

BILL ANALYSIS

C.S.H.B. 3338
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are large water conservation benefits that could be realized if water utilities perform an annual audit on their water system and this information is compiled for use by regional water planning groups.

C.S.H.B. 3338 would require water utilities to perform water audits in order to greatly increase water conservation in Texas. Water conservation results in reduced energy use that contributes to improving Texas' air quality as well as preserving the State's limited water resources.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3338 requires a retail public utility providing potable water to perform and file water audits computing the utility's most recent annual system water loss with the Texas Water Development Board (TWDB). The TWDB is required to develop methodologies and dates for submission of the audits for certain categories of retail public utilities. The TWDB is also required to ensure that each methodology is financially feasible for the category of retail public utility and considers the difference in population density, water source, the mean income of the service population, and other factors determined by the TWDB. The methodologies are also required to account for water system losses, inaccuracies in meters or accounting practices, and theft.

The TWDB is required to compile the information from the water audits by retail public utility categories and regional water planning areas. The regional water planning group for the area is also required to use the information to identify water management strategies in the development of the regional water plan.

C.S.H.B. 3338 also requires the TWDB to find that a water audit required by the Act has been completed and filed before financial assistance under Section 16.053 (j), Water Code can be provided.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3338 makes several substantive changes to the original including changing the caption and amending Chapter 16, Water Code, instead of various other chapters of the Water Code, such as: Chapters 11, 13, 15, 17, 36, and 49 as amended in the original. Overall, the substitute changes every aspect of the original aside from the general requirement that certain water suppliers perform and submit water audits to the TWDB. Most significantly, the original bill applied to both wholesale and retail water

suppliers while the substitute applies only to retail water suppliers.

In addition, the original bill required the use of a complex water auditing procedure methodology as developed by the International Water Association, and the substitute requires the TWDB to develop the water auditing methodology with certain guidelines. The original also allowed for the assessment of an administrative penalty for noncompliance with the audit and the substitute contains no penalty. Further, the original required submission of the water audit report to the Texas Commission on Environmental Quality (TCEQ) and the substitute requires only submission of the water audit report to the TWDB.

The original bill also contained several requirements for compliance with a water audit report when submitting an application for financial assistance to the TWDB under Chapter 15, Water Code. The substitute instead requires that the TWDB find that a water audit required by the Act has been completed and filed before financial assistance can be provided.

Provisions in the original providing for the adoption of regulations requiring all plumbing fixtures that do not meet the standards of the Health and Safety Code to be retrofitted were also deleted as well as provisions requiring the adoption of rules by water utilities to prohibit waste. The substitute also removes provisions relating to groundwater conservation districts.