

1-1 By: McClendon (Senate Sponsor - Whitmire) H.B. No. 3862
1-2 (In the Senate - Received from the House May 14, 2007;
1-3 May 15, 2007, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 18, 2007, reported favorably by
1-5 the following vote: Yeas 3, Nays 0; May 18, 2007, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the duties of a water service provider in an area served
1-10 by sewer service of certain political subdivisions.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter Z, Chapter 402, Local Government
1-13 Code, is amended by adding Section 402.911 to read as follows:

1-14 Sec. 402.911. DUTIES OF WATER SERVICE PROVIDER TO AN AREA
1-15 SERVED BY SEWER SERVICE OF CERTAIN POLITICAL SUBDIVISIONS. (a)
1-16 This section applies only to an area:

1-17 (1) that is located in a county that has a population
1-18 of more than one million and in which more than 80 percent of the
1-19 population resides in a single municipality; and

1-20 (2) in which:

1-21 (A) sewer service is provided by a municipality
1-22 or conservation and reclamation district that also provides water
1-23 service to other areas; and

1-24 (B) an entity other than the municipality or
1-25 district described by Paragraph (A) provides water service to the
1-26 area.

1-27 (b) A municipality or conservation and reclamation district
1-28 may provide written notice to a person to whom the municipality's or
1-29 district's sewer service system provides service if the person has
1-30 failed to pay for the service for more than 90 days. The notice must
1-31 state the past due amount owed and the deadline by which the past
1-32 due amount must be paid or the person will lose water service. The
1-33 notice may be sent by mail or hand-delivered to the location at
1-34 which the sewer service is provided.

1-35 (c) The municipality or district may notify the water
1-36 service provider of a person who fails to make timely payment after
1-37 the person receives notice under Subsection (b). The notice must
1-38 indicate the number of days the person has failed to pay for sewer
1-39 service and the total amount past due. On receipt of the notice,
1-40 the water service provider shall discontinue water service to the
1-41 person.

1-42 (d) For each person the water service provider serves in an
1-43 area to which this section applies, the water service provider
1-44 shall provide the municipality or district with any relevant
1-45 customer information so that the municipality or district may bill
1-46 users of the sewer service directly and verify the water
1-47 consumption of users. Relevant customer information provided under
1-48 this section includes the name, address, and telephone number of
1-49 the customer of the water service provider, the monthly meter
1-50 readings of the customer, monthly consumption information,
1-51 including any billing adjustments, and certain meter information,
1-52 such as brand, model, age, and location.

1-53 (e) The municipality or district shall reimburse the water
1-54 service provider for its reasonable and actual incremental costs
1-55 for providing services to the municipality or district under this
1-56 section. Incremental costs are limited to only those costs that are
1-57 in addition to the water service provider's costs in providing its
1-58 services to its customers, and those costs must be consistent with
1-59 the costs incurred by other water utility providers. The water
1-60 service provider must provide the municipality or district with
1-61 documentation certified by a certified public accountant of the
1-62 reasonable and actual incremental costs for providing services to
1-63 the municipality or district under this section.

1-64 SECTION 2. This Act takes effect September 1, 2007.

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