

- SUBJECT:** Transferring ownership of the Allens Creek Reservoir project
- COMMITTEE:** Natural Resources — favorable, without amendment
- VOTE:** 7 ayes — Larson, Metcalf, Farrar, Harris, T. King, Lang, Price
- 1 nay — Ramos
- 3 absent — Dominguez, Nevárez, Oliverson
- WITNESSES:** For — Joe Arnold, BASF Corporation; Matt Sebesta, Brazoria County, Lower Brazos River Coalition; David Collinsworth, Brazos River Authority; Rich Wells, Dow Chemical; Ivan Langford, Gulf Coast Water Authority; Richard A. (Tony) Bennett, Texas Association of Manufacturers; Sergio Matute, Texas City - La Marque Chamber of Commerce, Eastman Chemical Texas City; (*Registered, but did not testify*: Mike Meroney, BASF Corporation; Paula Bulcao, BP America; Matt Phillips, Brazos River Authority; Daniel Womack, Dow Chemical; Jeffrey Buchik, Marathon Petroleum; Sam Gammage, Texas Chemical Council)
- Against — James Lee Murphy, America First Committee; Drew Molly, City of Houston; Carol Haddock, City of Houston Public Works; (*Registered, but did not testify*: Bill Kelly, City of Houston Mayor’s Office)
- On — Jeff Walker, Texas Water Development Board
- BACKGROUND:** The 76th Legislature in 1999 enacted SB 1593, which authorized a water supply reservoir project at the Allens Creek Reservoir site. The date to begin construction on the reservoir was to be no later than September 1, 2018. SB 1132 by Hegar, enacted by the 82nd Legislature in 2011, amended this deadline to no later than September 1, 2025.
- DIGEST:** HB 2846 would require the City of Houston to enter a contract to transfer ownership interests in the Allens Creek Reservoir project to the Brazos

River Authority by January 1, 2020. The Brazos River Authority would assume all required water right permits as well as the responsibility to construct the project in accordance with all statutory requirements and deadlines.

Construction of the reservoir would be subject to the Brazos River Authority obtaining all necessary federal permits.

The contractual agreement would have to include provisions for the Brazos River Authority to transfer no more than \$5 million to the city of Houston. For one year after the completion of the reservoir, the city of Houston would have the option to purchase up to 20,000 acre-feet of water from the Brazos River Authority at the authority's wholesale rate.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

**SUPPORTERS
SAY:**

HB 2846 would protect the Brazos River basin's future economic stability and growth through securing development of needed water resources. Industry is leaving the lower Brazos due to lack of access to water. The bill would secure critical resources for the region's continued growth.

The bill would diversify the region's water supply, reducing groundwater pumping in the area, which has led to increasing land subsidence problems downstream.

There is a precedent for legislative involvement in the reservoir to develop it as a resource. The Brazos River Authority has sought to actively develop this critical resource for at least a decade. This bill would affirm the intent and precedent of the Legislature to actively develop the reservoir for the benefit of Texans.

Houston has no demonstrated need for the water from the aquifer, having already spent billions of dollars to develop the Trinity basin to meet water resource needs significantly into the future. The bill would still afford the

city the option to purchase 20,000 acre-feet of water from the river authority at a wholesale rate. Developing the reservoir is expected to cost \$350 million to \$500 million, and this bill would grant the city the option to diversify its water resources without significant new investment in supplies they do not require.

OPPONENTS
SAY:

HB 2846 would not recognize the intent and investments of the city of Houston to develop the reservoir.

The city already has money available for future development of Allens Creek. The lack of current development of the reservoir is due to several factors. In a water rights settlement, Houston and the Brazos River Authority agreed that no development on the reservoir was required before the authority obtained a final and non-appealable permit. Hurricane Harvey also interrupted the city's efforts to advance its water infrastructure.

The bill would impede the city's efforts to diversify its water supplies and increase water resiliency in the face of extreme weather events. Recovery efforts from Hurricane Harvey have negatively impacted the city's water supplies, making the development of water resiliency vital.

HB 2846 would infringe on local control by mandating that Houston transfer its rights, rather than allow for a mediation process between the city and the river authority. The bill could also create a destabilizing precedent that long-term water rights could be unexpectedly revoked by the Legislature. The assurance of long-term rights are necessary for effective planning and resource management.