

## **BILL ANALYSIS**

C.S.H.B. 4477  
By: Springer  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been noted that some owners and operators of small to midsize water and sewer utilities allow their facilities to fall into disrepair, leaving some small rural communities without clean water or sewer services for days or weeks at a time. C.S.H.B. 4477 seeks to protect Texans and ensure the proper provision of basic public services by requiring a Class B or Class C utility to deliver a report to the Public Utility Commission of Texas (PUC) of the utility's financial, managerial, and technical capacity to provide continuous and adequate service to its customers after violating a final PUC order in a certain manner.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4477 amends the Water Code to require a Class B or Class C utility to deliver to the Public Utility Commission of Texas (PUC) a report of the utility's financial, managerial, and technical capacity to provide continuous and adequate service to its customers not later than the third anniversary of the date that the utility violates a final order of the PUC by failing to:

- provide system capacity that is greater than the required raw water or groundwater production rate or the anticipated daily demand of the system;
- provide a minimum pressure of 35 pounds per square inch throughout the distribution system under normal operating conditions; or
- maintain accurate or properly calibrated testing equipment or other means of monitoring the effectiveness of a chemical treatment or pathogen inactivation or removal process.

A utility that has an existing obligation to deliver such a report is not required to deliver another report as a result of the occurrence of an additional violation if the violation occurs before the date that the utility delivers the required report. The bill requires a Class B or Class C utility that committed an applicable violation not more than three years before the bill's effective date to submit the requisite report not later than the fifth anniversary of the violation.

### **EFFECTIVE DATE**

September 1, 2019.

## **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 4477 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions relating to reporting on the provision of water and sewer services by Class B and Class C utilities and does not include any provisions of the original, which requires every water and sewer utility to provide a \$5 million bond to be used by the PUC to make necessary improvements if the utility fails to furnish service, instrumentalities, and facilities that are safe, adequate, efficient, and reasonable.