

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 28, 2003

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1902 by Lucio (Relating to the creation, administration, powers, duties, operation, and financing of the Rio Grande Regional Water Authority and to the powers and duties of the Rio Grande watermaster and the delivery of water down the banks and bed of the Rio Grande; authorizing the issuance of bonds.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1902, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>WATERMASTER ADMINISTRATION</i> 158	Probable (Cost) from <i>WATERMASTER ADMINISTRATION</i> 158	Change in Number of State Employees from FY 2003
2004	\$149,543	(\$149,543)	2.0
2005	\$106,043	(\$106,043)	2.0
2006	\$106,043	(\$106,043)	2.0
2007	\$106,043	(\$106,043)	2.0
2008	\$106,043	(\$106,043)	2.0

Fiscal Analysis

The bill would create the Rio Grande Regional Water Authority.

The bill would provide for the Rio Grande Watermaster to administer water rights issued under a permit by the Texas Commission on Environmental Quality (TCEQ) for water pumped from underground reservoirs, transported via the Rio Grande, and stored in a reservoir for the delivery of water. The bill would provide that such water rights could not hinder the rights of other surface water right holders, and that rules adopted by the TCEQ be consistent with a 1944 treaty with Mexico. The

bill would also require that the TCEQ consider water quality when considering an application for water rights.

The bill would require instruments to be filed with the Rio Grande watermaster. The watermaster would be authorized to collect a fee for the recordation of instruments under this provision.

Methodology

Current law does not provide for the allocation of groundwater pumped into the Rio Grande by the Rio Grande Watermaster. It is expected that passage of the bill would require increased accounting duties by the Rio Grande Watermaster. It is expected that additional resources would be required for the following: to conduct water loss computations on a daily basis; to maintain the document repository required by the bill; and to conduct investigations of water pumping and delivery sites along the entire river. In addition, since current law does not require water quality to be considered as a basis for granting water rights, it is expected that the watermaster would have additional workload determining the impact of a water right on water quality. These additional duties are expected to result in the need for 2 additional FTEs.

Additional administrative costs are expected to be offset by revenues generated from fees that would be assessed on persons contracting for the sale and purchase of water pumped from underground reservoirs. These fees would be deposited to the Watermaster Administration Account No. 158.

Local Government Impact

Creation of the Rio Grande Regional Water Authority would not have significant fiscal implication to units of local government.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JK, CL, SD, DLBa, TL