



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 **\$27 billion** 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

	83rd Session	82nd 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.

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 **all** 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 (Aycocock)
 - 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 drought-resistant 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.



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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