

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 3605  
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Natural Resources  
5/14/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Certain retail public utilities that provide potable water and receive financial assistance from the Texas Water Development Board (TWDB) are required to complete an annual water loss audit. Interested parties note that the Legislative Budget Board (LBB) recently reported that TWDB collected water loss audits in fiscal years 2006 and 2011, and the response rate each time was slightly above 50 percent. LBB also reports that water conservation is the most cost-efficient method to enhance current water supplies compared to other water management strategies. Current law requires medium-sized and large-sized water utilities to submit water conservation plans using the best management practices established by TWDB, but these plans are not required to include specific management practices nor are they evaluated by TWDB.

C.S.H.B. 3605 amends current law relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Water Development Board in SECTION 1 (Section 16.0121, Water Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 16.0121, Water Code, by adding Subsections (g) and (h), as follows:

(g) Requires a retail public utility providing potable water that receives from the Texas Water Development Board (TWDB) financial assistance to use a portion of that financial assistance, or any additional financial assistance provided by TWDB for the purpose described by this subsection, to mitigate the utility's system water loss if, based on a water audit filed by the utility under this subsection, the water loss meets or exceeds the threshold established by TWDB rule.

(h) Requires TWDB, for each category of retail public utility located in Subsection (c) (relating to requiring TWDB to develop appropriate methodologies and submission dates for certain categories of retail public utilities), to adopt rules regarding the of system water loss that requires a utility to take action under Subsection (g), and the use of financial assistance from TWDB as required by Subsection (g) to mitigate system water loss.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.