

Amend **CSSB 3** (house committee printing) by striking sections SECTION 3.04 and SECTION 3.05 and substituting the following:

"SECTION 3.04. RESTRICTION ON ELIGIBILITY TO HOLD WATER RIGHTS; LIABILITY FOR CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS. (a) This section applies to:

(1) a proposed reservoir to be located on the Neches River in Anderson and Cherokee Counties, downstream from Lake Palestine; that is to be located in the Region I Regional Water Planning Area; and

(2) a proposed reservoir to be located on the Sulphur River upstream from its confluence with White Oak Creek; with a dam that will be located in Titus and Red River Counties and the reservoir would also impound water in Franklin County; that is to be located in the Region D Regional Water Planning Area.

(b) The right to appropriate at least 20 percent of the quantity of water that is authorized to be appropriated from each proposed reservoir must be held by one or more entities located in the regional water planning area in which the reservoir is to be located.

(c) If one or more entities located outside the regional water planning area in which a proposed reservoir is to be located are to hold the right to appropriate a majority of the quantity of water that is authorized to be appropriated from the reservoir, that entity or those entities must pay all of the costs of constructing, operating, and maintaining the reservoir until such time as one or more entities located in the regional water planning area in which the reservoir is to be located begins diverting water. At such time, the entity or entities making a diversion shall pay a pro-rata share of the cost of operating and maintaining the reservoir.

SECTION 3.05. STUDY COMMISSION ON REGION C WATER SUPPLY. (a) The Study Commission on Region C Water Supply is established. The study commission consists of six members as follows:

(1) two members appointed by the Region C Regional Water Planning Group; and

(2) two members appointed by the Region D Regional Water Planning Group.

(3) two members appointed by the Region I Regional Water Planning Group.

(b) A member of the study commission may be, but is not required to be, a voting member of the regional water planning group that appointed the member.

(c) The members of the study commission shall select a presiding officer from among the members.

(d) Members of the study commission are not entitled to compensation for service on the study commission but may be reimbursed for travel expenses incurred while conducting the business of the study commission, as provided for in the General Appropriations Act.

(e) The study commission shall:

(1) review the water supply alternatives available to the Region C Regional Water Planning Area, including obtaining additional water supply from Wright Patman Lake, Toledo Bend Reservoir, Lake Texoma, Lake o' the Pines, other existing and proposed reservoirs, and groundwater resources;

(2) in connection with the review under Subdivision (1) of this subsection, analyze the socioeconomic effect on the area where the water supply is located that would result from the use of the water to meet the water needs of the Region C Regional Water Planning Area, including:

(A) the effects on landowners, agricultural and natural resources, businesses, industries, and taxing entities of different water management strategies; and

(B) in connection with the use by the Region C Regional Water Planning Area of water from Wright Patman Lake, the effect on water availability in that lake and the effect on industries relying on that water availability;

(3) determine whether water demand in the Region C Regional Water Planning Area may be reduced through additional conservation and reuse measures so as to postpone the need for additional water supplies;

(4) evaluate measures that would need to be taken to comply with the mitigation requirements of the United States Army Corps of Engineers in connection with any proposed new reservoirs,

including identifying potential mitigation sites;

(5) consider whether the mitigation burden described by Subdivision (4) of this subsection may be shared by the Regions C, D, and I Regional Water Planning Areas in proportion to the allocation to each region of water in any proposed reservoir;

(6) review innovative methods of compensation to affected property owners, including royalties for water stored on acquired properties and annual payments to landowners for properties acquired for the construction of a reservoir to satisfy future water management strategies;

(7) evaluate the minimum number of surface acres required for the construction of proposed reservoirs in order to develop adequate water supply; and

(8) identify the locations of proposed reservoir sites, and proposed mitigation as applicable as selected in accordance with existing state and federal law in the Regions C, D, and I Regional Water Planning Areas using satellite imagery with sufficient resolution to permit land ownership to be determined.

(f) The study commission may not be assisted by any person that is a party to or is employed by a party to a contract to perform engineering work with respect to site selection, permitting, design, or construction of a proposed reservoir in Regions D or I.

(g) The Texas Water Development Board, on request of the study commission, may provide staff support or other assistance necessary to enable the study commission to carry out its duties. The Texas Water Development Board shall provide funding for the study commission, including funding of any studies conducted by the study commission, from the regional planning budget of the board.

(h) Not later than December 1, 2010, the study commission shall deliver a report to the governor, lieutenant governor, and speaker of the house of representatives that includes any:

(1) studies completed by the study commission;

(2) legislation proposed by the study commission;

(3) a recommendation as to whether Marvin Nichols should remain a designated reservoir site;

(4) a recommendation as to whether any reservoir to be located on the Neches River in Anderson and Cherokee Counties,

downstream from Lake Palestine should remain a designated reservoir site; and

(5) other findings and recommendations of the study commission.

(i) The study commission is abolished and this section expires December 31, 2011.