By: Puente

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A BILL TO BE ENTITLED 1 AN ACT 2 relating to the management of the water resources of the state, 3 including the protection of instream flows and freshwater inflows. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 5 SECTION 1. The heading to Section 5.506, Water Code, is amended to read as follows: 6 Sec. 5.506. EMERGENCY SUSPENSION OF 7 PERMIT CONDITION RELATING TO, AND EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET 8 ASIDE FOR, BENEFICIAL INFLOWS TO AFFECTED BAYS AND ESTUARIES AND 9 INSTREAM USES. 10 SECTION 2. Section 5.506, Water Code, is amended by adding 11 12 Subsection (a-1) and amending Subsections (b) and (c) to read as 13 follows: 14 (a-1) State water that is set aside by the commission to meet the needs for freshwater inflows to affected bays and 15 16 estuaries and instream uses under Section 11.1471(a)(2) may be made available temporarily for other essential beneficial uses if the 17 18 commission finds that an emergency exists that cannot practically 19 be resolved in another way. (b) The commission must give written notice of the proposed 20 21 action [suspension] to the Parks and Wildlife Department before the 22 commission suspends a permit condition under Subsection (a) or 23 makes water available temporarily under Subsection (a-1) [this The commission shall give the Parks and Wildlife 24 section].

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Department an opportunity to submit comments on the proposed <u>action</u>
[suspension] for a period of 72 hours from receipt of the notice and
must consider those comments before issuing an order <u>implementing</u>
the proposed action [imposing the suspension].

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5 (c) The commission may suspend a permit condition under 6 <u>Subsection (a) or make water available temporarily under Subsection</u> 7 <u>(a-1)</u> [this section] without notice except as required by 8 Subsection (b).

9 SECTION 3. Section 5.701(j), Water Code, is amended to read 10 as follows:

(j) The fee for other uses of water not specifically named in this section is \$1 per acre-foot, except that no political subdivision may be required to pay fees to use water for recharge of underground freshwater-bearing sands and aquifers or for abatement of natural pollution. <u>A fee is not required for a water right that</u> <u>is [This fee is waived for applications for instream-use water rights]</u> deposited into the Texas Water Trust.

SECTION 4. Section 11.002, Water Code, is amended by adding Subdivisions (15), (16), (17), (18), and (19) to read as follows:

20 <u>(15) "Environmental flow analysis" means the</u> 21 <u>application of a scientifically derived process for predicting the</u> 22 <u>response of an ecosystem to changes in instream flows or freshwater</u> 23 <u>inflows.</u>

24 (16) "Environmental flow regime" means a schedule of 25 flow quantities that reflects seasonal and yearly fluctuations that 26 typically would vary geographically, by specific location in a 27 watershed, and that are shown to be adequate to support a sound

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1	ecological environment and to maintain the productivity, extent,
2	and persistence of key aquatic habitats in and along the affected
3	water bodies.
4	(17) "Environmental flow standards" means those
5	requirements adopted by the commission under Section 11.1471.
6	(18) "Flows commission" means the Environmental Flows
7	Commission.
8	(19) "Science advisory committee" means the Texas
9	Environmental Flows Science Advisory Committee.
10	SECTION 5. Section 11.023(a), Water Code, is amended to
11	read as follows:
12	(a) To the extent that state water has not been set aside by
13	the commission under Section 11.1471(a)(2) to meet downstream
14	instream flow needs or freshwater inflow needs, state [State] water
15	may be appropriated, stored, or diverted for:
16	(1) domestic and municipal uses, including water for
17	sustaining human life and the life of domestic animals;
18	(2) agricultural uses and industrial uses, meaning
19	processes designed to convert materials of a lower order of value
20	into forms having greater usability and commercial value, including
21	the development of power by means other than hydroelectric;
22	(3) mining and recovery of minerals;
23	(4) hydroelectric power;
24	(5) navigation;
25	(6) recreation and pleasure;
26	(7) public parks; and

SECTION 6. Section 11.0235, Water Code, is amended by 1 amending Subsections (c) and (e) and adding Subsections (d-1) 2 3 through (d-5) and (f) to read as follows:

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4 The legislature has expressly required the commission (c) 5 while balancing all other public interests to consider and, to the extent practicable, provide for the freshwater inflows and instream 6 flows necessary to maintain the viability of the state's streams, 7 8 rivers, and bay and estuary systems in the commission's regular 9 granting of permits for the use of state waters. As an essential part of the state's environmental flows policy, all permit 10 conditions relating to freshwater inflows to affected bays and 11 12 estuaries and instream flow needs must be subject to temporary suspension if necessary for water to be applied to essential 13 14 beneficial uses during emergencies.

15 (d-1) The legislature finds that to provide certainty in water management and development and to provide adequate protection 16 17 of the state's streams, rivers, and bays and estuaries, the state must have a process with specific timelines for prompt action to 18 address environmental flow issues in the state's major basin and 19 bay systems, especially those systems in which unappropriated water 20 21 is still available.

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(d-2) The legislature finds that:

(1) in those basins in which water is available for 23 24 appropriation, the commission should establish an environmental set-aside below which water should not be available for 25 26 appropriation; and (2) in those basins in which the unappropriated water

that will be set aside for instream flow and freshwater inflow 1 2 protection is not sufficient to fully satisfy the environmental 3 flow standards established by the commission, a variety of market 4 approaches, both public and private, for filling the gap must be 5 explored and pursued. 6 (d-3) The legislature finds that while the state has 7 pioneered tools to address freshwater inflow needs for bays and 8 estuaries, there are limitations to those tools in light of both scientific and public policy evolution. To fully address bay and 9 estuary environmental flow issues, the foundation of work 10 accomplished by the state should be improved. While the state's 11 12 instream flow studies program appears to encompass a comprehensive and scientific approach for establishing a process to assess 13 14 instream flow needs for rivers and streams across the state, more 15 extensive review and examination of the details of the program, which may not be fully developed until the program is under way, are 16 17 needed to ensure an effective tool for evaluating riverine environmental flow conditions. 18 19 (d-4) The legislature finds that the management of water to

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meet instream flow and freshwater inflow needs should be evaluated 20 21 on a regular basis and adapted to reflect both improvements in 22 science related to environmental flows and future changes in projected human needs for water. In addition, the development of 23 24 management strategies for addressing environmental flow needs 25 should be an ongoing, adaptive process that considers and addresses local is<u>sues.</u> 26 27 (d-5) The legislature finds that recommendations for state

action to protect instream flows and freshwater inflows should be 1 2 developed through a consensus-based, regional approach involving balanced representation of stakeholders and that such a process 3 4 should be encouraged throughout the state. 5 The fact that greater pressures and demands are being (e) 6 placed on the water resources of the state makes it of paramount 7 importance to <u>ensure</u> [reexamine the process for ensuring] that 8 these important priorities are effectively addressed by detailing

9 how environmental flow standards are to be developed using the environmental studies that have been and are to be performed by the state and others and specifying in clear delegations of authority how those environmental flow standards will be integrated into the regional water planning and water permitting process [to the commission].

15 <u>(f) The legislature recognizes that effective</u> 16 <u>implementation of the approach provided by this chapter for</u> 17 <u>protecting instream flows and freshwater inflows will require more</u> 18 <u>effective water rights administration and enforcement systems than</u> 19 <u>are currently available in most areas of the state.</u>

20 SECTION 7. The heading to Section 11.0236, Water Code, is 21 amended to read as follows:

Sec. 11.0236. [STUDY COMMISSION ON WATER FOR] ENVIRONMENTAL
FLOWS COMMISSION.

SECTION 8. Section 11.0236, Water Code, is amended by amending Subsections (a), (b), (c), (e) through (j), (n), and (o) and adding Subsection (p) to read as follows:

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(a) In recognition of the importance that the ecological

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[(3) three members must be members of the senate].

2 (e) Each [appointed] member of the <u>flows</u> [study] commission
3 serves at the will of the person who appointed the member.

4 (f) The appointed senator with the most seniority and the
5 appointed house member with the most seniority serve together as
6 co-presiding officers of the <u>flows</u> [study] commission.

7 (g) A member of the <u>flows</u> [study] commission is not entitled 8 to receive compensation for service on the <u>flows</u> [study] commission 9 but is entitled to reimbursement of the travel expenses incurred by 10 the member while conducting the business of the <u>flows</u> [study] 11 commission, as provided by the General Appropriations Act.

12 (h) The <u>flows</u> [study] commission may accept gifts and grants 13 from any source to be used to carry out a function of the <u>flows</u> 14 [study] commission.

15 (i) The commission shall provide staff support for the <u>flows</u>
16 [study] commission.

17 (j) The flows [study] commission shall conduct public hearings and study public policy implications for balancing the 18 demands on the water resources of the state resulting from a growing 19 population with the requirements of the riverine, bay, and estuary 20 systems including granting permits for instream flows dedicated to 21 environmental needs or bay and estuary inflows, use of the Texas 22 Water Trust, and any other issues that the <u>flows</u> [study] commission 23 24 determines have importance and relevance to the protection of 25 environmental flows. In evaluating the options for providing adequate environmental flows, the flows [study] commission shall 26 take notice of the strong public policy imperative that exists in 27

this state recognizing that environmental flows are important to the biological health of our <u>public and private lands</u>, streams and <u>rivers</u> [parks, game preserves], and bay and estuary systems and are high priorities in the <u>water management</u> [permitting] process. The <u>flows</u> [study] commission shall specifically address:

6 (1) ways that the ecological soundness of those 7 [these] systems will be ensured in the water rights administration 8 and enforcement and water allocation processes; and

9 (2) appropriate methods to encourage persons 10 voluntarily to convert reasonable amounts of existing water rights 11 to use for environmental flow protection temporarily or permanently 12 [process].

(n) The <u>flows</u> [study] commission <u>may</u> [shall] adopt rules,
 <u>procedures</u>, and <u>policies as needed</u> to administer this section, to
 <u>implement its responsibilities</u>, and to exercise its authority under
 <u>Sections 11.02361 and 11.02362</u>.

17 (o) <u>Chapter 2110, Government Code, does not apply to the</u>
 18 <u>size, composition, or duration of the flows commission.</u>

19 (p) Not later than December 1, 2006, and every two years 20 thereafter, the flows commission shall issue and promptly deliver 21 to the governor, lieutenant governor, and speaker of the house of 22 representatives copies of a report summarizing:

23 (1) any hearings conducted by the flows commission;
24 (2) any studies conducted by the flows commission;
25 (3) any legislation proposed by the flows commission;
26 (4) progress made in implementing Sections 11.02361

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and 11.02362; and

H.B. No. 40 (5) any other findings and recommendations of the 1 flows commission [The study commission is abolished and this 2 section expires September 1, 2005]. 3 4 SECTION 9. Subchapter B, Chapter 11, Water Code, is amended by adding Sections 11.02361 and 11.02362 to read as follows: 5 6 Sec. 11.02361. TEXAS ENVIRONMENTAL FLOWS SCIENCE ADVISORY 7 COMMITTEE. (a) The Texas Environmental Flows Science Advisory 8 Committee consists of at least five but not more than nine members 9 appointed by the flows commission. (b) The flows commission shall appoint to the science 10 advisory committee persons who will provide an objective 11 12 perspective and diverse technical expertise, including expertise in hydrology, hydraulics, water resources, aquatic and terrestrial 13 biology, geomorphology, geology, water quality, computer modeling, 14 15 and other technical areas pertinent to the evaluation of environmental flows. 16 17 (c) Members of the science advisory committee serve five-year terms expiring March 1. A vacancy on the science advisory 18 committee is filled by appointment by the co-presiding officers of 19 the flows commission for the unexpired term. 20 21 (d) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the science advisory committee. 22 (e) The science advisory committee shall: 23 24 (1) serve as an objective scientific body to advise 25 and make recommendations to the flows commission on issues relating 26 to the science of environmental flow protection; and 27 (2) develop recommendations to help provide overall

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1	direction, coordination, and consistency relating to:
2	(A) environmental flow methodologies for bay and
3	estuary studies and instream flow studies;
4	(B) environmental flow programs at the
5	commission, the Parks and Wildlife Department, and the board; and
6	(C) the work of the basin and bay expert science
7	teams described in Section 11.02362.
8	(f) To assist the flows commission to assess the extent to
9	which the recommendations of the science advisory committee are
10	considered and implemented, the commission, the Parks and Wildlife
11	Department, and the board shall provide written reports to the
12	flows commission, at intervals determined by the flows commission,
13	that describe:
14	(1) the actions taken by each agency in response to
15	each recommendation; and
16	(2) for each recommendation not implemented, the
17	reason it was not implemented.
18	Sec. 11.02362. DEVELOPMENT OF ENVIRONMENTAL FLOW REGIME
19	RECOMMENDATIONS. (a) For the purposes of this section, the flows
20	commission, not later than January 1, 2006, shall define the
21	geographical extent of each river basin and bay system in this state
22	for the sole purpose of developing environmental flow regime
23	recommendations under this section and adoption of environmental
24	flow standards under Section 11.1471.
25	(b) The flows commission shall give priority in descending
26	order to the following river basin and bay systems of the state for
27	the purpose of developing environmental flow regime

1	recommendations and adopting environmental flow standards:
2	(1) the river basin and bay system consisting of the
3	Trinity and San Jacinto Rivers and Galveston Bay and the river basin
4	and bay system consisting of the Sabine and Neches Rivers and Sabine
5	Lake Bay;
6	(2) the river basin and bay system consisting of the
7	Colorado and Lavaca Rivers and Matagorda and Lavaca Bays and the
8	river basin and bay system consisting of the Guadalupe, San
9	Antonio, and Aransas Rivers and Copano, Aransas, and San Antonio
10	Bays; and
11	(3) the river basin and bay system consisting of the
12	Nueces River and Corpus Christi and Baffin Bays, the river basin and
13	bay system consisting of the Rio Grande, the Rio Grande estuary, and
14	the Lower Laguna Madre, and the Brazos River and its associated bay
15	and estuary system.
16	(c) For the river basin and bay systems listed in Subsection
17	<u>(b)(1):</u>
18	(1) the flows commission shall appoint the basin and
19	bay area stakeholders committee not later than January 1, 2006;
20	(2) the basin and bay area stakeholders committee
21	shall establish a basin and bay expert science team not later than
22	March 1, 2006;
23	(3) the basin and bay expert science team shall
24	finalize environmental flow regime recommendations and submit them
25	to the basin and bay area stakeholders committee, the flows
26	commission, and the commission not later than March 1, 2007;
27	(4) the basin and bay area stakeholders committee

1	shall submit to the commission its comments on and recommendations
2	regarding the basin and bay expert science team's recommended
3	environmental flow regime not later than September 1, 2007; and
4	(5) the commission shall adopt the environmental flow
5	standards as provided by Section 11.1471 not later than September
6	<u>1,2008.</u>
7	(d) The flows commission shall appoint the basin and bay
8	area stakeholders committees for the river basin and bay systems
9	listed in Subsection (b)(2) not later than September 1, 2006, and
10	shall appoint the basin and bay area stakeholders committees for
11	the river basin and bay systems listed in Subsection (b)(3) not
12	later than September 1, 2007. The flows commission shall establish
13	a schedule for the performance of the tasks listed in Subsections
14	(c)(2)-(5) with regard to the river basin and bay systems listed in
15	Subsections (b)(2) and (3) that will result in the adoption of
16	environmental flow standards for that river basin and bay system by
17	the commission as soon as is reasonably possible. Each basin and
18	bay area stakeholders committee and basin and bay expert science
19	team for a river basin and bay system listed in Subsection (b)(2) or
20	(3) shall make recommendations to the flows commission with regard
21	to the schedule applicable to that river basin and bay system. The
22	flows commission shall consider the recommendations of the basin
23	and bay area stakeholders committee and basin and bay expert
24	science team as well as coordinate with, and give appropriate
25	consideration to the recommendations of, the commission, the Parks
26	and Wildlife Department, and the board in establishing the
27	schedule.

(e) For a river basin and bay system or a river basin that 1 2 does not have an associated bay system in this state not listed in Subsection (b), the flows commission shall establish a schedule for 3 4 the development of environmental flow regime recommendations and the adoption of environmental flow standards. The flows commission 5 6 shall develop the schedule in consultation with the commission, the 7 Parks and Wildlife Department, the board, and the pertinent basin and bay area stakeholders committee and basin and bay expert 8 science team. The flows commission may, on its own initiative or on 9 request, modify a schedule established under this subsection to be 10 more responsive to particular circumstances, local desires, 11 12 changing conditions, or time-sensitive conflicts. This subsection does not prohibit, in a river basin and bay system for which the 13 flows commission has not yet established a schedule for the 14 15 development of environmental flow regime recommendations and the 16 adoption of environmental flow standards, an effort to develop information on environmental flow needs and ways in which those 17 needs can be met by a voluntary consensus-building process. 18

The flows commission shall appoint a basin and bay area 19 (f) stakeholders committee for each river basin and bay system in this 20 21 state for which a schedule for the development of environmental 22 flow regime recommendations and the adoption of environmental flow standards is specified by or established under Subsection (c), (d), 23 24 or (e). Chapter 2110, Government Code, does not apply to the size, composition, or duration of a basin and bay area stakeholders 25 26 committee. Each committee must consist of at least 17 members. The 27 members must represent appropriate stakeholders, including

1	representatives of:
2	(1) agricultural water users;
3	(2) recreational water users, including coastal
4	recreational anglers and businesses supporting water recreation;
5	(3) municipalities;
6	(4) soil and water conservation districts;
7	(5) industrial water users, including representatives
8	of both the manufacturing and refining sectors;
9	(6) commercial fishermen;
10	(7) public interest groups;
11	(8) regional water planning groups;
12	(9) groundwater conservation districts;
13	(10) river authorities and other conservation and
14	reclamation districts with jurisdiction over surface water; and
15	(11) environmental interests.
16	(g) Members of a basin and bay area stakeholders committee
17	serve five-year terms expiring March 1. If a vacancy occurs on a
18	committee, the remaining members of the committee by majority vote
19	shall appoint a member to serve the remainder of the unexpired term.
20	(h) Meetings of a basin and bay area stakeholders committee
21	must be open to the public.
22	(i) Each basin and bay area stakeholders committee shall
23	establish a basin and bay expert science team for the river basin
24	and bay system for which the committee is established. The basin
25	and bay expert science team must be established not later than six
26	months after the date the basin and bay area stakeholders committee
27	is established. Chapter 2110, Government Code, does not apply to

1	the size, composition, or duration of a basin and bay expert science
2	team. Each basin and bay expert science team must be composed of
3	technical experts with special expertise regarding the river basin
4	and bay system or regarding the development of environmental flow
5	regimes. A person may serve as a member of more than one basin and
6	bay expert science team at the same time.
7	(j) The members of a basin and bay expert science team serve
8	five-year terms expiring April 1. A vacancy on a basin and bay
9	expert science team is filled by appointment by the pertinent basin
10	and bay area stakeholders committee to serve the remainder of the
11	unexpired term.
12	(k) The science advisory committee shall appoint one of its
13	members to serve as a liaison to each basin and bay expert science
14	team to facilitate coordination and consistency in environmental
15	flow activities throughout the state. The commission, the Parks
16	and Wildlife Department, and the board shall provide technical
17	assistance to each basin and bay expert science team, including
18	information about the studies conducted under Sections 16.058 and
19	16.059, and may serve as nonvoting members of the basin and bay
20	expert science team to facilitate the development of environmental
21	flow regime recommendations.
22	(1) Where reasonably practicable, meetings of a basin and
23	bay expert science team must be open to the public.

24 (m) Each basin and bay expert science team shall develop 25 environmental flow analyses and a recommended environmental flow 26 regime for the river basin and bay system for which the team is 27 established through a collaborative process designed to achieve a

1 consensus. In developing the analyses and recommendations, the
2 science team must consider all reasonably available science,
3 without regard to the need for the water for other uses, and the
4 science team's recommendations must be based solely on the best
5 science available. For the Rio Grande below Fort Quitman, any uses
6 attributable to Mexican water flows must be excluded from
7 environmental flow regime recommendations.

8 (n) Each basin and bay expert science team shall submit its 9 environmental flow analyses and environmental flow regime recommendations to the pertinent basin and bay area stakeholders 10 committee, the flows commission, and the commission in accordance 11 12 with the applicable schedule specified by or established under Subsection (c), (d), or (e). The basin and bay area stakeholders 13 14 committee and the flows commission may not change the environmental flow analyses or environmental flow regime recommendations of the 15 basin and bay expert science team. 16

17 (o) Each basin and bay area stakeholders committee shall review the environmental flow analyses and environmental flow 18 regime recommendations submitted by the committee's basin and bay 19 expert science team and shall consider them in conjunction with 20 21 other factors, including the present and future needs for water for other uses related to water supply planning in the pertinent river 22 basin and bay system. For the Rio Grande, the basin and bay area 23 24 stakeholders committee shall also consider the water accounting 25 requirements for any international water sharing treaty, minutes, 26 and agreement applicable to the Rio Grande and the effects on 27 allocation of water by the Rio Grande watermaster in the middle and

lower Rio Grande. The Rio Grande basin and bay expert science team 1 2 may not recommend any environmental flow regime that would result in a violation of a treaty or court decision. The basin and bay area 3 4 stakeholders committee shall develop recommendations regarding environmental flow standards and strategies to meet the 5 6 environmental flow standards and submit those recommendations to 7 the commission and to the flows commission in accordance with the applicable schedule specified by or established under Subsection 8 9 (c), (d), or (e). In developing its recommendations, the basin and bay area stakeholders committee shall operate on a consensus basis 10 11 to the maximum extent possible. 12 (p) In recognition of the importance of adaptive management, after submitting its recommendations regarding 13 environmental flow standards and strategies to meet the 14

15 environmental flow standards to the commission, each basin and bay area stakeholders committee, with the assistance of the pertinent 16 17 basin and bay expert science team, shall prepare and submit for approval by the flows commission a work plan. The work plan must: 18 19 (1) establish a periodic review of the basin and bay environmental flow analyses and environmental flow regime 20 21 recommendations, environmental flow standards, and strategies, to 22 occur at least once every 10 years; (2) prescribe specific monitoring, studies, and 23

24 <u>activities; and</u>
25 <u>(3) establish a schedule for continuing the validation</u>
26 <u>or refinement of the basin and bay environmental flow analyses and</u>
27 <u>environmental flow regime recommendations, the environmental flow</u>

1 standards adopted by the commission, and the strategies to achieve 2 those standards. 3 (q) In accordance with the applicable schedule specified by 4 or established under Subsection (c), (d), or (e), the flows 5 commission, with input from the science advisory committee, shall 6 review the environmental flow analyses and environmental flow regime recommendations submitted by each basin and bay expert 7 science team. If appropriate, the flows commission shall submit 8 comments on the analyses and recommendations to the commission for 9 use by the commission in adopting rules under Section 11.1471. 10 Comments must be submitted not later than six months after the date 11 12 of receipt of the analyses and recommendations.

13 (r) In the event the commission, by permit or order, has 14 established an estuary advisory council, that council may continue 15 in full force and effect.

16 SECTION 10. Sections 11.0237(a) and (b), Water Code, are 17 amended to read as follows:

(a) The commission may not issue a new permit for instream
flows dedicated to environmental needs or bay and estuary inflows.
<u>The</u> [This section does not prohibit the] commission <u>may approve</u>
[from issuing] an <u>application to amend</u> [amendment to] an existing
permit or certificate of adjudication to change the use to or add a
use for instream flows dedicated to environmental needs or bay and
estuary inflows.

(b) This section does not alter the commission's obligations under Section 11.042(b) or (c), 11.046(b), 11.085(k)(2)(F), 11.134(b)(3)(D), 11.147, <u>11.1471</u>, 11.1491,

1 <u>11.150, 11.152,</u> 16.058, or 16.059.

2 SECTION 11. Section 11.082(b), Water Code, is amended to 3 read as follows:

(b) The state may recover the penalties prescribed in
Subsection (a) [of this section] by suit brought for that purpose in
a court of competent jurisdiction. <u>The state may seek those</u>
<u>penalties regardless of whether a watermaster has been appointed</u>
for the water division, river basin, or segment of a river basin
<u>where the unlawful use is alleged to have occurred.</u>

10 SECTION 12. Section 11.0841, Water Code, is amended by 11 adding Subsection (c) to read as follows:

12 (c) For purposes of this section, the Parks and Wildlife
13 Department has:

14 (1) the rights of a holder of a water right that is 15 held in the Texas Water Trust, including the right to file suit in a 16 civil court to prevent the unlawful use of such a right;

17 (2) the right to act in the same manner that a holder 18 of a water right may act to protect the holder's rights in seeking 19 to prevent any person from appropriating water in violation of a 20 set-aside established by the commission under Section 11.1471 to 21 meet instream flow needs or freshwater inflow needs; and

22 (3) the right to file suit in a civil court to prevent
23 the unlawful use of a set-aside established under Section 11.1471.

24 SECTION 13. Section 11.0842(a), Water Code, is amended to 25 read as follows:

(a) If a person violates this chapter, a rule or order
adopted under this chapter or Section 16.236 [of this code], or a

permit, certified filing, or certificate of adjudication issued under this chapter, the commission may assess an administrative penalty against that person as provided by this section. <u>The</u> <u>commission may assess an administrative penalty for a violation</u> <u>relating to a water division or a river basin or segment of a river</u> <u>basin regardless of whether a watermaster has been appointed for</u> the water division or river basin or segment of the river basin.

8 SECTION 14. Section 11.0843(a), Water Code, is amended to 9 read as follows:

(a) Upon witnessing a violation of this chapter or a rule or
order or a water right issued under this chapter, <u>the executive</u>
<u>director or a person designated by the executive director</u>,
<u>including</u> a watermaster or the watermaster's deputy, [as defined by
<u>commission rule</u>,] may issue the alleged violator a field citation
alleging that a violation has occurred and providing the alleged
violator the option of either:

(1) without admitting to or denying the alleged violation, paying an administrative penalty in accordance with the predetermined penalty amount established under Subsection (b) [of this section] and taking remedial action as provided in the citation; or

(2) requesting a hearing on the alleged violation in
 accordance with Section 11.0842 [of this code].

24 SECTION 15. Section 11.134(b), Water Code, is amended to 25 read as follows:

26 (b) The commission shall grant the application only if:

27 (1) the application conforms to the requirements

prescribed by this chapter and is accompanied by the prescribed
 fee;

3 (2) unappropriated water is available in the source of4 supply;

the proposed appropriation:

5

6

(3)

(A) is intended for a beneficial use;

7 (B) does not impair existing water rights or 8 vested riparian rights;

9 (C) is not detrimental to the public welfare; 10 (D) considers <u>any applicable environmental flow</u> 11 <u>standards established under Section 11.1471 and, if applicable,</u> the 12 assessments performed under Sections 11.147(d) and (e) and Sections 13 11.150, 11.151, and 11.152; and

(E) addresses a water supply need in a manner that is consistent with the state water plan and the relevant approved regional water plan for any area in which the proposed appropriation is located, unless the commission determines that conditions warrant waiver of this requirement; and

19 (4) the applicant has provided evidence that 20 reasonable diligence will be used to avoid waste and achieve water 21 conservation as defined by [Subdivision (8)(B),] Section 22 <u>11.002(8)(B)</u> [<u>11.002</u>].

23 SECTION 16. Section 11.147, Water Code, is amended by 24 amending Subsections (b), (d), and (e) and adding Subsections 25 (e-1), (e-2), and (e-3) to read as follows:

(b) In its consideration of an application for a permit tostore, take, or divert water, the commission shall assess the

effects, if any, of the issuance of the permit on the bays and 1 2 estuaries of Texas. For permits issued within an area that is 200 3 river miles of the coast, to commence from the mouth of the river thence inland, the commission shall include in the permit any 4 5 conditions considered necessary to maintain freshwater inflows to 6 any affected bay and estuary system, to the extent practicable when 7 considering all public interests and the studies mandated by 8 Section 16.058 as evaluated under Section 11.1491[, those 9 conditions considered necessary to maintain beneficial inflows to 10 any affected bay and estuary system].

In its consideration of an application to store, take, 11 (d) or divert water, the commission shall include in the permit, to the 12 extent practicable when considering all public interests, those 13 14 conditions considered by the commission necessary to maintain 15 existing instream uses and water quality of the stream or river to which the application applies. In determining what conditions to 16 17 include in the permit under this subsection, the commission shall consider among other factors: 18

19

the studies mandated by Section 16.059; and

20 <u>(2) any water quality assessment performed under</u> 21 <u>Section 11.150.</u>

(e) The commission shall include in the permit, to the extent practicable when considering all public interests, those conditions considered by the commission necessary to maintain fish and wildlife habitats. <u>In determining what conditions to include</u> <u>in the permit under this subsection, the commission shall consider</u> <u>any assessment performed under Section 11.152.</u>

(e-1) Any permit for a new appropriation of water or an 1 2 amendment to an existing water right that increases the amount of water authorized to be stored, taken, or diverted must include a 3 4 provision allowing the commission to adjust the conditions included 5 in the permit or amended water right to provide for protection of 6 instream flows or freshwater inflows. With respect to an amended 7 water right, the provision may not allow the commission to adjust a 8 condition of the amendment other than a condition that applies only 9 to the increase in the amount of water to be stored, taken, or diverted authorized by the amendment. This subsection does not 10 affect an appropriation of or an authorization to store, take, or 11 12 divert water under a permit or amendment to a water right issued before November 1, 2005. The commission shall adjust the 13 conditions if the commission determines, through an expedited 14 15 public comment process, that such an adjustment is appropriate to 16 achieve compliance with applicable environmental flow standards 17 adopted under Section 11.1471. The adjustment:

(1) in combination with any previous adjustments made 18 under this subsection may not increase the amount of the 19 pass-through or release requirement for the protection of instream 20 21 flows or freshwater inflows by more than 12.5 percent of the 22 annualized total of that requirement contained in the permit as issued or of that requirement contained in the amended water right 23 and applicable only to the increase in the amount of water 24 25 authorized to be stored, taken, or diverted under the amended water 26 right;

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(2) must be based on appropriate consideration of the

H.B. No. 40 priority dates and diversion locations of any other water rights 1 2 granted in the same river basin that are subject to adjustment under 3 this subsection; and 4 (3) must be based on appropriate consideration of any 5 voluntary contributions to the Texas Water Trust that contribute 6 toward meeting the environmental flow standards. (e-2) Any water right holder making a contribution 7 8 described by Subsection (e-1)(3) is entitled to appropriate credit 9 of such benefits against adjustments of the holder's water right 10 pursuant to Subsection (e-1)(1). (e-3) Notwithstanding Subsections (b)-(e), for the purpose 11 of determining the environmental flow conditions necessary to 12 maintain freshwater inflows to an affected bay and estuary system, 13 existing instream uses and water quality of a stream or river, or 14 15 fish and aquatic wildlife habitats, the commission shall apply any applicable environmental flow standard, including any 16 17 environmental flow set-aside, adopted under Section 11.1471 instead of considering the factors specified by those subsections. 18 SECTION 17. Subchapter D, Chapter 11, Water Code, 19 is amended by adding Section 11.1471 to read as follows: 20 21 Sec. 11.1471. ENVIRONMENTAL FLOW STANDARDS AND SET-ASIDES. (a) The commission by rule shall: 22 (1) adopt appropriate environmental flow standards 23 24 for each river basin and bay system in this state that are adequate 25 to support a sound ecological environment, to the maximum extent 26 reasonable considering other public interests and other relevant 27 factors;

H.B. No. 40 (2) establish an amount of unappropriated water, if 1 2 available, to be set aside to satisfy the environmental flow 3 standards to the maximum extent reasonable when considering human 4 water needs; and (3) establish procedures for implementing an 5 6 adjustment of the conditions included in a permit or an amended 7 water right as provided by Sections 11.147(e-1) and (e-2). (b) In adopting environmental flow standards for a river 8 basin and bay system under Subsection (a)(1), the commission shall 9 10 consider: (1) the definition of the geographical extent of the 11 river basin and bay system adopted by the flows commission under 12 Section 11.02362(a) and the definition and designation of the river 13 14 basin by the board under Section 16.051(c); 15 (2) the schedule for the adoption of environmental 16 flow standards for the river basin and bay system established by the 17 flows commission under Section 11.02362(d) or (e), if applicable; (3) the environmental flow analyses and the 18 recommended environmental flow regime developed by the applicable 19 basin and bay expert science team under Section 11.02362(m); 20 21 (4) the recommendations regarding environmental flow standards and strategies to meet the flow standards developed by 22 the applicable basin and bay area stakeholders committee under 23 24 Section 11.02362(o); 25 (5) the specific characteristics of the river basin 26 and bay system; 27 (6) economic factors;

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1	(7) the human and other competing water needs in the
2	river basin and bay system;
3	(8) all reasonably available scientific information,
4	including any scientific information provided by the science
5	advisory committee; and
6	(9) any other appropriate information.
7	(c) Environmental flow standards adopted under Subsection
8	(a)(1) must consist of a schedule of flow quantities, reflecting
9	seasonal and yearly fluctuations that may vary geographically by
10	specific location in a river basin and bay system.
11	(d) As provided by Section 11.023, the commission may not
12	issue a permit for a new appropriation or an amendment to an
13	existing water right that increases the amount of water authorized
14	to be stored, taken, or diverted if the issuance of the permit or
15	amendment would impair an environmental flow set-aside established
16	under Subsection (a)(2). A permit for a new appropriation or an
17	amendment to an existing water right that increases the amount of
18	water authorized to be stored, taken, or diverted that is issued
19	after the adoption of an applicable environmental flow set-aside
20	must contain appropriate conditions to ensure protection of the
21	environmental flow set-aside.
22	(e) An environmental flow set-aside established under
23	Subsection (a)(2) for a river basin and bay system other than the
24	middle and lower Rio Grande must be assigned a priority date
25	corresponding to the date the commission receives environmental
26	flow regime recommendations from the applicable basin and bay
27	expert science team and be included in the appropriate water

1	availability models in connection with an application for a permit
2	for a new appropriation or for an amendment to an existing water
3	right that increases the amount of water authorized to be stored,
4	taken, or diverted.
5	(f) An environmental flow standard or environmental flow
6	set-aside adopted under Subsection (a) may be altered by the
7	commission in a rulemaking process undertaken in accordance with a
8	schedule established by the commission. The commission's schedule
9	may not provide for the rulemaking process to occur more frequently
10	than once every 10 years unless the applicable work plan approved by
11	the flows commission under Section 11.02362(p) provides for a
12	periodic review under that section to occur more frequently than
13	once every 10 years. In that event, the commission may provide for
14	the rulemaking process to be undertaken in conjunction with the
15	periodic review if the commission determines that schedule to be
16	appropriate.
17	SECTION 18. The heading to Section 11.148, Water Code, is
18	amended to read as follows:
19	Sec. 11.148. EMERGENCY SUSPENSION OF PERMIT CONDITIONS AND
20	EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET ASIDE FOR
21	ENVIRONMENTAL FLOWS.
22	SECTION 19. Section 11.148, Water Code, is amended by
23	adding Subsection (a-1) and amending Subsections (b) and (c) to
24	read as follows:
25	(a-1) State water that is set aside by the commission to
26	meet the needs for freshwater inflows to affected bays and
27	estuaries and instream uses under Section 11.1471(a)(2) may be made

1 available temporarily for other essential beneficial uses if the 2 commission finds that an emergency exists that cannot practically 3 be resolved in another way.

4 (b) Before the commission suspends a permit condition under 5 Subsection (a) or makes water available temporarily under 6 Subsection (a-1) [of this section], it must give written notice to and Wildlife Department of the proposed action 7 the Parks 8 [suspension]. The commission shall give the Parks and Wildlife 9 Department an opportunity to submit comments on the proposed action [suspension] within 72 hours from such time and the commission 10 shall consider those comments before issuing its order implementing 11 12 the proposed action [imposing the suspension].

The commission may suspend the permit condition under 13 (c) 14 Subsection (a) or make water available temporarily under Subsection 15 (a-1) without notice to any other interested party other than the Parks and Wildlife Department as provided by Subsection (b) [of 16 17 this section]. However, all affected persons shall be notified immediately by publication, and a hearing to determine whether the 18 suspension should be continued shall be held within 15 days of the 19 date on which the order to suspend is issued. 20

21 SECTION 20. Section 11.1491(a), Water Code, is amended to 22 read as follows:

(a) The Parks and Wildlife Department and the commission
shall have joint responsibility to review the studies prepared
under Section 16.058 [of this code], to determine inflow conditions
necessary for the bays and estuaries, and to provide information
necessary for water resources management. Each agency shall

designate an employee to share equally in the oversight of the 1 2 program. Other responsibilities shall be divided between the Parks 3 and Wildlife Department and the commission to maximize present 4 in-house capabilities of personnel and to minimize costs to the 5 state. Each agency shall have reasonable access to all information 6 produced by the other agency. Publication of reports completed 7 under this section shall be submitted for comment to [both] the 8 commission, [and] the Parks and Wildlife Department, the flows 9 commission, the science advisory committee, and any applicable basin and bay area stakeholders committee and basin and bay expert 10

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11 <u>science team</u>.

SECTION 21. Section 11.329(g), Water Code, is amended to read as follows:

14 (q) The commission may not assess costs under this section 15 against a holder of a non-priority hydroelectric right that owns or operates privately owned facilities that collectively have a 16 17 capacity of less than two megawatts or against a holder of a water right placed in the Texas Water Trust for a term of at least 20 18 [This subsection is not intended to affect in any way the 19 years. fees assessed on a water right holder by the commission under 20 21 Section 1.29(d), Chapter 626, Acts of the 73rd Legislature, Regular Session, 1993. For purposes of Section 1.29(d), Chapter 626, Acts 22 of the 73rd Legislature, Regular Session, 1993, a holder of a 23 24 non-priority hydroelectric right that owns or operates privately 25 owned facilities that collectively have a capacity of less than two 26 megawatts shall be assessed fees at the same rate per acre-foot charged to a holder of a non-priority hydroelectric right that owns 27

or operates privately owned facilities that collectively have a 1 2 capacity of more than two megawatts.] SECTION 22. Section 11.404(e), Water Code, is amended to 3 4 read as follows: 5 (e) The court may not assess costs and expenses under this 6 section against: (1) a holder of a non-priority hydroelectric right 7 8 that owns or operates privately owned facilities that collectively 9 have a capacity of less than two megawatts; or (2) a holder of a water right placed in the Texas Water 10 Trust for a term of at least 20 years. 11 SECTION 23. Subchapter I, Chapter 11, Water Code, 12 amended by adding Section 11.4531 to read as follows: 13 14 Sec. 11.4531. WATERMASTER ADVISORY COMMITTEE. (a) For 15 each river basin or segment of a river basin for which the executive director appoints a watermaster under this subchapter, the 16 17 executive director shall appoint a watermaster advisory committee consisting of at least nine but not more than 15 members. A member 18 19 of the advisory committee must be a holder of a water right or a representative of a holder of a water right in the river basin or 20 21 segment of the river basin for which the watermaster is appointed. In appointing members to the advisory committee, the executive 22 director shall consider: 23 24 (1) geographic representation; 25 (2) amount of water rights held; (3) different types of holders of water rights and 26 27 users, including water districts, municipal suppliers, irrigators,

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is

1	and	industrial	users;	and
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2 (4) experience and knowledge of water management
3 practices.

4 (b) An advisory committee member is not entitled to 5 reimbursement of expenses or to compensation.

6 <u>(c) An advisory committee member serves a two-year term</u> 7 <u>expiring August 31 of each odd-numbered year and holds office until</u> 8 a successor is appointed.

9 (d) The advisory committee shall meet within 30 days after 10 the date the initial appointments have been made and shall select a 11 presiding officer to serve a one-year term. The committee shall 12 meet regularly as necessary.

13 (e) The advisory committee shall:

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14 <u>(1) make recommendations to the executive director</u> 15 <u>regarding activities of benefit to the holders of water rights in</u> 16 <u>the administration and distribution of water to holders of water</u> 17 <u>rights in the river basin or segment of the river basin for which</u> 18 <u>the watermaster is appointed;</u>

19(2) review and comment to the executive director on20the annual budget of the watermaster operation; and

21 (3) perform other advisory duties as requested by the 22 executive director regarding the watermaster operation or as 23 requested by holders of water rights and considered by the 24 committee to benefit the administration of water rights in the 25 river basin or segment of the river basin for which the watermaster 26 is appointed.

SECTION 24. Sections 11.454 and 11.455, Water Code, are

amended to read as follows: 1 2 Sec. 11.454. DUTIES AND AUTHORITY OF THE WATERMASTER. 3 Section 11.327 applies to the duties and authority of a watermaster appointed for a river basin or segment of a river basin under this 4 subchapter in the same manner as that section applies to the duties 5 6 and authority of a watermaster appointed for a water division under 7 Subchapter G [A watermaster as the agent of the commission and under 8 the executive director's supervision shall: 9 [(1) divide the water of the streams or other sources 10 of supply of his segment or basin in accordance with the authorized water rights; 11 [(2) regulate or cause to be regulated the controlling 12 works of reservoirs and diversion works in time of water shortage, 13 as is necessary because of the rights existing in the streams of his 14 15 segment or basin, or as is necessary to prevent the waste of water its diversion, taking, storage, or use in excess of the 16 quantities to which the holders of water rights are lawfully 17 entitled; and 18 [(3) perform any other duties and exercise 19 authority directed by the commission]. 20 21 Sec. 11.455. COMPENSATION AND EXPENSES OF WATERMASTER [ASSESSMENTS]. (a) Section 11.329 applies to the payment of the 22 compensation and expenses of a watermaster appointed for a river 23 24 basin or segment of a river basin under this subchapter in the same 25 manner as that section applies to the payment of the compensation 26 and expenses of a watermaster appointed for a water division under 27 Subchapter G.

1	(b) The executive director shall deposit the assessments
2	collected under this section to the credit of the watermaster fund.
3	(c) Money deposited under this section to the credit of the
4	watermaster fund may be used only for the purposes specified by
5	Section 11.3291 with regard to the watermaster operation under this
6	subchapter with regard to which the assessments were collected [The
7	commission may assess the costs of the watermaster against all
8	persons who hold water rights in the river basin or segment of the
9	river basin under the watermaster's jurisdiction in accordance with
10	Section 11.329 of this code].
11	SECTION 25. Subchapter F, Chapter 15, Water Code, is
12	amended by adding Section 15.4063 to read as follows:
13	Sec. 15.4063. ENVIRONMENTAL FLOWS FUNDING. The board may
14	authorize the use of money in the research and planning fund:
15	(1) to compensate the members of the Texas
16	Environmental Flows Science Advisory Committee established under
17	Section 11.02361 for attendance and participation at meetings of
18	the committee and for transportation, meals, lodging, or other
19	travel expenses associated with attendance at those meetings as
20	provided by the General Appropriations Act;
21	(2) for contracts with cooperating state and federal
22	agencies and universities and with private entities as necessary to
23	provide technical assistance to enable the Texas Environmental
24	Flows Science Advisory Committee and the basin and bay expert
25	science teams established under Section 11.02362 to perform their
26	statutory duties;
27	(3) to compensate the members of the expert science

teams created pursuant to Section 11.02362(i) for attendance and 1 2 participation at meetings of the teams and for transportation, meals, lodging, or other travel expenses associated with attendance 3 at those meetings as provided by the General Appropriations Act; 4 5 and 6 (4) for contracts with political subdivisions 7 designated as representatives of stakeholder committees 8 established pursuant to Section 11.02362 to fund all or part of the 9 administrative expenses for conducting meetings of the stakeholder committee or the associated expert science team. 10 SECTION 26. Section 15.7031, Water Code, is amended by 11 amending Subsection (c) and adding Subsection (e) to read as 12 follows: 13 14 (c) The dedication of any water rights placed in trust must 15 be reviewed and approved by the commission, in consultation with the board, [and] the Parks and Wildlife Department, and the 16 17 Environmental Flows Commission. In addition, the Department of

Agriculture <u>and the basin and bay area stakeholders committee and</u> <u>basin and bay expert science team established under Section</u> <u>11.02362 for the river basin and bay system to which the water right</u> <u>pertains</u> may provide input to the commission, as appropriate, during the review and approval process for dedication of water rights.

(e) While a water right is held in the trust, the water
 authorized for beneficial use under the terms of the water right is
 considered to be held for instream flows, water quality, fish and
 wildlife habitat, bay and estuary inflows, or other environmental

1 <u>uses without the need for a permit amendment. After the water right</u>
2 <u>is withdrawn in whole or in part from the trust, the use of the water</u>
3 <u>right or portion of the water right withdrawn must be in accordance</u>
4 <u>with the terms of the water right.</u>
5 SECTION 27. Section 16.059(d), Water Code, is amended to
6 read as follows:

The priority studies shall be completed not later than 7 (d) 8 December 31, 2014 [2010]. The Parks and Wildlife Department, the 9 commission, and the board shall establish a work plan that prioritizes the studies and that sets interim deadlines providing 10 for publication of flow determinations for individual rivers and 11 streams on a reasonably consistent basis throughout the prescribed 12 Before publication, completed studies shall be 13 study period. 14 submitted for comment to the commission, the board, and the Parks 15 and Wildlife Department.

16 SECTION 28. Section 26.0135(h), Water Code, as amended by 17 Chapters 234 and 965, Acts of the 77th Legislature, Regular 18 Session, 2001, is reenacted and amended to read as follows:

19 (h) The commission shall apportion, assess, and recover the reasonable costs of administering the water quality management 20 programs under this section from users of water and wastewater 21 permit holders in the watershed according to the records of the 22 commission generally in proportion to their right, through permit 23 24 or contract, to use water from and discharge wastewater in the 25 watershed. Irrigation water rights, [and] non-priority 26 hydroelectric rights of a water right holder that owns or operates privately owned facilities that collectively have a capacity of 27

less than two megawatts, and water rights held in the Texas Water 1 2 Trust for terms of at least 20 years will not be subject to this The cost to river authorities and others to conduct 3 assessment. water quality monitoring and assessment shall be subject to prior 4 5 review and approval by the commission as to methods of allocation 6 and total amount to be recovered. The commission shall adopt rules 7 supervise and implement the water quality monitoring, to 8 assessment, and associated costs. The rules shall ensure that 9 water users and wastewater dischargers do not pay excessive 10 amounts, that program funds are equitably apportioned among basins, that a river authority may recover no more than the actual costs of 11 administering the water quality management programs called for in 12 this section, and that no municipality shall be assessed cost for 13 14 any efforts that duplicate water quality management activities 15 described in Section 26.177 [of this chapter]. The rules concerning the apportionment and assessment of reasonable costs 16 17 shall provide for a recovery of not more than \$5,000,000 annually. Costs recovered by the commission are to be deposited to the credit 18 19 of the water resource management account and may be used only to accomplish the purposes of this section. The commission may apply 20 21 not more than 10 percent of the costs recovered annually toward the commission's overhead costs for the administration of this section 22 23 and the implementation of regional water quality assessments. The 24 commission, with the assistance and input of each river authority, 25 shall file a written report accounting for the costs recovered 26 under this section with the governor, the lieutenant governor, and 27 the speaker of the house of representatives on or before December 1

1 of each even-numbered year.

2 SECTION 29. Sections 11.0236(d), (k), (l), and (m), Section 3 11.0237(c), and Section 11.1491(b), Water Code, are repealed.

4 SECTION 30. The Study Commission on Water for Environmental 5 Flows is abolished on the effective date of this Act.

6 SECTION 31. (a) The governor, lieutenant governor, and 7 speaker of the house of representatives shall appoint the initial 8 members of the Environmental Flows Commission as provided by 9 Section 11.0236, Water Code, as amended by this Act, as soon as 10 practicable on or after the effective date of this Act.

(b) As soon as practicable after taking office, the initial members of the Environmental Flows Commission shall appoint the initial members of the Texas Environmental Flows Science Advisory Committee as provided by Section 11.02361, Water Code, as added by this Act. The terms of the initial members of the committee expire March 1, 2010.

(c) The Environmental Flows Commission shall appoint the members of each basin and bay area stakeholders committee as provided by Section 11.02362, Water Code, as added by this Act. The terms of the initial members of each committee expire March 1 of the fifth year that begins after the year in which the initial appointments are made.

(d) Each basin and bay area stakeholders committee shall appoint the members of the basin and bay expert science team for the river basin and bay system for which the committee is established as provided by Section 11.02362, Water Code, as added by this Act. The terms of the initial members of each team expire April 1 of the

1 fifth year that begins after the year in which the initial 2 appointments are made.

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3 The executive director of the Texas Commission on (e) 4 Environmental Quality shall appoint the members of the watermaster 5 advisory committee under Section 11.4531, Water Code, as added by 6 this Act, for each river basin or segment of a river basin for which 7 the executive director appoints a watermaster under Subchapter I, 8 Chapter 11, Water Code. The terms of the initial members of each 9 committee expire August 31 of the first odd-numbered year that begins after the year in which the initial appointments are made. 10

SECTION 32. The changes in law made by this Act relating to a permit for a new appropriation of water or to an amendment to an existing water right that increases the amount of water authorized to be stored, taken, or diverted apply only to:

(1) water appropriated under a permit for a new appropriation of water the application for which is pending with the Texas Commission on Environmental Quality on the effective date of this Act or is filed with the commission on or after that date; or

(2) the increase in the amount of water authorized to be stored, taken, or diverted under an amendment to an existing water right that increases the amount of water authorized to be stored, taken, or diverted and the application for which is pending with the Texas Commission on Environmental Quality on the effective date of this Act or is filed with the commission on or after that date.

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SECTION 33. This Act takes effect November 1, 2005.