

SUBJECT: Reducing water rates for certain low-income customers through donations

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 8 ayes — Larson, Metcalf, Farrar, Harris, T. King, Lang, Price, Ramos

0 nays

3 absent — Dominguez, Nevárez, Oliverson

WITNESSES: For — Chuck Profilet, SouthWest Water Company; (*Registered, but did not testify*: Cyrus Reed, Lone Star Chapter Sierra Club; Clay Pope, San Jose Water Group dba Canyon Lake Water Service Company)

Against — None

BACKGROUND: Water Code sec. 13.182(b-1) permits the relevant regulatory authority to authorize a utility to offer reduced rates to customers 65 years old or older. These reduced rates may be funded through donations. The utility may not recover the cost of the reduced rate through charges to other customers.

DIGEST: HB 1506 would expand the list of customers who could receive reduced water and sewage rates to include those receiving Medicaid or benefits through the supplemental nutrition assistance program. The relevant regulatory authority could establish requirements for customers to be eligible for the reduced water and sewage rates.

The bill would apply to applications for rates filed on or after January 1, 2020. The Public Utility Commission and other regulatory authorities would be required to adopt rules to implement the bill's provisions by December 31, 2019.

The bill would take effect September 1, 2019

SUPPORTERS HB 1506 would protect vital access to necessary utilities for low-income

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SAY: Texans on Medicaid or the supplemental nutrition assistance program.
Allowing voluntary donations is a clear way to help Texans who struggle to pay their water and sewage bills without imposing an unfair burden on other rate payers.

OPPONENTS SAY: No concerns identified.