

## **BILL ANALYSIS**

Senate Research Center  
83R10485 JAM-D

S.B. 1169  
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Natural Resources  
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As Filed

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

The Texas Water Development Board (TWDB) projects statewide water demand to increase by 22 percent between 2010 and 2060, while supplies are projected to decrease by 10 percent. This leaves an estimated need of 8.3 million acre-feet of water to meet future demands. Municipal water systems are projected to account for one of the greatest percentage increases in demand during this time. Water conservation is the most cost-efficient method to enhance water supplies. Increasing the level of water conservation achieved would reduce the cost of meeting State Water Plan goals.

The state's involvement with the regulation and funding of water conservation initiatives varies; most of the responsibility resides with local governments. Local governments have significant latitude in their waste management decision-making, which gives them flexibility in how they manage this resource. This flexibility can, however, lead to regional disparities in the use and value of water. The state can have greater influence than it currently does in encouraging more effective water conservation and management policy.

S.B. 1169 amends the statute to require the Texas Water Conservation Advisory Council (TWCAC) to include recommendations for the improvement of water conservation in the state in its biennial report to the legislature and provides for the Sunset review of TWCAC in 2023 when the TWDB undergoes Sunset review.

S.B. 1169 also amends the statute to authorize TWDB to require state financing recipients to address their system water loss and consider the timely implementation of drought contingency plans. TWDB may, by rule, establish appropriate thresholds and processes for determining application of the requirements. Finally, S.B. 1169 amends the statute to require local entities to implement their drought contingency plan upon the issuance of an emergency disaster proclamation by the governor for exceptional drought conditions.

As proposed, S.B. 1169 amends current law relating to water conservation.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Water Development Board in SECTION 3 (Section 16.0121, Water Code) and SECTION 7 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 10, Water Code, by adding Section 10.0021, as follows:

Sec. 10.0021. SUNSET PROVISION. Provides that the Water Conservation Advisory Council is subject to Chapter 325, Government Code (Texas Sunset Act). Provides that, unless continued in existence as provided by that chapter, the council is abolished and this chapter expires September 1, 2023.

SECTION 2. Amends Section 10.011, Water Code, as follows:

Sec. 10.011. REPORT. Requires the council, not later than December 1 of each even-numbered year, to submit to the governor, lieutenant governor, and speaker of the house

of representatives a report on progress made in water conservation in this state. Requires that the report include specific statutory, budgetary, and policy recommendations to improve water conservation and management.

SECTION 3. 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 section, the water loss meets or exceeds the threshold established by TWDB rule.

(h) Requires TWDB, for each category of retail public utility listed in Subsection (c) (relating to requiring TWDB to develop appropriate methodologies and submission dates for a water audit), to adopt rules regarding the amount 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 4. Amends Section 16.055(h), Water Code, to require a person or entity required to develop a drought contingency plan, on receipt of the notice under Subsection (g)(2)(B) (relating to requiring the county to give notice of the declaration of the state of disaster to each person or entity located in certain counties), to immediately implement the person's or entity's plan, rather than water conservation plan or drought contingency plan.

SECTION 5. Amends Section 17.124, Water Code, as follows:

Sec. 17.124. CONSIDERATIONS IN PASSING ON APPLICATIONS. Requires TWDB, in passing on an application from a political subdivision for financial assistance for a water supply project, to consider:

- (1) the needs of the area to be served by the water supply project, the benefit of the water supply project to the area, the relationship of the water supply project to the overall, statewide water needs, and the relationship of the water supply project to the state water plan;
- (2) the availability of revenue to the political subdivision, from all sources, for the ultimate repayment of the cost of the water supply project, including interest; and
- (3) whether the political subdivision has implemented its drought contingency plan when required.

SECTION 6. Provides that Section 16.0121(g), Water Code, as added by this Act, applies only to system water loss based on a water audit filed with TWDB under Section 16.0121, Water Code, on or after January 1, 2014.

SECTION 7. Requires TWDB, not later than January 1, 2014, to adopt rules to implement Section 16.0121(h), Water Code, as added by this Act.

SECTION 8. Provides that Section 17.124, Water Code, as amended by this Act, applies only to the consideration of whether a political subdivision has implemented its drought contingency plan on or after the effective date of this Act.

SECTION 9. Effective date: September 1, 2013.