

By: Zaffirini, Blanco

S.B. No. 2202

A BILL TO BE ENTITLED

AN ACT

relating to an assessment of the condition of certain water utilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 6, Water Code, is amended by adding Section 6.116 to read as follows:

Sec. 6.116. WATER ACCESS ASSESSMENT. (a) In this section:

(1) "Access assessment" means the water access assessment established under this section.

(2) "Utility" means a retail public utility, as defined by Section 13.002.

(b) The board by rule and in consultation with the commission, the Public Utilities Commission of Texas, and institutions of higher education, as defined by Section 61.003, Education Code, shall establish:

(1) a water access assessment to determine the extent of water access needs among utilities in this state; and

(2) a schedule that ensures that an access assessment is conducted not less than once every 10 years for each utility.

(c) The access assessment must identify utilities that are failing or at risk of failing through a ranking system that evaluates and assigns numerical values to factors including:

(1) the overall condition of the utility's infrastructure, including:

- 1                   (A) the utility system's age;  
2                   (B) the presence of lead service lines;  
3                   (C) the presence of cast-iron pipes more than 30  
4 years old;  
5                   (D) the utility's rates of water loss;  
6                   (E) the number of interconnections to other  
7 systems; and  
8                   (F) susceptibility to extreme weather;  
9                   (2) availability of water to the utility, including  
10 the utility's:  
11                   (A) number of water sources;  
12                   (B) drought and water shortage risk;  
13                   (C) groundwater production sustainability; and  
14                   (D) reliance on bottled or hauled water;  
15                   (3) the quality of the utility's water, including  
16 whether the utility has any drinking water quality standard  
17 violations;  
18                   (4) affordability of services the utility provides, as  
19 determined by:  
20                   (A) median income of households the utility  
21 serves;  
22                   (B) the average monthly amount the utility bills  
23 to its customers relative to the average monthly billing amounts  
24 among similarly sized utilities;  
25                   (C) rural areas the utility serves; and  
26                   (D) disadvantaged areas the utility serves; and  
27                   (5) the financial, managerial, and technical capacity

1 of the utility as indicated by factors including:

2 (A) certification violations of the utility's  
3 operators;

4 (B) the utility's monitoring and reporting  
5 violations;

6 (C) the utility's absence of a qualified  
7 workforce; and

8 (D) the ratio of the utility's revenues to its  
9 operating expenses.

10 (d) For each utility that an access assessment identifies as  
11 failing or at risk of failing, the board shall send notice of the  
12 identification to:

13 (1) the utility;

14 (2) the commission;

15 (3) the Public Utility Commission of Texas; and

16 (4) each standing committee of the legislature with  
17 primary jurisdiction over the board.

18 (e) The board shall make available on its Internet website  
19 the result of an access assessment performed under this section.

20 (f) In implementing this section, the board may:

21 (1) consult with the commission and the Public Utility  
22 Commission of Texas in the development of category risk factors,  
23 associated rankings of factors, and the development of scoring  
24 thresholds for identifying utilities that are failing or at risk of  
25 failing;

26 (2) reevaluate the risk factors and the factors'  
27 associated numerical values every two years;

1           (3) enter into a memorandum of understanding with the  
2 commission, the Public Utility Commission of Texas, and the  
3 Department of State Health Services for the open transfer and  
4 sharing of utilities' data, including critical infrastructure  
5 data; and

6           (4) contract or otherwise partner with an institution  
7 of higher education for the purposes of conducting a water access  
8 assessment.

9           SECTION 2. This Act takes effect September 1, 2023.