (a-1), and (b), an  
21 issuer shall close on bonds issued for a water resource project that  
22 is part of the state water plan or an approved initially prepared  
23 regional water plan for Regional Water Planning Area L, as  
24 designated under Section 16.053, Water Code, submitted to the Texas  
25 Water Development Board and for which a reservation was granted  
26 after August 15 not later than the 220th day after the reservation  
27 date.



1 (c) Notwithstanding Subsections (a), (a-1), [~~and~~] (b), and  
2 (b-1), if the 120-day period, the 150-day period, [~~or~~] the 180-day  
3 period, or the 220-day period, as applicable, expires on or after  
4 December 24 of the year in which the reservation was granted, the  
5 issuer shall close on the bonds before December 24, except that if  
6 the applicable period expires after December 31 of that year, the  
7 issuer may notify the board in writing before December 24 of the  
8 issuer's election to carry forward the reservation and of the  
9 issuer's expected bond closing date. In compliance with the  
10 requirements of Section 146(f), Internal Revenue Code of 1986, the  
11 board shall file in a timely manner a carryforward election with  
12 respect to any bonds expected to close after December 31 to permit  
13 the bonds to close by the expected date, except that the board may  
14 not file the carryforward election after February 15 of the year  
15 following the year in which the reservation was granted. The grant  
16 of the reservation for the balance of the 120-day period, the  
17 150-day period, [~~or~~] the 180-day period, or the 220-day period, as  
18 applicable, is automatically and immediately reinstated on the  
19 board's filing of a carryforward election with respect to the  
20 reservation.

21 SECTION 8. Section 501.159, Local Government Code, is  
22 amended by adding Subsection (c) to read as follows:

23 (c) A corporation described by Section 501.107(a)(1) may  
24 issue bonds to finance a water resource project for Regional Water  
25 Planning Area L, as designated under Section 16.053, Water Code,  
26 that involves a minimum of 30,000 acre-feet, regardless of whether  
27 a request required by Subsection (a) has been made.

1           SECTION 9. As soon as practicable after the effective date  
2 of this Act, the Texas Water Development Board shall appoint two  
3 additional members to the Water Conservation Advisory Council as  
4 required by Section 10.003(a)(2), Water Code, as added by this Act.  
5 The members appointed under this section serve terms expiring  
6 August 31, 2021.

7           SECTION 10. As soon as practicable after the effective date  
8 of this Act, the Texas Commission on Environmental Quality shall  
9 adopt rules as necessary to implement Section 11.1272, Water Code,  
10 as amended by this Act.

11           SECTION 11. The change in law made by Section 5 of this Act  
12 applies only to an application for an emergency authorization or  
13 renewal of an emergency authorization that is submitted to the  
14 Texas Commission on Environmental Quality on or after the effective  
15 date of that section. An application for an emergency  
16 authorization or renewal of an emergency authorization that is  
17 submitted to the commission before the effective date of that  
18 section is governed by the law in effect immediately before the  
19 effective date of that section, and that law is continued in effect  
20 for that purpose.

21           SECTION 12. (a) Except as provided by Subsection (b) of this  
22 section, this Act takes effect September 1, 2015.

23           (b) Sections 5 and 11 of this Act take effect immediately if  
24 this Act receives a vote of two-thirds of all the members elected to  
25 each house, as provided by Section 39, Article III, Texas  
26 Constitution. If this Act does not receive the vote necessary for  
27 those sections to have immediate effect, those sections take effect

H.B. No. 928

1 September 1, 2015.

**House Bill 928**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

*No equivalent provision.*

SENATE VERSION (CS)

SECTION 1. Section 10.003, Water Code, is amended to read as follows:

Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is composed of 25 [~~23~~] members appointed by the board. The board shall appoint:

(1) one member to represent each of the following entities or interest groups:

(A) [~~(1)~~] Texas Commission on Environmental Quality;

(B) [~~(2)~~] Department of Agriculture;

(C) [~~(3)~~] Parks and Wildlife Department;

(D) [~~(4)~~] State Soil and Water Conservation Board;

(E) [~~(5)~~] Texas Water Development Board;

(F) [~~(6)~~] regional water planning groups;

(G) [~~(7)~~] federal agencies;

(H) [~~(8)~~] municipalities;

(I) [~~(9)~~] groundwater conservation districts;

(J) [~~(10)~~] river authorities;

(K) [~~(11)~~] environmental groups;

(L) [~~(12)~~] irrigation districts;

(M) [~~(13)~~] institutional water users;

(N) [~~(14)~~] professional organizations focused on water conservation;

(O) [~~(15)~~] higher education;

(P) [~~(16)~~] agricultural groups;

(Q) [~~(17)~~] refining and chemical manufacturing;

(R) [~~(18)~~] electric generation;

(S) [~~(19)~~] mining and recovery of minerals;

(T) [~~(20)~~] landscape irrigation and horticulture;

(U) [~~(21)~~] water control and improvement districts;

(V) [~~(22)~~] rural water users; and

(W) [~~(23)~~] municipal utility districts; and

(2) two members to represent investor-owned utilities.

CONFERENCE

SECTION 1. Same as Senate version.

**House Bill 928**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

(b) Each entity or interest group described by Subsection (a) may recommend one or more persons to fill a ~~the~~ position on the council held by a ~~the~~ member who represents that entity or interest group. If one or more persons are recommended for a position on the council, the board shall appoint one of the persons recommended to fill the position.

SECTION 2. Section 10.004(a), Water Code, is amended to read as follows:

(a) Members of the council serve staggered terms of six years, with ~~seven or~~ eight or nine members' terms, as applicable, expiring August 31 of each odd-numbered year.

SECTION 3. Same as House version.

SECTION 4. Same as House version.

*No equivalent provision.*

SECTION 2. Same as Senate version.

SECTION 3. Same as House version.

SECTION 4. Same as House version.

SECTION 5. Section 11.139, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Except as provided by Section 11.148 ~~[of this code]~~, the commission may grant an emergency permit, order, or amendment to an existing permit, certified filing, or certificate of adjudication after notice to the governor for an initial period of not more than 270 ~~[+20]~~ days if the commission finds that:

(1) emergency conditions exist which present an imminent threat to the public health and safety and which override the necessity to comply with established statutory procedures; and  
(2) there are no feasible practicable alternatives to the emergency authorization.

(a-1) Such emergency action may be renewed once for not

SECTION 1. Section 10.010, Water Code, is amended.

SECTION 2. Section 11.1272, Water Code, is amended.

*No equivalent provision.*

**House Bill 928**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

SECTION 3. Subchapter C, Chapter 16, Water Code, is amended.

*No equivalent provision.*

SECTION 5. Same as House version.

*No equivalent provision.*

longer than 60 days.

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

SECTION 6. Same as House version.

SECTION 7. Section 1372.042, Government Code, is amended by adding Subsection (b-1) and amending Subsection (c) to read as follows:

(b-1) Notwithstanding Subsections (a), (a-1), and (b), an issuer shall close on bonds issued for a water resources project that is part of the state water plan or an approved initially prepared regional water plan for Regional Water Planning Area L, as designated under Section 16.053, Water Code, submitted to the Texas Water Development Board and for which a reservation was granted after August 15 not later than the 220th day after the reservation date.

(c) Notwithstanding Subsections (a), (a-1), ~~and~~ (b), and (b-1), if the 120-day period, the 150-day period, ~~or~~ the 180-day period, or the 220-day period, as applicable, expires on or after December 24 of the year in which the reservation was granted, the issuer shall close on the bonds before December 24, except that if the applicable period expires after December 31 of that year, the issuer may notify the board in writing before December 24 of the issuer's election to carry forward the reservation and of the issuer's expected bond closing date. In compliance with the requirements of Section 146(f), Internal Revenue Code of 1986, the board shall file in a timely manner a carryforward election with respect to any bonds

**House Bill 928**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

*No equivalent provision.*

*No equivalent provision.*

*No equivalent provision.*

SECTION 6. As soon as practicable after the effective date of this Act, the Texas Water Development Board shall appoint two additional members to the Water Conservation Advisory Council as required by Section 10.003(a)(2), Water Code, as added by this Act. The members appointed under this

expected to close after December 31 to permit the bonds to close by the expected date, except that the board may not file the carryforward election after February 15 of the year following the year in which the reservation was granted. The grant of the reservation for the balance of the 120-day period, the 150-day period, ~~the 180-day period,~~ or the 220-day period, as applicable, is automatically and immediately reinstated on the board's filing of a carryforward election with respect to the reservation.

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

SECTION 8. Section 501.159, Local Government Code, is amended by adding Subsection (c) to read as follows:  
(c) A corporation described by Section 501.107(a)(1) may issue bonds to finance a water resource project for Regional Water Planning Area L, as designated under Section 16.053, Water Code, that involves a minimum of 30,000 acre-feet, regardless of whether a request required by Subsection (a) has been made.

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

SECTION 9. Substantially the same as Senate version.

**House Bill 928**  
Conference Committee Report  
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION (CS)

CONFERENCE

subsection serve terms expiring August 31, 2021.

SECTION 4. Rulemaking provision.

SECTION 7. Same as House version.

SECTION 10. Same as House version.

*No equivalent provision.*

*No equivalent provision.*

SECTION 11. The change in law made by Section 5 of this Act applies only to an application for an emergency authorization or renewal of an emergency authorization that is submitted to the Texas Commission on Environmental Quality on or after the effective date of that section. An application for an emergency authorization or renewal of an emergency authorization that is submitted to the commission before the effective date of that section is governed by the law in effect immediately before the effective date of that section, and that law is continued in effect for that purpose.

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*

SECTION 5. This Act takes effect September 1, 2015.

SECTION 8. Same as House version.

SECTION 12. (a) ***Except as provided by Subsection (b) of this section,*** this Act takes effect September 1, 2015.  
(b) ***Sections 5 and 11 of this Act take effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for those sections to have immediate effect, those sections take effect September 1, 2015.***

*[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]*



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 30, 2015**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB928** by Guillen (Relating to the management of water, including the authority of certain entities to issue bonds to finance certain water resource projects.), **Conference Committee Report**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would, among other provisions, partially implement recommendations in the report "Improve State and Local Drought Planning to More Effectively Manage Water Resources" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-fourth Texas Legislature, 2015.

The bill would increase membership of the Water Conservation Advisory Council (WCAC) from 23 to 25 members and amend provisions related to terms of service. The bill would require WCAC to monitor and recommend strategies to respond to drought and recommend methodologies for conducting drought contingency plan evaluations. The bill amends provisions in the Texas Water Code related to drought contingency plans, providing that entities may review and update their drought contingency plan and submit the plan to the Texas Commission on Environmental Quality (TCEQ), as well as include an evaluation of the effectiveness of previously implemented drought strategies. Wholesale or retail public water suppliers would notify TCEQ not later than 5 business days after the supplier implements changes or ceases to implement mandatory provisions in their plan. Additional drought-related information would be posted on the TCEQ website. The bill would require the Texas Water Development Board (TWDB), TCEQ, and WCAC to review and update the water conservation Best Management Practices Guide and to include best management practices for drought response.

The bill would authorize TCEQ to issue emergency authorizations when there are emergency conditions which present an imminent threat to the public health and safety and which override the necessity to comply with established statutory procedures, and there are no feasible practicable alternatives. Current statute allows the emergency authorization to be issued for 120 days, and to be renewed once for no more than 60 days. The bill would change the maximum term of the initial emergency authorization to 270 days. TCEQ does not expect passage of the bill to result in a significant impact to agency workload.

The bill would take effect September 1, 2015, except provisions related to emergency authorizations issued by TCEQ would take effect immediately upon enactment, should the bill receive a vote of two-thirds of all members elected to each house.

## **Local Government Impact**

The bill could have positive fiscal implications for governmental entities that apply for an emergency authorization. There may be a cost savings for entities not having to file as many applications and pay the related application fees to keep the emergency authorization effective. These savings are not expected to be significant.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** UP, SD, TL, SZ, JJ, PM

**Certification of Compliance with  
Rule 13, Section 6(b), House Rules of Procedure**

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on HB 928 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.

John Guillet  
(name)

05/30/15  
(date)