



Brackish Groundwater

Texas Groundwater Summit
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Presented by:

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Legislative Statistics

- 5868 House Bills and Senate Bills filed during Regular Session of 83rd Texas Legislature.
- 1437 bills passed / 26 vetoed.
- 2011 - 5796 House and Senate Bills filed and 1379 bills passed with 24 vetoed.
- 2009 - 7419 HBs and SBs filed in 2009 and 1459 passed with 35 vetoed.

Recent Texas Water Legislation

- Senate Bill 1 – 1997
- Senate Bill 2 – 2001
- Senate Bill 3 – 2007
- House Bill 4, HB 1025, and SJR 1 – 2013

State Water Implementation Fund for Texas (SWIFT) Legislative Package

- HB 4 - provides the framework and administration of the SWIFT and State Water Implementation Revenue Fund (SWIRFT) and the re-organization of the Texas Water Development Board (TWDB).
- Senate Joint Resolution (SJR)1 – proposes an amendment to Texas Constitution to create the SWIFT and SWIRFT to assist in the financing of water projects.
- HB 1025 - authorizes a one-time \$2 billion placement of funds from the Economic Stabilization Fund (Rainy Day Fund) into the SWIFT if the voters

HB 4 (Ritter/Fraser) – SWIFT, SWIRFT, and TWDB Re-Organization

- Provides for framework and administration of SWIFT and SWIRFT.
- Re-organized several aspects of TWDB, including the leadership structure.
- TWDB will now have 3 full-time board members instead of 6 part-time board members.
- An advisory committee for the SWIFT is established which is comprised of the Comptroller and members appointed by Speaker and Lt. Governor. The advisory committee must make recommendations to the TWDB regarding the use of money in the SWIFT.
- Requires prioritization of projects by RWPGs and TWDB.
- TWDB must create a point system for prioritization of projects.

HB 4 (Ritter/Fraser) – SWIFT, SWIRFT, and TWDB Re-Organization

- SWIFT and SWIRFT were created to leverage \$2 billion to finance the nearly \$30 billion worth of water supply projects identified in the State Water Plan.
- The funds are revolving and self-supporting in nature.
- The funds are to be used to subsidize interest rates, to allow for longer and incremental repayment terms, and to enable entities to have deferral periods on the repayment of funds needed for water projects.

HB 4 (Ritter/Fraser) – Timelines for Action

- Sept. 1 = Board members appointed by Governor Perry begin terms.
- Nov. 5 = Voters decide on Proposition 6
- ASAP after Nov. 5 = Advisory Committee members appt.
- Dec. 1 = RWPG stakeholder committee submits project prioritization standards to TWDB and TWDB must approve.
- Sept. 1, 2014 = RWPGs submit final prioritization of projects from 2011 RWPGs.
- March 1, 2015 = Deadline for TWDB adoption of rules.

TWDB Board Members Appointed by Governor Perry

- On August 16, 2013, Governor Perry appointed 3 board members to the TWDB pursuant to HB 4.
- Carlos Rubinstein, Bech Brunn, and Mary Ann Williamson will serve full-time effective September 1, 2013.
- Rubinstein will serve as chair of the board for a term to expire at the pleasure of the governor.

New TWDB Board Member - Carlos Rubinstein

- Commissioner at TCEQ which he has held since August 2009
- Member of numerous water-oriented committees and councils
- Former Rio Grande Watermaster
- Former City Manager for the City of Brownsville
- Term as board member to expire February 1, 2017

New TWDB Board Member – Bech Bruun

- Currently serving as Director of Governmental Appointments for the Office of Governor
- Former Government and Customer Relations Manager for Brazos River Authority
- Former Chief of Staff for State Rep. Todd Hunter
- Term as board member to expire February 1, 2015

New TWDB Board Member – Mary Ann Williamson

- Owner of MKS Natural Gas Company
- Board Member and Current Chair of Texas Lottery Commission
- Member of Texas Society of Certified Public Accountants
- Term as board member to expire February 1, 2019

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ATTORNEYS AT LAW

HB 2578 (Larson) / 2334 (Callegari) – Desalination / Brackish Groundwater

- Amended Chapters 11 and 36 of the Water Code.
- Defined “brackish water” and “marine water”
- “Brackish water” means water that contains a total dissolved solids concentration of more than 1,000 milligrams per liter.
- “Marine water” means water that contains TDS concentration of more than 10,000 milligrams per liter and is derived from Gulf of Mexico or adjacent bay, estuary, or arm of Gulf.

HB 2578 (Larson) / 2334 (Callegari) – Desalination / Brackish Groundwater

- Attempted to streamline regulatory process for desalination projects.
- Desalination of marine seawater projects would have been exempt from TCEQ permitting regulations.
- Desalination of brackish groundwater projects would need to be located in production zones designated by the TWDB.

HB 1600 (Cook / Nichols) – PUC Sunset **SB 567 (Watson / Geren) – Utility Ratemaking**

- Second round for PUC Sunset legislation.
- Continues the PUC until 2023.
- Both bills transfer the water and wastewater utility certificate of convenience and necessity (CCN) and ratemaking functions from the TCEQ to the PUC.
- Gives Office of Public Utility Counsel authority to intervene in water rate cases on behalf of residential and small commercial customers.
- Establishes classifications for Investor Owned Utilities based on number of connections.

HB 1600 (Cook / Nichols) – PUC Sunset
SB 567 (Watson / Geren) – Utility Ratemaking

- Sept. 1, 2013 = Effective date of both bills.
- On or after Sept. 1 = OPUC may initiate or intervene in a contested case before the TCEQ.
- On or after Sept. 1 = TCEQ and PUC are required to appoint a transition team to establish guidelines on multiple topics that will expedite and streamline the transition of personnel from TCEQ to PUC.

HB 1600 (Cook / Nichols) – PUC Sunset

SB 567 (Watson / Geren) – Utility Ratemaking

- Nov. 1, 2013 = PUC is expected to adopt TCEQ's rules as its own rules with the expectation that additional rulemakings will occur at the PUC to implement the transfer and new responsibilities.
- August 1, 2014 = Deadline for TCEQ and PUC to enter into an MOU to provides the transition plan.
- Sept. 1, 2014 = Transfer date from TCEQ to PUC.
- For 84th Texas Legislature in 2015, PUC is required to conduct an analysis to determine any legislative revisions that are needed.

HB 1600 (Cook / Nichols) – PUC Sunset **SB 567 (Watson / Geren) – Utility Ratemaking**

- Defines different classes of utility that determine the level of regulatory review and type of hearing that is required as part of the rate-making process.
- Class A utility = 10,000 or more taps or connections
- Class B utility = 500 to fewer than 10,000 taps or connections
- Class C utility = Fewer than 500 taps or connections.

HB 1973 (Lucio III / Hegar) – Fire Flow Standards

- Provides a process in Chapter 341 of the Texas Health and Safety Code for municipalities to establish standards consistent with the TCEQ Rules that require a utility to maintain a minimum sufficient water flow and pressure to fire hydrants in a residential area located in the municipality or the municipality's extraterritorial jurisdiction.
- TCEQ is planning to propose rules that will include guidelines for fire flow standards in February 2014 and is scheduled to complete the rulemaking process by July 2014.

HB 252 (Larson / Hegar) – Utility Water Supply Report to TCEQ

- Retail public utilities and any entity from which the utility is receiving wholesale water service for the utility's system are required to notify the TCEQ when the utility or entity is reasonably certain that the water supply for the utility or entity will be available for less than 180 days.
- <http://www.texastribune.org/library/data/public-water-system-shortages/>

HB 252 (Larson / Hegar) – Utility Water Supply Report to TCEQ

- TCEQ rulemaking to implement HB 252 is targeted for completion by July 2014.
- The form / notice to be used by utilities to report to the TCEQ is targeted for a December 2013 completion date.

HB 857 (Lucio III / Ellis) – Frequency of Water Audits by Certain Retail Utilities

- Requires all retail public utilities who provide potable water to file an annual water audit with the TWDB unless:
 - the utility does not receive funding from the TWDB; and
 - is providing water service to 3,300 or fewer connections
- Those utilities shall perform and file with the TWDB a water audit every 5 years.

HB 1461 (Aycocock / Fraser) – Notification of Customers of Water Loss

- Establishes that each retail public utility that is required to file a water audit with the TWDB to notify each of the customers of the utility of the water loss reported in the water audit.
- The intent of HB 1461 is to incentivize the reduction of water losses by utilities and to increase awareness among customers of water conservation and water loss prevention.
- TCEQ is scheduled to complete the rulemaking to implement HB 1461 by August 2014.

SB 902 (Fraser / Callegari) – Omnibus Water District Legislation

- Makes numerous revisions to Texas statutes, including Chapter 49 of the Texas Water Code to address water district-related issues.
- Reflects multi-year effort to update Texas law to reflect current practices within the water district practice area.

HB 2362 (Keffer/Birdwell) – Efficiency Review of River Authorities

- Legislative Budget Board (LBB) tasked with conducting efficiency reviews of river authorities.
- LBB must conduct efficiency reviews of LCRA and BRA before any other river authorities.

SB 385 (Carona / Keffer) – Property Assessed Clean Energy Act

- Authorizes municipalities and counties in Texas to work with property owners and private sector lenders to finance certain improvements by using contractual assessments that are voluntarily imposed on the property by the property owner.

SB 385 (Carona / Keffer) – Property Assessed Clean Energy Act (con't.)

- The goal of the PACE legislation is to enable owners of commercial and industrial properties to access low-cost, long-term loans for water conservation, energy-efficiency improvements and other qualified projects.

SB 385 (Carona / Keffer) – Property Assessed Clean Energy Act (con't.)

- Non-profit association, Keeping PACE in Texas, has been formed to promote PACE financing programs in Texas.
- Website: www.keepingpaceintexas.org

Questions?

- Any questions?
- Thank you.