

A Water Session:

Highlights from the 83rd Texas Legislature

North Central Texas AWWA Drinking Water Seminar Presented by:

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Overview:

- Setting the Stage
- Session Overview
- Water-Related Measures
- Post-Session Impacts / Interim Activities
- Planning Ahead





Setting the Stage for a Water Session...



Historical Perspective – Water Funding

- 2012 State Water Plan projects that Texas needs to generate additional 9 million acft of additional water supplies by 2060.
- Cost to fund water management strategies identified in the State Water Plan: \$53 billion.
- SWP estimates that municipal water providers will need <u>\$27 billion</u> in state financial assistance to implement their water management strategies.



Historical Perspective – Water Funding

- Historically, political support for water funding initiatives has been a challenge.
- Reasons:
 - Budget shortfalls
 - Political climate
 - No one paying attention





2013 – The Perfect (Dust) Storm

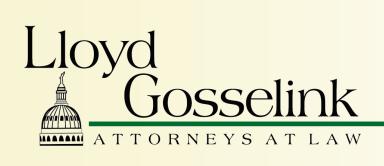
- Texas in the midst of a long-running, historic drought
- Budget surplus announced
- Key leadership at the Capitol committed to water-related initiatives







Session Overview



Number of Bills Filed

	83 rd Session	82 nd Session
House Bills Filed	3949	3865
Senate Bills Filed	1918	1931
Total	5867	5796



83rd Regular Session Calendar

- January 8, 2013: 1st day of Regular Session
- March 8, 2013: Bill filing deadline
- May 27, 2013: Last day of Regular Session
- June 16, 2013: Last day Governor can sign or veto bills
- August 26, 2013: Bills without specific effective dates become law





Water-Related Measures



HB 4 (Ritter) – State Water Implementation Fund

- Bill establishes the State Water Implementation Fund for Texas (SWIFT)
- Also establishes a SWIFT Advisory Committee comprised of appointees by the Governor, Lt. Governor, and Speaker of the House to submit recommendations regarding distributions of the SWIFT
- Contains special provisions relating to administration and distribution of the fund



HB 4 - Administration of Fund

- Of money disbursed from SWIFT for each 5-year planning cycle:
 - 10% must be used to support rural political subdivisions or agricultural water conservation
 - 20% must be used to support projects designed for water conservation or reuse



HB 4 – Prioritization of Projects

- Requires each Regional Water Planning Group to prioritize projects in RWPs using the following criteria:
 - Decade of project need
 - Feasibility of project, including water availability
 - Viability of project
 - Sustainability, considering life of the project
 - Cost-effectiveness; unit cost of water
- Requires RWPGs to consider both short-term and long-term needs



HB 4 – Prioritization of Projects, cont'd

- TWDB to establish point system for prioritizing projects that:
 - Serve large population
 - Provide assistance to diverse urban and rural populations
 - Provide regionalized supplies; or
 - Meet a high percentage of water supply; also consider
 - Impact water conservation and water loss; and
 - The priority given to the project by regional water planning group
- TWDB to adopt rules regarding use of fund and criteria.



HB 4 – Texas Water Development Board Composition

- Completely overhauls composition of TWDB going from 6 part-time to 3 full-time board members.
- Prohibits current board members from serving in the future.
- Removes current Executive Administrator and provides for appointment of new EA.

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WHERE DOES THE MONEY COME FROM?

- HB 11 (Ritter) Appropriated \$2 billion from Economic Stabilization Fund for deposit into SWIFT (Killed in House on point of order).
- HB 1025/ SJR 1 (Williams) Proposed a constitutional amendment to create the SWIFT.
- Proposition 6: Proposal to be presented to voters for approval on Nov. 5, 2013 -- to appropriate \$2 billion from the Rainy Day Fund to infuse the SWIFT.



Bills Relating to Water Loss

- HB 857 (Lucio III)
 - Requires <u>all</u> retail public utilities to perform annual water loss audit (except those providing service to 3,300 or fewer connections and who do not receive financial assistance from TWDB).
- HB 1461 (Aycock)
 - Utility filing water loss audit must notify customers of water loss reported in the audit on next annual consumer confidence report or next bill mailed to customer.



Conservation-Related Bills

- HB 3605 (Burnam)
 - Requires TWDB, when considering application for financial assistance from retail public utility, to evaluate applicant's water conservation plan for compliance with Board's Best Management Practices and issue report to utility.
 - Requires TWDB to approve plans and specs for projects receiving financial assistance under Chapter 17.



Conservation-Related Bills, Cont'd

- SB 198 (Watson)
 - Prohibits property owners' associations from restricting property owners from using droughtresistant landscaping or water-conserving turf.
 - Allows property owners' association to require submission of detailed plan for landscaping to be approved by association.



Conservation-Related Bills, Cont'd

- SB 1169 (Hegar)
 - Subjects the Water Conservation Advisory Council to periodic review by the Sunset Advisory Commission.
 - Requires WCAC report to Legislature to include specific statutory, budgetary, and policy recommendations to improve water conservation and management.
 - Requires that utilities receiving financial assistance from TWDB use a portion of financial assistance to mitigate water loss if meet or exceed threshold established by TWDB.



Bills Relating to Drought

- HB 252 (Larson)
 - Requires retail public utilities to notify TCEQ when the utility is reasonably certain that they have <180 days of water supply.



Water Rights/Supply Bills

- HB 3233 (Ritter)
 - Amends several provisions within the Interbasin Transfer Statute (Tex. Water Code 11.085).
 - Removes requirement that application must include proposed effect on user rates for each class.
 - Limits issues to be referred for IBT of an existing water right.
 - Amends notice provision.
 - Provides that contractual IBT is valid for term of contract plus extensions.



Water Rights/Supply Bills, Cont'd

- SB 958 (Fraser)
 - Waives sovereign immunity for any water district providing water for electric power generation that is sued for breach of contract.
 - Stipulates that compliance with TCEQ order restricting delivery of water for electric power generation purposes does not constitute breach of contract.



TCEQ Penalties/Water Use

- HB 2615 (Johnson)
 - Creates new penalty rate for failure to timely file annual water use reports with TCEQ:
 - \$100 per day for water right holders of 5,000 acft or less.
 - \$500 per day for water right holders of 5,000 acft or more.
 - Adds language prohibiting TCEQ from cancelling water rights that have not been used due to TCEQ order/drought conditions.



Transfer of Jurisdiction from PUC to TCEQ

- HB 1600 (Cook)
 - PUC Sunset Bill.
 - Transfers water rate jurisdiction from TCEQ to Public Utility Commission.
- SB 567 (Watson)
 - Also transfers administration of the state's water rate program from TCEQ to the PUC.
 - Allows Office of Public Utility Counsel (OPUC) to intervene on behalf of residential and small commercial customers.



Invasive Species

- HB 597 (Guillen)
 - Requires boater education courses to include information on how to prevent the spread of invasive species.
- HB 1241 (Guillen)
 - Allows TCEQ to adopt rules requiring draining of boats leaving public water.



Water District Service Areas

- HB 1324 (Davis, John)
 - Amends Tex. Water Code Chapter 49 to provide for exclusions of land located within the boundaries of a water district where the district fails to provide service to the land.
 - Provides for an exclusion hearing, before which time landowners and the district may reach an agreement for provision of service, which would cancel the hearing.



Saltwater Pipelines

- SB 514 (Davis, Wendy)
 - Provides that saltwater pipelines crossing a public right of way must be compliant with safety and other regulations of state agencies and local political subdivisions.
 - Allows for the lease of a right-of-way by a saltwater pipeline operator from a governmental entity with payment of fair market value.
 - Clarifies that counties and municipalities are not required to grant interest in public right-of-way broader than their own interest therein.



Government Accountability

- HB 2362 (Keffer)
 - Establishes authority for Legislative Budget Board to periodically review the effectiveness and efficiency of a river authority.
 - Prescribes that the LBB shall conduct a review of both the Lower Colorado River Authority and the Brazos River Authority not later than December 31, 2015.



The Graveyard – Notable Bills that Died

- SB 14 (Williams)
 - Provided for a series of government accountability and transparency requirements for entities responsible for public money, including publication of debt amounts; self-evaluation reports.
- HB 824 (Callegari)
 - Provided for a 1,000 gallon threshold for reporting of SSO incidents to TCEQ

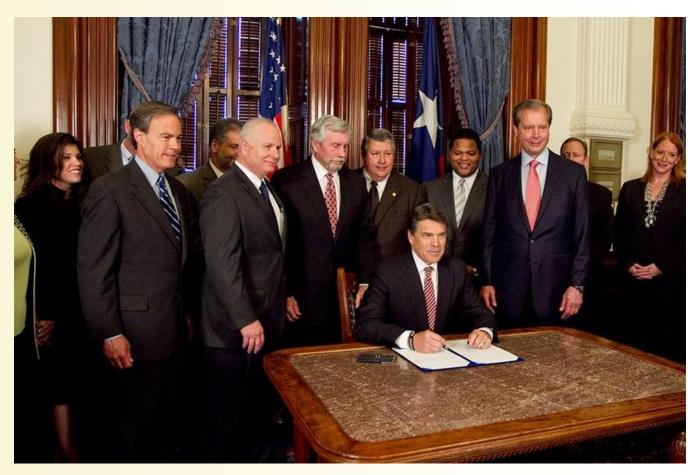




The Graveyard, Cont'd

- HB 3234 (Ritter)
 - Provided for "streamlining" of TCEQ's issuance of water rights, establishing mandated timelines under which TCEQ was required to process water right permit applications.
- SB 957 (Fraser)
 - Eliminated contested case hearing process for certain permits, including TPDES permits and Class I injection well permits.

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Post-Session Impacts / Interim Activities



Special Sessions

- First Special Session called May 28 by Gov. Perry.
 - Originally Redistricting only, but later amended to include transportation funding, juvenile justice, and abortion measure.
 - Filibuster on SB 5 ultimately sealed fate of SJR 2 (transportation funding measure)
- Second Special Session began July 1st





Special Sessions, Cont'd.

- Second Special Session began July 1st.
 - Included unfinished business: abortion, juvenile criminal justice, and transportation funding.
 - Transportation funding fails again.
- Third Special Session began on July 30, 2013.
 - Sole purpose: to address transportation funding.
 - Duration of less than one week.
 - Passed transportation funding measure, to be sent to voters in November 2014.



Changes at the Texas Water Development Board

- Three New Board Members:
 - Carlos Rubenstein, former TCEQ Commissioner
 - Bech Bruun, former government relations manager for the Brazos River Authority
 - Mary Ann Williamson, owner of MKS Natural Gas Company
- New Executive Administrator: Kevin Patteson





Planning Ahead



Planning Ahead for Impacts from 83rd Session

- Funding
 - Identifying projects for possible financial assistance.
 - Be mindful of prioritization criteria.
 - Make sure your projects are in the appropriate Regional Water Plan.
 - Consider future conservation and reuse projects; possible identification as itemized projects in the Regional Water Plan.



Planning Ahead for Impacts from 83rd Session

- Water Loss
 - Take a close look at water loss within your system and evaluate.
- Conservation
 - Evaluate water conservation plan in light of TWDB's Best Management Practices Guide.
- Water Use Reporting
 - Plan ahead for submission of next annual water use report; keep data available.



QUESTIONS????





Thank you for coming.

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