

1-1 By: Averitt S.B. No. 3
1-2 (In the Senate - Filed February 22, 2007; February 27, 2007,
1-3 read first time and referred to Committee on Natural Resources;
1-4 March 20, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 1; March 20, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 3 By: Averitt

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the development, management, and preservation of the
1-11 water resources of the state; providing penalties.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1.01. The heading to Section 5.506, Water Code, is
1-14 amended to read as follows:

1-15 Sec. 5.506. EMERGENCY SUSPENSION OF PERMIT CONDITION
1-16 RELATING TO, AND EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET
1-17 ASIDE FOR, BENEFICIAL INFLOWS TO AFFECTED BAYS AND ESTUARIES AND
1-18 INSTREAM USES.

1-19 SECTION 1.02. Section 5.506, Water Code, is amended by
1-20 adding Subsection (a-1) and amending Subsections (b) and (c) to
1-21 read as follows:

1-22 (a-1) State water that is set aside by the commission to
1-23 meet the needs for freshwater inflows to affected bays and
1-24 estuaries and instream uses under Section 11.1471(a)(2) may be made
1-25 available temporarily for other essential beneficial uses if the
1-26 commission finds that an emergency exists that cannot practically
1-27 be resolved in another way.

1-28 (b) The commission must give written notice of the proposed
1-29 action [suspension] to the Parks and Wildlife Department before the
1-30 commission suspends a permit condition under Subsection (a) or
1-31 makes water available temporarily under Subsection (a-1) [this
1-32 section]. The commission shall give the Parks and Wildlife
1-33 Department an opportunity to submit comments on the proposed action
1-34 [suspension] for a period of 72 hours from receipt of the notice and
1-35 must consider those comments before issuing an order implementing
1-36 the proposed action [imposing the suspension].

1-37 (c) The commission may suspend a permit condition under
1-38 Subsection (a) or make water available temporarily under Subsection
1-39 (a-1) [this section] without notice except as required by
1-40 Subsection (b).

1-41 SECTION 1.03. Subsection (j), Section 5.701, Water Code, is
1-42 amended to read as follows:

1-43 (j) The fee for other uses of water not specifically named
1-44 in this section is \$1 per acre-foot, except that no political
1-45 subdivision may be required to pay fees to use water for recharge of
1-46 underground freshwater-bearing sands and aquifers or for abatement
1-47 of natural pollution. A fee is not required for a water right that
1-48 is [This fee is waived for applications for instream-use water
1-49 rights] deposited into the Texas Water Trust.

1-50 SECTION 1.04. Section 11.002, Water Code, is amended by
1-51 adding Subdivisions (15), (16), (17), (18), and (19) to read as
1-52 follows:

1-53 (15) "Environmental flow analysis" means the
1-54 application of a scientifically derived process for predicting the
1-55 response of an ecosystem to changes in instream flows or freshwater
1-56 inflows.

1-57 (16) "Environmental flow regime" means a schedule of
1-58 flow quantities that reflects seasonal and yearly fluctuations that
1-59 typically would vary geographically, by specific location in a
1-60 watershed, and that are shown to be adequate to support a sound
1-61 ecological environment and to maintain the productivity, extent,
1-62 and persistence of key aquatic habitats in and along the affected
1-63 water bodies.

2-1 (17) "Environmental flow standards" means those
 2-2 requirements adopted by the commission under Section 11.1471.

2-3 (18) "Advisory group" means the environmental flows
 2-4 advisory group.

2-5 (19) "Science advisory committee" means the Texas
 2-6 environmental flows science advisory committee.

2-7 SECTION 1.05. Subsection (a), Section 11.023, Water Code,
 2-8 is amended to read as follows:

2-9 (a) To the extent that state water has not been set aside by
 2-10 the commission under Section 11.1471(a)(2) to meet downstream
 2-11 instream flow needs or freshwater inflow needs, state [State] water
 2-12 may be appropriated, stored, or diverted for:

2-13 (1) domestic and municipal uses, including water for
 2-14 sustaining human life and the life of domestic animals;

2-15 (2) agricultural uses and industrial uses, meaning
 2-16 processes designed to convert materials of a lower order of value
 2-17 into forms having greater usability and commercial value, including
 2-18 the development of power by means other than hydroelectric;

2-19 (3) mining and recovery of minerals;

2-20 (4) hydroelectric power;

2-21 (5) navigation;

2-22 (6) recreation and pleasure;

2-23 (7) public parks; and

2-24 (8) game preserves.

2-25 SECTION 1.06. Section 11.0235, Water Code, is amended by
 2-26 amending Subsections (b), (c), and (e) and adding Subsections (d-1)
 2-27 through (d-6) and (f) to read as follows:

2-28 (b) Maintaining the biological soundness of the state's
 2-29 rivers, lakes, bays, and estuaries is of great importance to the
 2-30 public's economic health and general well-being. The legislature
 2-31 encourages voluntary water and land stewardship to benefit the
 2-32 water in the state, as defined by Section 26.001.

2-33 (c) The legislature has expressly required the commission
 2-34 while balancing all other public interests to consider and, to the
 2-35 extent practicable, provide for the freshwater inflows and instream
 2-36 flows necessary to maintain the viability of the state's streams,
 2-37 rivers, and bay and estuary systems in the commission's regular
 2-38 granting of permits for the use of state waters. As an essential
 2-39 part of the state's environmental flows policy, all permit
 2-40 conditions relating to freshwater inflows to affected bays and
 2-41 estuaries and instream flow needs must be subject to temporary
 2-42 suspension if necessary for water to be applied to essential
 2-43 beneficial uses during emergencies.

2-44 (d-1) The legislature has determined that existing water
 2-45 rights that are amended to authorize use for environmental purposes
 2-46 should be enforced in a manner consistent with the enforcement of
 2-47 water rights for other purposes as provided by the laws of this
 2-48 state governing the appropriation of state water.

2-49 (d-2) The legislature finds that to provide certainty in
 2-50 water management and development and to provide adequate protection
 2-51 of the state's streams, rivers, and bays and estuaries, the state
 2-52 must have a process with specific timelines for prompt action to
 2-53 address environmental flow issues in the state's major basin and
 2-54 bay systems, especially those systems in which unappropriated water
 2-55 is still available.

2-56 (d-3) The legislature finds that:

2-57 (1) in those basins in which water is available for
 2-58 appropriation, the commission should establish an environmental
 2-59 set-aside below which water should not be available for
 2-60 appropriation; and

2-61 (2) in those basins in which the unappropriated water
 2-62 that will be set aside for instream flow and freshwater inflow
 2-63 protection is not sufficient to fully satisfy the environmental
 2-64 flow standards established by the commission, a variety of market
 2-65 approaches, both public and private, for filling the gap must be
 2-66 explored and pursued.

2-67 (d-4) The legislature finds that while the state has
 2-68 pioneered tools to address freshwater inflow needs for bays and
 2-69 estuaries, there are limitations to those tools in light of both

3-1 scientific and public policy evolution. To fully address bay and
 3-2 estuary environmental flow issues, the foundation of work
 3-3 accomplished by the state should be improved. While the state's
 3-4 instream flow studies program appears to encompass a comprehensive
 3-5 and scientific approach for establishing a process to assess
 3-6 instream flow needs for rivers and streams across the state, more
 3-7 extensive review and examination of the details of the program,
 3-8 which may not be fully developed until the program is under way, are
 3-9 needed to ensure an effective tool for evaluating riverine
 3-10 environmental flow conditions.

3-11 (d-5) The legislature finds that the management of water to
 3-12 meet instream flow and freshwater inflow needs should be evaluated
 3-13 on a regular basis and adapted to reflect both improvements in
 3-14 science related to environmental flows and future changes in
 3-15 projected human needs for water. In addition, the development of
 3-16 management strategies for addressing environmental flow needs
 3-17 should be an ongoing, adaptive process that considers and addresses
 3-18 local issues.

3-19 (d-6) The legislature finds that recommendations for state
 3-20 action to protect instream flows and freshwater inflows should be
 3-21 developed through a consensus-based, regional approach involving
 3-22 balanced representation of stakeholders and that such a process
 3-23 should be encouraged throughout the state.

3-24 (e) The fact that greater pressures and demands are being
 3-25 placed on the water resources of the state makes it of paramount
 3-26 importance to ensure [~~reexamine the process for ensuring~~] that
 3-27 these important priorities are effectively addressed by detailing
 3-28 how environmental flow standards are to be developed using the
 3-29 environmental studies that have been and are to be performed by the
 3-30 state and others and specifying in clear delegations of authority
 3-31 how those environmental flow standards will be integrated into the
 3-32 regional water planning and water permitting process [~~to the~~
 3-33 ~~commission~~].

3-34 (f) The legislature recognizes that effective
 3-35 implementation of the approach provided by this chapter for
 3-36 protecting instream flows and freshwater inflows will require more
 3-37 effective water rights administration and enforcement systems than
 3-38 are currently available in most areas of the state.

3-39 SECTION 1.07. Subchapter B, Chapter 11, Water Code, is
 3-40 amended by adding Sections 11.0236, 11.02361, 11.02362, and 11.0237
 3-41 to read as follows:

3-42 Sec. 11.0236. ENVIRONMENTAL FLOWS ADVISORY GROUP. (a) In
 3-43 recognition of the importance that the ecological soundness of our
 3-44 riverine, bay, and estuary systems and riparian lands has on the
 3-45 economy, health, and well-being of the state there is created the
 3-46 environmental flows advisory group.

3-47 (b) The advisory group is composed of nine members as
 3-48 follows:

3-49 (1) three members appointed by the governor;
 3-50 (2) three members of the senate appointed by the
 3-51 lieutenant governor; and
 3-52 (3) three members of the house of representatives
 3-53 appointed by the speaker of the house of representatives.

3-54 (c) Of the members appointed under Subsection (b)(1):
 3-55 (1) one member must be a member of the commission;
 3-56 (2) one member must be a member of the board; and
 3-57 (3) one member must be a member of the Parks and
 3-58 Wildlife Commission.

3-59 (d) Each member of the advisory group serves at the will of
 3-60 the person who appointed the member.

3-61 (e) The appointed senator with the most seniority and the
 3-62 appointed house member with the most seniority serve together as
 3-63 co-presiding officers of the advisory group.

3-64 (f) A member of the advisory group is not entitled to
 3-65 receive compensation for service on the advisory group but is
 3-66 entitled to reimbursement of the travel expenses incurred by the
 3-67 member while conducting the business of the advisory group, as
 3-68 provided by the General Appropriations Act.

3-69 (g) The advisory group may accept gifts and grants from any

4-1 source to be used to carry out a function of the advisory group.

4-2 (h) The commission shall provide staff support for the
4-3 advisory group.

4-4 (i) The advisory group shall conduct public hearings and
4-5 study public policy implications for balancing the demands on the
4-6 water resources of the state resulting from a growing population
4-7 with the requirements of the riverine, bay, and estuary systems
4-8 including granting permits for instream flows dedicated to
4-9 environmental needs or bay and estuary inflows, use of the Texas
4-10 Water Trust, and any other issues that the advisory group
4-11 determines have importance and relevance to the protection of
4-12 environmental flows. In evaluating the options for providing
4-13 adequate environmental flows, the advisory group shall take notice
4-14 of the strong public policy imperative that exists in this state
4-15 recognizing that environmental flows are important to the
4-16 biological health of our public and private lands, streams and
4-17 ivers, and bay and estuary systems and are high priorities in the
4-18 water management process. The advisory group shall specifically
4-19 address:

4-20 (1) ways that the ecological soundness of those
4-21 systems will be ensured in the water rights administration and
4-22 enforcement and water allocation processes; and

4-23 (2) appropriate methods to encourage persons
4-24 voluntarily to convert reasonable amounts of existing water rights
4-25 to use for environmental flow protection temporarily or
4-26 permanently.

4-27 (j) The advisory group may adopt rules, procedures, and
4-28 policies as needed to administer this section, to implement its
4-29 responsibilities, and to exercise its authority under Sections
4-30 11.02361 and 11.02362.

4-31 (k) Chapter 2110, Government Code, does not apply to the
4-32 size, composition, or duration of the advisory group.

4-33 (l) Not later than December 1, 2008, and every two years
4-34 thereafter, the advisory group shall issue and promptly deliver to
4-35 the governor, lieutenant governor, and speaker of the house of
4-36 representatives copies of a report summarizing:

4-37 (1) any hearings conducted by the advisory group;

4-38 (2) any studies conducted by the advisory group;

4-39 (3) any legislation proposed by the advisory group;

4-40 (4) progress made in implementing Sections 11.02361
4-41 and 11.02362; and

4-42 (5) any other findings and recommendations of the
4-43 advisory group.

4-44 (m) The advisory group is abolished on the date that the
4-45 commission has adopted environmental flow standards under Section
4-46 11.1471 for all of the river basin and bay systems in this state.

4-47 Sec. 11.02361. TEXAS ENVIRONMENTAL FLOWS SCIENCE ADVISORY
4-48 COMMITTEE. (a) The Texas environmental flows science advisory
4-49 committee consists of at least five but not more than nine members
4-50 appointed by the advisory group.

4-51 (b) The advisory group shall appoint to the science advisory
4-52 committee persons who will provide an objective perspective and
4-53 diverse technical expertise, including expertise in hydrology,
4-54 hydraulics, water resources, aquatic and terrestrial biology,
4-55 geomorphology, geology, water quality, computer modeling, and
4-56 other technical areas pertinent to the evaluation of environmental
4-57 flows.

4-58 (c) Members of the science advisory committee serve
4-59 five-year terms expiring March 1. A vacancy on the science advisory
4-60 committee is filled by appointment by the co-presiding officers of
4-61 the advisory group for the unexpired term.

4-62 (d) Chapter 2110, Government Code, does not apply to the
4-63 size, composition, or duration of the science advisory committee.

4-64 (e) The science advisory committee shall:

4-65 (1) serve as an objective scientific body to advise
4-66 and make recommendations to the advisory group on issues relating
4-67 to the science of environmental flow protection; and

4-68 (2) develop recommendations to help provide overall
4-69 direction, coordination, and consistency relating to:

5-1 (A) environmental flow methodologies for bay and
 5-2 estuary studies and instream flow studies;

5-3 (B) environmental flow programs at the
 5-4 commission, the Parks and Wildlife Department, and the board; and

5-5 (C) the work of the basin and bay expert science
 5-6 teams described in Section 11.02362.

5-7 (f) To assist the advisory group to assess the extent to
 5-8 which the recommendations of the science advisory committee are
 5-9 considered and implemented, the commission, the Parks and Wildlife
 5-10 Department, and the board shall provide written reports to the
 5-11 advisory group, at intervals determined by the advisory group, that
 5-12 describe:

5-13 (1) the actions taken by each agency in response to
 5-14 each recommendation; and

5-15 (2) for each recommendation not implemented, the
 5-16 reason it was not implemented.

5-17 (g) The science advisory committee is abolished on the date
 5-18 the advisory group is abolished under Section 11.0236(m).

5-19 Sec. 11.02362. DEVELOPMENT OF ENVIRONMENTAL FLOW REGIME
 5-20 RECOMMENDATIONS. (a) For the purposes of this section, the
 5-21 advisory group, not later than November 1, 2007, shall define the
 5-22 geographical extent of each river basin and bay system in this state
 5-23 for the sole purpose of developing environmental flow regime
 5-24 recommendations under this section and adoption of environmental
 5-25 flow standards under Section 11.1471.

5-26 (b) The advisory group shall give priority in descending
 5-27 order to the following river basin and bay systems of the state for
 5-28 the purpose of developing environmental flow regime
 5-29 recommendations and adopting environmental flow standards:

5-30 (1) the river basin and bay system consisting of the
 5-31 Trinity and San Jacinto Rivers and Galveston Bay and the river basin
 5-32 and bay system consisting of the Sabine and Neches Rivers and Sabine
 5-33 Lake Bay;

5-34 (2) the river basin and bay system consisting of the
 5-35 Colorado and Lavaca Rivers and Matagorda and Lavaca Bays and the
 5-36 river basin and bay system consisting of the Guadalupe, San
 5-37 Antonio, Mission, and Aransas Rivers and Mission, Copano, Aransas,
 5-38 and San Antonio Bays; and

5-39 (3) the river basin and bay system consisting of the
 5-40 Nueces River and Corpus Christi and Baffin Bays, the river basin and
 5-41 bay system consisting of the Rio Grande, the Rio Grande estuary, and
 5-42 the Lower Laguna Madre, and the Brazos River and its associated bay
 5-43 and estuary system.

5-44 (c) For the river basin and bay systems listed in Subsection
 5-45 (b)(1):

5-46 (1) the advisory group shall appoint the basin and bay
 5-47 area stakeholders committee not later than November 1, 2007;

5-48 (2) the basin and bay area stakeholders committee
 5-49 shall establish a basin and bay expert science team not later than
 5-50 March 1, 2008;

5-51 (3) the basin and bay expert science team shall
 5-52 finalize environmental flow regime recommendations and submit them
 5-53 to the basin and bay area stakeholders committee, the advisory
 5-54 group, and the commission not later than March 1, 2009, except that
 5-55 at the request of the basin and bay area stakeholders committee for
 5-56 good cause shown, the advisory group may extend the deadline
 5-57 provided by this subdivision;

5-58 (4) the basin and bay area stakeholders committee
 5-59 shall submit to the commission its comments on and recommendations
 5-60 regarding the basin and bay expert science team's recommended
 5-61 environmental flow regime not later than September 1, 2009; and

5-62 (5) the commission shall adopt the environmental flow
 5-63 standards as provided by Section 11.1471 not later than September
 5-64 1, 2010.

5-65 (d) The advisory group shall appoint the basin and bay area
 5-66 stakeholders committees for the river basin and bay systems listed
 5-67 in Subsection (b)(2) not later than September 1, 2008, and shall
 5-68 appoint the basin and bay area stakeholders committees for the
 5-69 river basin and bay systems listed in Subsection (b)(3) not later

6-1 than September 1, 2009. The advisory group shall establish a
 6-2 schedule for the performance of the tasks listed in Subsections
 6-3 (c)(2) through (5) with regard to the river basin and bay systems
 6-4 listed in Subsections (b)(2) and (3) that will result in the
 6-5 adoption of environmental flow standards for that river basin and
 6-6 bay system by the commission as soon as is reasonably possible.
 6-7 Each basin and bay area stakeholders committee and basin and bay
 6-8 expert science team for a river basin and bay system listed in
 6-9 Subsection (b)(2) or (3) shall make recommendations to the advisory
 6-10 group with regard to the schedule applicable to that river basin and
 6-11 bay system. The advisory group shall consider the recommendations
 6-12 of the basin and bay area stakeholders committee and basin and bay
 6-13 expert science team as well as coordinate with, and give
 6-14 appropriate consideration to the recommendations of, the
 6-15 commission, the Parks and Wildlife Department, and the board in
 6-16 establishing the schedule.

6-17 (e) For a river basin and bay system or a river basin that
 6-18 does not have an associated bay system in this state not listed in
 6-19 Subsection (b), the advisory group shall establish a schedule for
 6-20 the development of environmental flow regime recommendations and
 6-21 the adoption of environmental flow standards. The advisory group
 6-22 shall develop the schedule in consultation with the commission, the
 6-23 Parks and Wildlife Department, the board, and the pertinent basin
 6-24 and bay area stakeholders committee and basin and bay expert
 6-25 science team. The advisory group may, on its own initiative or on
 6-26 request, modify a schedule established under this subsection to be
 6-27 more responsive to particular circumstances, local desires,
 6-28 changing conditions, or time-sensitive conflicts. This subsection
 6-29 does not prohibit, in a river basin and bay system for which the
 6-30 advisory group has not yet established a schedule for the
 6-31 development of environmental flow regime recommendations and the
 6-32 adoption of environmental flow standards, an effort to develop
 6-33 information on environmental flow needs and ways in which those
 6-34 needs can be met by a voluntary consensus-building process.

6-35 (f) The advisory group shall appoint a basin and bay area
 6-36 stakeholders committee for each river basin and bay system in this
 6-37 state for which a schedule for the development of environmental
 6-38 flow regime recommendations and the adoption of environmental flow
 6-39 standards is specified by or established under Subsection (c), (d),
 6-40 or (e). Chapter 2110, Government Code, does not apply to the size,
 6-41 composition, or duration of a basin and bay area stakeholders
 6-42 committee. Each committee must consist of at least 17 members. The
 6-43 membership of each committee must:

6-44 (1) reflect a fair and equitable balance of interest
 6-45 groups concerned with the particular river basin and bay system for
 6-46 which the committee is established; and

6-47 (2) be representative of appropriate stakeholders,
 6-48 including the following if they have a presence in the particular
 6-49 river basin and bay system for which the committee is established:

6-50 (A) agricultural water users, including
 6-51 representatives of each of the following sectors:

6-52 (i) agricultural irrigation;

6-53 (ii) free-range livestock; and

6-54 (iii) confined animal feeding operation;

6-55 (B) recreational water users, including coastal
 6-56 recreational anglers and businesses supporting water recreation;

6-57 (C) municipalities;

6-58 (D) soil and water conservation districts;

6-59 (E) industrial water users, including
 6-60 representatives of each of the following sectors:

6-61 (i) refining;

6-62 (ii) chemical manufacturing;

6-63 (iii) electricity generation; and

6-64 (iv) production of paper products or
 6-65 timber;

6-66 (F) commercial fishermen;

6-67 (G) public interest groups;

6-68 (H) regional water planning groups;

6-69 (I) groundwater conservation districts;

7-1 (J) river authorities and other conservation and
7-2 reclamation districts with jurisdiction over surface water; and

7-3 (K) environmental interests.

7-4 (g) Members of a basin and bay area stakeholders committee
7-5 serve five-year terms expiring March 1. If a vacancy occurs on a
7-6 committee, the remaining members of the committee by majority vote
7-7 shall appoint a member to serve the remainder of the unexpired term.

7-8 (h) Meetings of a basin and bay area stakeholders committee
7-9 must be open to the public.

7-10 (i) Each basin and bay area stakeholders committee shall
7-11 establish a basin and bay expert science team for the river basin
7-12 and bay system for which the committee is established. The basin
7-13 and bay expert science team must be established not later than six
7-14 months after the date the basin and bay area stakeholders committee
7-15 is established. Chapter 2110, Government Code, does not apply to
7-16 the size, composition, or duration of a basin and bay expert science
7-17 team. Each basin and bay expert science team must be composed of
7-18 technical experts with special expertise regarding the river basin
7-19 and bay system or regarding the development of environmental flow
7-20 regimes. A person may serve as a member of more than one basin and
7-21 bay expert science team at the same time.

7-22 (j) The members of a basin and bay expert science team serve
7-23 five-year terms expiring April 1. A vacancy on a basin and bay
7-24 expert science team is filled by appointment by the pertinent basin
7-25 and bay area stakeholders committee to serve the remainder of the
7-26 unexpired term.

7-27 (k) The science advisory committee shall appoint one of its
7-28 members to serve as a liaison to each basin and bay expert science
7-29 team to facilitate coordination and consistency in environmental
7-30 flow activities throughout the state. The commission, the Parks
7-31 and Wildlife Department, and the board shall provide technical
7-32 assistance to each basin and bay expert science team, including
7-33 information about the studies conducted under Sections 16.058 and
7-34 16.059, and may serve as nonvoting members of the basin and bay
7-35 expert science team to facilitate the development of environmental
7-36 flow regime recommendations.

7-37 (l) Where reasonably practicable, meetings of a basin and
7-38 bay expert science team must be open to the public.

7-39 (m) Each basin and bay expert science team shall develop
7-40 environmental flow analyses and a recommended environmental flow
7-41 regime for the river basin and bay system for which the team is
7-42 established through a collaborative process designed to achieve a
7-43 consensus. In developing the analyses and recommendations, the
7-44 science team must consider all reasonably available science,
7-45 without regard to the need for the water for other uses, and the
7-46 science team's recommendations must be based solely on the best
7-47 science available. For the Rio Grande below Fort Quitman, any uses
7-48 attributable to Mexican water flows must be excluded from
7-49 environmental flow regime recommendations.

7-50 (n) Each basin and bay expert science team shall submit its
7-51 environmental flow analyses and environmental flow regime
7-52 recommendations to the pertinent basin and bay area stakeholders
7-53 committee, the advisory group, and the commission in accordance
7-54 with the applicable schedule specified by or established under
7-55 Subsection (c), (d), or (e). The basin and bay area stakeholders
7-56 committee and the advisory group may not change the environmental
7-57 flow analyses or environmental flow regime recommendations of the
7-58 basin and bay expert science team.

7-59 (o) Each basin and bay area stakeholders committee shall
7-60 review the environmental flow analyses and environmental flow
7-61 regime recommendations submitted by the committee's basin and bay
7-62 expert science team and shall consider them in conjunction with
7-63 other factors, including the present and future needs for water for
7-64 other uses related to water supply planning in the pertinent river
7-65 basin and bay system. For the Rio Grande, the basin and bay area
7-66 stakeholders committee shall also consider the water accounting
7-67 requirements for any international water sharing treaty, minutes,
7-68 and agreement applicable to the Rio Grande and the effects on
7-69 allocation of water by the Rio Grande watermaster in the middle and

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

8-12 (p) In recognition of the importance of adaptive
 8-13 management, after submitting its recommendations regarding
 8-14 environmental flow standards and strategies to meet the
 8-15 environmental flow standards to the commission, each basin and bay
 8-16 area stakeholders committee, with the assistance of the pertinent
 8-17 basin and bay expert science team, shall prepare and submit for
 8-18 approval by the advisory group a work plan. The work plan must:

8-19 (1) establish a periodic review of the basin and bay
 8-20 environmental flow analyses and environmental flow regime
 8-21 recommendations, environmental flow standards, and strategies, to
 8-22 occur at least once every 10 years;

8-23 (2) prescribe specific monitoring, studies, and
 8-24 activities; and

8-25 (3) establish a schedule for continuing the validation
 8-26 or refinement of the basin and bay environmental flow analyses and
 8-27 environmental flow regime recommendations, the environmental flow
 8-28 standards adopted by the commission, and the strategies to achieve
 8-29 those standards.

8-30 (q) In accordance with the applicable schedule specified by
 8-31 or established under Subsection (c), (d), or (e), the advisory
 8-32 group, with input from the science advisory committee, shall review
 8-33 the environmental flow analyses and environmental flow regime
 8-34 recommendations submitted by each basin and bay expert science
 8-35 team. If appropriate, the advisory group shall submit comments on
 8-36 the analyses and recommendations to the commission for use by the
 8-37 commission in adopting rules under Section 11.1471. Comments must
 8-38 be submitted not later than six months after the date of receipt of
 8-39 the analyses and recommendations.

8-40 (r) Notwithstanding the other provisions of this section,
 8-41 in the event the commission, by permit or order, has established an
 8-42 estuary advisory council with specific duties related to
 8-43 implementation of permit conditions for environmental flows, that
 8-44 council may continue in full force and effect and shall act as and
 8-45 perform the duties of the basin and bay area stakeholders committee
 8-46 under this section. The estuary advisory council shall add members
 8-47 from stakeholder groups and from appropriate science and technical
 8-48 groups, if necessary, to fully meet the criteria for membership
 8-49 established in Subsection (f) and shall operate under the
 8-50 provisions of this section.

8-51 (s) Each basin and bay area stakeholders committee and basin
 8-52 and bay expert science team is abolished on the date the advisory
 8-53 group is abolished under Section 11.0236(m).

8-54 Sec. 11.0237. WATER RIGHTS FOR INSTREAM FLOWS DEDICATED TO
 8-55 ENVIRONMENTAL NEEDS OR BAY AND ESTUARY INFLOWS. (a) The commission
 8-56 may not issue a new permit for instream flows dedicated to
 8-57 environmental needs or bay and estuary inflows. The commission may
 8-58 approve an application to amend an existing permit or certificate
 8-59 of adjudication to change the use to or add a use for instream flows
 8-60 dedicated to environmental needs or bay and estuary inflows.

8-61 (b) This section does not alter the commission's
 8-62 obligations under Section 11.042(b) or (c), 11.046(b),
 8-63 11.085(k)(2)(F), 11.134(b)(3)(D), 11.147, 11.1471, 11.1491,
 8-64 11.150, 11.152, 16.058, or 16.059.

8-65 SECTION 1.08. Subsection (b), Section 11.082, Water Code,
 8-66 is amended to read as follows:

8-67 (b) The state may recover the penalties prescribed in
 8-68 Subsection (a) [~~of this section~~] by suit brought for that purpose in
 8-69 a court of competent jurisdiction. The state may seek those

9-1 penalties regardless of whether a watermaster has been appointed
 9-2 for the water division, river basin, or segment of a river basin
 9-3 where the unlawful use is alleged to have occurred.

9-4 SECTION 1.09. Section 11.0841, Water Code, is amended by
 9-5 adding Subsection (c) to read as follows:

9-6 (c) For purposes of this section, the Parks and Wildlife
 9-7 Department has:

9-8 (1) the rights of a holder of a water right that is
 9-9 held in the Texas Water Trust, including the right to file suit in a
 9-10 civil court to prevent the unlawful use of such a right;

9-11 (2) the right to act in the same manner that a holder
 9-12 of a water right may act to protect the holder's rights in seeking
 9-13 to prevent any person from appropriating water in violation of a
 9-14 set-aside established by the commission under Section 11.1471 to
 9-15 meet instream flow needs or freshwater inflow needs; and

9-16 (3) the right to file suit in a civil court to prevent
 9-17 the unlawful use of a set-aside established under Section 11.1471.

9-18 SECTION 1.10. Subsection (a), Section 11.0842, Water Code,
 9-19 is amended to read as follows:

9-20 (a) If a person violates this chapter, a rule or order
 9-21 adopted under this chapter or Section 16.236 [~~of this code~~], or a
 9-22 permit, certified filing, or certificate of adjudication issued
 9-23 under this chapter, the commission may assess an administrative
 9-24 penalty against that person as provided by this section. The
 9-25 commission may assess an administrative penalty for a violation
 9-26 relating to a water division or a river basin or segment of a river
 9-27 basin regardless of whether a watermaster has been appointed for
 9-28 the water division or river basin or segment of the river basin.

9-29 SECTION 1.11. Subsection (a), Section 11.0843, Water Code,
 9-30 is amended to read as follows:

9-31 (a) Upon witnessing a violation of this chapter or a rule or
 9-32 order or a water right issued under this chapter, the executive
 9-33 director or a person designated by the executive director,
 9-34 including a watermaster or the watermaster's deputy, [~~as defined by~~
 9-35 ~~commission rule,~~] may issue the alleged violator a field citation
 9-36 alleging that a violation has occurred and providing the alleged
 9-37 violator the option of either:

9-38 (1) without admitting to or denying the alleged
 9-39 violation, paying an administrative penalty in accordance with the
 9-40 predetermined penalty amount established under Subsection (b) [~~of~~
 9-41 ~~this section~~] and taking remedial action as provided in the
 9-42 citation; or

9-43 (2) requesting a hearing on the alleged violation in
 9-44 accordance with Section 11.0842 [~~of this code~~].

9-45 SECTION 1.12. Subsection (b), Section 11.134, Water Code,
 9-46 is amended to read as follows:

9-47 (b) The commission shall grant the application only if:

9-48 (1) the application conforms to the requirements
 9-49 prescribed by this chapter and is accompanied by the prescribed
 9-50 fee;

9-51 (2) unappropriated water is available in the source of
 9-52 supply;

9-53 (3) the proposed appropriation:
 9-54 (A) is intended for a beneficial use;
 9-55 (B) does not impair existing water rights or
 9-56 vested riparian rights;
 9-57 (C) is not detrimental to the public welfare;
 9-58 (D) considers any applicable environmental flow
 9-59 standards established under Section 11.1471 and, if applicable, the
 9-60 assessments performed under Sections 11.147(d) and (e) and Sections
 9-61 11.150, 11.151, and 11.152; and

9-62 (E) addresses a water supply need in a manner
 9-63 that is consistent with the state water plan and the relevant
 9-64 approved regional water plan for any area in which the proposed
 9-65 appropriation is located, unless the commission determines that
 9-66 conditions warrant waiver of this requirement; and

9-67 (4) the applicant has provided evidence that
 9-68 reasonable diligence will be used to avoid waste and achieve water
 9-69 conservation as defined by [~~Subdivision (8)(B),~~] Section

10-1 11.002(8)(B) [11.002].

10-2 SECTION 1.13. Section 11.147, Water Code, is amended by
10-3 amending Subsections (b), (d), and (e) and adding Subsections
10-4 (e-1), (e-2), and (e-3) to read as follows:

10-5 (b) In its consideration of an application for a permit to
10-6 store, take, or divert water, the commission shall assess the
10-7 effects, if any, of the issuance of the permit on the bays and
10-8 estuaries of Texas. For permits issued within an area that is 200
10-9 river miles of the coast, to commence from the mouth of the river
10-10 thence inland, the commission shall include in the permit any
10-11 conditions considered necessary to maintain beneficial inflows to
10-12 any affected bay and estuary system, to the extent practicable when
10-13 considering all public interests and the studies mandated by
10-14 Section 16.058 as evaluated under Section 11.1491[~~those~~
10-15 ~~conditions considered necessary to maintain beneficial inflows to~~
10-16 ~~any affected bay and estuary system~~].

10-17 (d) In its consideration of an application to store, take,
10-18 or divert water, the commission shall include in the permit, to the
10-19 extent practicable when considering all public interests, those
10-20 conditions considered by the commission necessary to maintain
10-21 existing instream uses and water quality of the stream or river to
10-22 which the application applies. In determining what conditions to
10-23 include in the permit under this subsection, the commission shall
10-24 consider among other factors:

10-25 (1) the studies mandated by Section 16.059; and

10-26 (2) any water quality assessment performed under
10-27 Section 11.150.

10-28 (e) The commission shall include in the permit, to the
10-29 extent practicable when considering all public interests, those
10-30 conditions considered by the commission necessary to maintain fish
10-31 and wildlife habitats. In determining what conditions to include
10-32 in the permit under this subsection, the commission shall consider
10-33 any assessment performed under Section 11.152.

10-34 (e-1) Any permit for a new appropriation of water or an
10-35 amendment to an existing water right that increases the amount of
10-36 water authorized to be stored, taken, or diverted must include a
10-37 provision allowing the commission to adjust the conditions included
10-38 in the permit or amended water right to provide for protection of
10-39 instream flows or freshwater inflows. With respect to an amended
10-40 water right, the provision may not allow the commission to adjust a
10-41 condition of the amendment other than a condition that applies only
10-42 to the increase in the amount of water to be stored, taken, or
10-43 diverted authorized by the amendment. This subsection does not
10-44 affect an appropriation of or an authorization to store, take, or
10-45 divert water under a permit or amendment to a water right issued
10-46 before September 1, 2007. The commission shall adjust the
10-47 conditions if the commission determines, through an expedited
10-48 public comment process, that such an adjustment is appropriate to
10-49 achieve compliance with applicable environmental flow standards
10-50 adopted under Section 11.1471. The adjustment:

10-51 (1) in combination with any previous adjustments made
10-52 under this subsection may not increase the amount of the
10-53 pass-through or release requirement for the protection of instream
10-54 flows or freshwater inflows by more than 12.5 percent of the
10-55 annualized total of that requirement contained in the permit as
10-56 issued or of that requirement contained in the amended water right
10-57 and applicable only to the increase in the amount of water
10-58 authorized to be stored, taken, or diverted under the amended water
10-59 right;

10-60 (2) must be based on appropriate consideration of the
10-61 priority dates and diversion locations of any other water rights
10-62 granted in the same river basin that are subject to adjustment under
10-63 this subsection; and

10-64 (3) must be based on appropriate consideration of any
10-65 voluntary contributions to the Texas Water Trust, and of any
10-66 voluntary amendments to existing water rights to change the use of a
10-67 specified quantity of water to or add a use of a specified quantity
10-68 of water for instream flows dedicated to environmental needs or bay
10-69 and estuary inflows as authorized by Section 11.0237(a), that

11-1 actually contribute toward meeting the applicable environmental
 11-2 flow standards.

11-3 (e-2) Any water right holder who makes a contribution or
 11-4 amends a water right as described by Subsection (e-1)(3) is
 11-5 entitled to appropriate credit for the benefits of the contribution
 11-6 or amendment against the adjustment of the holder's water right
 11-7 under Subsection (e-1).

11-8 (e-3) Notwithstanding Subsections (b)-(e), for the purpose
 11-9 of determining the environmental flow conditions necessary to
 11-10 maintain freshwater inflows to an affected bay and estuary system,
 11-11 existing instream uses and water quality of a stream or river, or
 11-12 fish and aquatic wildlife habitats, the commission shall apply any
 11-13 applicable environmental flow standard, including any
 11-14 environmental flow set-aside, adopted under Section 11.1471
 11-15 instead of considering the factors specified by those subsections.

11-16 SECTION 1.14. Subchapter D, Chapter 11, Water Code, is
 11-17 amended by adding Section 11.1471 to read as follows:

11-18 Sec. 11.1471. ENVIRONMENTAL FLOW STANDARDS AND SET-ASIDES.

11-19 (a) The commission by rule shall:

11-20 (1) adopt appropriate environmental flow standards
 11-21 for each river basin and bay system in this state that are adequate
 11-22 to support a sound ecological environment, to the maximum extent
 11-23 reasonable considering other public interests and other relevant
 11-24 factors;

11-25 (2) establish an amount of unappropriated water, if
 11-26 available, to be set aside to satisfy the environmental flow
 11-27 standards to the maximum extent reasonable when considering human
 11-28 water needs; and

11-29 (3) establish procedures for implementing an
 11-30 adjustment of the conditions included in a permit or an amended
 11-31 water right as provided by Sections 11.147(e-1) and (e-2).

11-32 (b) In adopting environmental flow standards for a river
 11-33 basin and bay system under Subsection (a)(1), the commission shall
 11-34 consider:

11-35 (1) the definition of the geographical extent of the
 11-36 river basin and bay system adopted by the advisory group under
 11-37 Section 11.02362(a) and the definition and designation of the river
 11-38 basin by the board under Section 16.051(c);

11-39 (2) the schedule established by the advisory group
 11-40 under Section 11.02362(d) or (e) for the adoption of environmental
 11-41 flow standards for the river basin and bay system, if applicable;

11-42 (3) the environmental flow analyses and the
 11-43 recommended environmental flow regime developed by the applicable
 11-44 basin and bay expert science team under Section 11.02362(m);

11-45 (4) the recommendations developed by the applicable
 11-46 basin and bay area stakeholders committee under Section 11.02362(o)
 11-47 regarding environmental flow standards and strategies to meet the
 11-48 flow standards;

11-49 (5) any comments submitted by the advisory group to
 11-50 the commission under Section 11.02362(q);

11-51 (6) the specific characteristics of the river basin
 11-52 and bay system;

11-53 (7) economic factors;

11-54 (8) the human and other competing water needs in the
 11-55 river basin and bay system;

11-56 (9) all reasonably available scientific information,
 11-57 including any scientific information provided by the science
 11-58 advisory committee; and

11-59 (10) any other appropriate information.

11-60 (c) Environmental flow standards adopted under Subsection
 11-61 (a)(1) must consist of a schedule of flow quantities, reflecting
 11-62 seasonal and yearly fluctuations that may vary geographically by
 11-63 specific location in a river basin and bay system.

11-64 (d) As provided by Section 11.023, the commission may not
 11-65 issue a permit for a new appropriation or an amendment to an
 11-66 existing water right that increases the amount of water authorized
 11-67 to be stored, taken, or diverted if the issuance of the permit or
 11-68 amendment would impair an environmental flow set-aside established
 11-69 under Subsection (a)(2). A permit for a new appropriation or an

12-1 amendment to an existing water right that increases the amount of
 12-2 water authorized to be stored, taken, or diverted that is issued
 12-3 after the adoption of an applicable environmental flow set-aside
 12-4 must contain appropriate conditions to ensure protection of the
 12-5 environmental flow set-aside.

12-6 (e) An environmental flow set-aside established under
 12-7 Subsection (a)(2) for a river basin and bay system other than the
 12-8 middle and lower Rio Grande must be assigned a priority date
 12-9 corresponding to the date the commission receives environmental
 12-10 flow regime recommendations from the applicable basin and bay
 12-11 expert science team and be included in the appropriate water
 12-12 availability models in connection with an application for a permit
 12-13 for a new appropriation or for an amendment to an existing water
 12-14 right that increases the amount of water authorized to be stored,
 12-15 taken, or diverted.

12-16 (f) An environmental flow standard or environmental flow
 12-17 set-aside adopted under Subsection (a) may be altered by the
 12-18 commission in a rulemaking process undertaken in accordance with a
 12-19 schedule established by the commission. In establishing a
 12-20 schedule, the commission shall consider the applicable work plan
 12-21 approved by the advisory group under Section 11.02362(p). The
 12-22 commission's schedule may not provide for the rulemaking process to
 12-23 occur more frequently than once every 10 years unless the work plan
 12-24 provides for a periodic review under Section 11.02362(p) to occur
 12-25 more frequently than once every 10 years. In that event, the
 12-26 commission may provide for the rulemaking process to be undertaken
 12-27 in conjunction with the periodic review if the commission
 12-28 determines that schedule to be appropriate. A rulemaking process
 12-29 undertaken under this subsection must provide for the participation
 12-30 of stakeholders having interests in the particular river basin and
 12-31 bay system for which the process is undertaken.

12-32 SECTION 1.15. The heading to Section 11.148, Water Code, is
 12-33 amended to read as follows:

12-34 Sec. 11.148. EMERGENCY SUSPENSION OF PERMIT CONDITIONS AND
 12-35 EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET ASIDE FOR
 12-36 ENVIRONMENTAL FLOWS.

12-37 SECTION 1.16. Section 11.148, Water Code, is amended by
 12-38 adding Subsection (a-1) and amending Subsections (b) and (c) to
 12-39 read as follows:

12-40 (a-1) State water that is set aside by the commission to
 12-41 meet the needs for freshwater inflows to affected bays and
 12-42 estuaries and instream uses under Section 11.1471(a)(2) may be made
 12-43 available temporarily for other essential beneficial uses if the
 12-44 commission finds that an emergency exists that cannot practically
 12-45 be resolved in another way.

12-46 (b) Before the commission suspends a permit condition under
 12-47 Subsection (a) or makes water available temporarily under
 12-48 Subsection (a-1) [~~of this section~~], it must give written notice to
 12-49 the Parks and Wildlife Department of the proposed action
 12-50 [~~suspension~~]. The commission shall give the Parks and Wildlife
 12-51 Department an opportunity to submit comments on the proposed action
 12-52 [~~suspension~~] within 72 hours from such time and the commission
 12-53 shall consider those comments before issuing its order implementing
 12-54 the proposed action [~~imposing the suspension~~].

12-55 (c) The commission may suspend the permit condition under
 12-56 Subsection (a) or make water available temporarily under Subsection
 12-57 (a-1) without notice to any other interested party other than the
 12-58 Parks and Wildlife Department as provided by Subsection (b) [~~of~~
 12-59 this section]. However, all affected persons shall be notified
 12-60 immediately by publication, and a hearing to determine whether the
 12-61 suspension should be continued shall be held within 15 days of the
 12-62 date on which the order to suspend is issued.

12-63 SECTION 1.17. Subsection (a), Section 11.1491, Water Code,
 12-64 is amended to read as follows:

12-65 (a) The Parks and Wildlife Department and the commission
 12-66 shall have joint responsibility to review the studies prepared
 12-67 under Section 16.058 [~~of this code~~], to determine inflow conditions
 12-68 necessary for the bays and estuaries, and to provide information
 12-69 necessary for water resources management. Each agency shall

13-1 designate an employee to share equally in the oversight of the
 13-2 program. Other responsibilities shall be divided between the Parks
 13-3 and Wildlife Department and the commission to maximize present
 13-4 in-house capabilities of personnel and to minimize costs to the
 13-5 state. Each agency shall have reasonable access to all information
 13-6 produced by the other agency. Publication of reports completed
 13-7 under this section shall be submitted for comment to ~~[both]~~ the
 13-8 commission, ~~[and]~~ the Parks and Wildlife Department, the advisory
 13-9 group, the science advisory committee, and any applicable basin and
 13-10 bay area stakeholders committee and basin and bay expert science
 13-11 team.

13-12 SECTION 1.18. Subsection (g), Section 11.329, Water Code,
 13-13 is amended to read as follows:

13-14 (g) The commission may not assess costs under this section
 13-15 against a holder of a non-priority hydroelectric right that owns or
 13-16 operates privately owned facilities that collectively have a
 13-17 capacity of less than two megawatts or against a holder of a water
 13-18 right placed in the Texas Water Trust for a term of at least 20
 13-19 years. [This subsection is not intended to affect in any way the
 13-20 fees assessed on a water right holder by the commission under
 13-21 Section 1.29(d), Chapter 626, Acts of the 73rd Legislature, Regular
 13-22 Session, 1993. For purposes of Section 1.29(d), Chapter 626, Acts
 13-23 of the 73rd Legislature, Regular Session, 1993, a holder of a
 13-24 non-priority hydroelectric right that owns or operates privately
 13-25 owned facilities that collectively have a capacity of less than two
 13-26 megawatts shall be assessed fees at the same rate per acre-foot
 13-27 charged to a holder of a non-priority hydroelectric right that owns
 13-28 or operates privately owned facilities that collectively have a
 13-29 capacity of more than two megawatts.]

13-30 SECTION 1.19. Subsection (e), Section 11.404, Water Code,
 13-31 is amended to read as follows:

13-32 (e) The court may not assess costs and expenses under this
 13-33 section against:

13-34 (1) a holder of a non-priority hydroelectric right
 13-35 that owns or operates privately owned facilities that collectively
 13-36 have a capacity of less than two megawatts; or

13-37 (2) a holder of a water right placed in the Texas Water
 13-38 Trust for a term of at least 20 years.

13-39 SECTION 1.20. Subchapter I, Chapter 11, Water Code, is
 13-40 amended by adding Section 11.4531 to read as follows:

13-41 Sec. 11.4531. WATERMASTER ADVISORY COMMITTEE. (a) For
 13-42 each river basin or segment of a river basin for which the executive
 13-43 director appoints a watermaster under this subchapter, the
 13-44 executive director shall appoint a watermaster advisory committee
 13-45 consisting of at least nine but not more than 15 members. A member
 13-46 of the advisory committee must be a holder of a water right or a
 13-47 representative of a holder of a water right in the river basin or
 13-48 segment of the river basin for which the watermaster is appointed.
 13-49 In appointing members to the advisory committee, the executive
 13-50 director shall consider:

13-51 (1) geographic representation;
 13-52 (2) amount of water rights held;
 13-53 (3) different types of holders of water rights and
 13-54 users, including water districts, municipal suppliers, irrigators,
 13-55 and industrial users; and

13-56 (4) experience and knowledge of water management
 13-57 practices.

13-58 (b) An advisory committee member is not entitled to
 13-59 reimbursement of expenses or to compensation.

13-60 (c) An advisory committee member serves a two-year term
 13-61 expiring August 31 of each odd-numbered year and holds office until
 13-62 a successor is appointed.

13-63 (d) The advisory committee shall meet within 30 days after
 13-64 the date the initial appointments have been made and shall select a
 13-65 presiding officer to serve a one-year term. The committee shall
 13-66 meet regularly as necessary.

13-67 (e) The advisory committee shall:

13-68 (1) make recommendations to the executive director
 13-69 regarding activities of benefit to the holders of water rights in

14-1 the administration and distribution of water to holders of water
 14-2 rights in the river basin or segment of the river basin for which
 14-3 the watermaster is appointed;

14-4 (2) review and comment to the executive director on
 14-5 the annual budget of the watermaster operation; and

14-6 (3) perform other advisory duties as requested by the
 14-7 executive director regarding the watermaster operation or as
 14-8 requested by holders of water rights and considered by the
 14-9 committee to benefit the administration of water rights in the
 14-10 river basin or segment of the river basin for which the watermaster
 14-11 is appointed.

14-12 SECTION 1.21. Sections 11.454 and 11.455, Water Code, are
 14-13 amended to read as follows:

14-14 Sec. 11.454. DUTIES AND AUTHORITY OF THE WATERMASTER.
 14-15 Section 11.327 applies to the duties and authority of a watermaster
 14-16 appointed for a river basin or segment of a river basin under this
 14-17 subchapter in the same manner as that section applies to the duties
 14-18 and authority of a watermaster appointed for a water division under
 14-19 Subchapter G [A watermaster as the agent of the commission and under
 14-20 the executive director's supervision shall:

14-21 ~~[(1) divide the water of the streams or other sources~~
 14-22 ~~of supply of his segment or basin in accordance with the authorized~~
 14-23 ~~water rights;~~

14-24 ~~[(2) regulate or cause to be regulated the controlling~~
 14-25 ~~works of reservoirs and diversion works in time of water shortage,~~
 14-26 ~~as is necessary because of the rights existing in the streams of his~~
 14-27 ~~segment or basin, or as is necessary to prevent the waste of water~~
 14-28 ~~or its diversion, taking, storage, or use in excess of the~~
 14-29 ~~quantities to which the holders of water rights are lawfully~~
 14-30 ~~entitled; and~~

14-31 ~~[(3) perform any other duties and exercise any~~
 14-32 ~~authority directed by the commission].~~

14-33 Sec. 11.455. COMPENSATION AND EXPENSES OF WATERMASTER
 14-34 [ASSESSMENTS]. (a) Section 11.329 applies to the payment of the
 14-35 compensation and expenses of a watermaster appointed for a river
 14-36 basin or segment of a river basin under this subchapter in the same
 14-37 manner as that section applies to the payment of the compensation
 14-38 and expenses of a watermaster appointed for a water division under
 14-39 Subchapter G.

14-40 (b) The executive director shall deposit the assessments
 14-41 collected under this section to the credit of the watermaster fund.

14-42 (c) Money deposited under this section to the credit of the
 14-43 watermaster fund may be used only for the purposes specified by
 14-44 Section 11.3291 with regard to the watermaster operation under this
 14-45 subchapter with regard to which the assessments were collected [The
 14-46 commission may assess the costs of the watermaster against all
 14-47 persons who hold water rights in the river basin or segment of the
 14-48 river basin under the watermaster's jurisdiction in accordance with
 14-49 Section 11.329 of this code].

14-50 SECTION 1.22. Subchapter F, Chapter 15, Water Code, is
 14-51 amended by adding Section 15.4063 to read as follows:

14-52 Sec. 15.4063. ENVIRONMENTAL FLOWS FUNDING. The board may
 14-53 authorize the use of money in the research and planning fund:

14-54 (1) to compensate the members of the Texas
 14-55 environmental flows science advisory committee established under
 14-56 Section 11.02361 for attendance and participation at meetings of
 14-57 the committee and for transportation, meals, lodging, or other
 14-58 travel expenses associated with attendance at those meetings as
 14-59 provided by the General Appropriations Act;

14-60 (2) for contracts with cooperating state and federal
 14-61 agencies and universities and with private entities as necessary to
 14-62 provide technical assistance to enable the Texas environmental
 14-63 flows science advisory committee and the basin and bay expert
 14-64 science teams established under Section 11.02362 to perform their
 14-65 statutory duties;

14-66 (3) to compensate the members of the basin and bay
 14-67 expert science teams established under Section 11.02362 for
 14-68 attendance and participation at meetings of the basin and bay
 14-69 expert science teams and for transportation, meals, lodging, or

15-1 other travel expenses associated with attendance at those meetings
 15-2 as provided by the General Appropriations Act; and
 15-3 (4) for contracts with political subdivisions
 15-4 designated as representatives of basin and bay area stakeholders
 15-5 committees established under Section 11.02362 to fund all or part
 15-6 of the administrative expenses incurred in conducting meetings of
 15-7 the basin and bay area stakeholders committees or the pertinent
 15-8 basin and bay expert science teams.

15-9 SECTION 1.23. Subsection (d), Section 16.059, Water Code,
 15-10 is amended to read as follows:

15-11 (d) The priority studies shall be completed not later than
 15-12 December 31, 2016 [~~2010~~]. The Parks and Wildlife Department, the
 15-13 commission, and the board shall establish a work plan that
 15-14 prioritizes the studies and that sets interim deadlines providing
 15-15 for publication of flow determinations for individual rivers and
 15-16 streams on a reasonably consistent basis throughout the prescribed
 15-17 study period. Before publication, completed studies shall be
 15-18 submitted for comment to the commission, the board, and the Parks
 15-19 and Wildlife Department.

15-20 SECTION 1.24. Subsection (h), Section 26.0135, Water Code,
 15-21 as amended by Chapters 234 and 965, Acts of the 77th Legislature,
 15-22 Regular Session, 2001, is reenacted and amended to read as follows:

15-23 (h) The commission shall apportion, assess, and recover the
 15-24 reasonable costs of administering the water quality management
 15-25 programs under this section from users of water and wastewater
 15-26 permit holders in the watershed according to the records of the
 15-27 commission generally in proportion to their right, through permit
 15-28 or contract, to use water from and discharge wastewater in the
 15-29 watershed. Irrigation water rights, ~~and~~ non-priority
 15-30 hydroelectric rights of a water right holder that owns or operates
 15-31 privately owned facilities that collectively have a capacity of
 15-32 less than two megawatts, and water rights held in the Texas Water
 15-33 Trust for terms of at least 20 years will not be subject to this
 15-34 assessment. The cost to river authorities and others to conduct
 15-35 water quality monitoring and assessment shall be subject to prior
 15-36 review and approval by the commission as to methods of allocation
 15-37 and total amount to be recovered. The commission shall adopt rules
 15-38 to supervise and implement the water quality monitoring,
 15-39 assessment, and associated costs. The rules shall ensure that
 15-40 water users and wastewater dischargers do not pay excessive
 15-41 amounts, that program funds are equitably apportioned among basins,
 15-42 that a river authority may recover no more than the actual costs of
 15-43 administering the water quality management programs called for in
 15-44 this section, and that no municipality shall be assessed cost for
 15-45 any efforts that duplicate water quality management activities
 15-46 described in Section 26.177 [~~of this chapter~~]. The rules
 15-47 concerning the apportionment and assessment of reasonable costs
 15-48 shall provide for a recovery of not more than \$5,000,000 annually.
 15-49 Costs recovered by the commission are to be deposited to the credit
 15-50 of the water resource management account and may be used only to
 15-51 accomplish the purposes of this section. The commission may apply
 15-52 not more than 10 percent of the costs recovered annually toward the
 15-53 commission's overhead costs for the administration of this section
 15-54 and the implementation of regional water quality assessments. The
 15-55 commission, with the assistance and input of each river authority,
 15-56 shall file a written report accounting for the costs recovered
 15-57 under this section with the governor, the lieutenant governor, and
 15-58 the speaker of the house of representatives on or before December 1
 15-59 of each even-numbered year.

15-60 SECTION 1.25. Subsection (b), Section 11.1491, Water Code,
 15-61 is repealed.

15-62 SECTION 1.26. (a) The governor, lieutenant governor, and
 15-63 speaker of the house of representatives shall appoint the initial
 15-64 members of the environmental flows advisory group as provided by
 15-65 Section 11.0236, Water Code, as added by this article, as soon as
 15-66 practicable on or after the effective date of this Act.

15-67 (b) As soon as practicable after taking office, the initial
 15-68 members of the environmental flows advisory group shall appoint the
 15-69 initial members of the Texas environmental flows science advisory

16-1 committee as provided by Section 11.02361, Water Code, as added by
 16-2 this article. The terms of the initial members of the committee
 16-3 expire March 1, 2012.

16-4 (c) The environmental flows advisory group shall appoint
 16-5 the members of each basin and bay area stakeholders committee as
 16-6 provided by Section 11.02362, Water Code, as added by this article.
 16-7 The terms of the initial members of each committee expire March 1 of
 16-8 the fifth year that begins after the year in which the initial
 16-9 appointments are made.

16-10 (d) Each basin and bay area stakeholders committee shall
 16-11 appoint the members of the basin and bay expert science team for the
 16-12 river basin and bay system for which the committee is established as
 16-13 provided by Section 11.02362, Water Code, as added by this article.
 16-14 The terms of the initial members of each team expire April 1 of the
 16-15 fifth year that begins after the year in which the initial
 16-16 appointments are made.

16-17 (e) The executive director of the Texas Commission on
 16-18 Environmental Quality shall appoint the members of the watermaster
 16-19 advisory committee under Section 11.4531, Water Code, as added by
 16-20 this article, for each river basin or segment of a river basin for
 16-21 which the executive director appoints a watermaster under
 16-22 Subchapter I, Chapter 11, Water Code. The terms of the initial
 16-23 members of each committee expire August 31 of the first
 16-24 odd-numbered year that begins after the year in which the initial
 16-25 appointments are made.

16-26 SECTION 1.27. The changes in law made by this article
 16-27 relating to a permit for a new appropriation of water or to an
 16-28 amendment to an existing water right that increases the amount of
 16-29 water authorized to be stored, taken, or diverted apply only to:

16-30 (1) water appropriated under a permit for a new
 16-31 appropriation of water the application for which is pending with
 16-32 the Texas Commission on Environmental Quality on the effective date
 16-33 of this Act or is filed with the commission on or after that date; or

16-34 (2) the increase in the amount of water authorized to
 16-35 be stored, taken, or diverted under an amendment to an existing
 16-36 water right that increases the amount of water authorized to be
 16-37 stored, taken, or diverted and the application for which is pending
 16-38 with the Texas Commission on Environmental Quality on the effective
 16-39 date of this Act or is filed with the commission on or after that
 16-40 date.

16-41 ARTICLE 2. WATER CONSERVATION AND PLANNING

16-42 SECTION 2.01. Section 1.003, Water Code, is amended to read
 16-43 as follows:

16-44 Sec. 1.003. PUBLIC POLICY. It is the public policy of the
 16-45 state to provide for the conservation and development of the
 16-46 state's natural resources, including:

16-47 (1) the control, storage, preservation, and
 16-48 distribution of the state's storm and floodwaters and the waters of
 16-49 its rivers and streams for irrigation, power, and other useful
 16-50 purposes;

16-51 (2) the reclamation and irrigation of the state's
 16-52 arid, semiarid, and other land needing irrigation;

16-53 (3) the reclamation and drainage of the state's
 16-54 overflowed land and other land needing drainage;

16-55 (4) the conservation and development of its forest,
 16-56 water, and hydroelectric power;

16-57 (5) the navigation of the state's inland and coastal
 16-58 waters; ~~and~~

16-59 (6) the maintenance of a proper ecological environment
 16-60 of the bays and estuaries of Texas and the health of related living
 16-61 marine resources; and

16-62 (7) the voluntary stewardship of public and private
 16-63 lands to benefit waters of the state.

16-64 SECTION 2.02. Subchapter A, Chapter 1, Water Code, is
 16-65 amended by adding Section 1.004 to read as follows:

16-66 Sec. 1.004. FINDINGS AND POLICY REGARDING LAND STEWARDSHIP.

16-67 (a) The legislature finds that voluntary land stewardship
 16-68 enhances the efficiency and effectiveness of this state's
 16-69 watersheds by helping to increase surface water and groundwater

17-1 supplies, resulting in a benefit to the natural resources of this
 17-2 state and to the general public. It is therefore the policy of this
 17-3 state to encourage voluntary land stewardship as a significant
 17-4 water management tool.

17-5 (b) "Land stewardship," as used in this code, is the
 17-6 voluntary practice of managing land to conserve or enhance suitable
 17-7 landscapes and the ecosystem values of the land. Land stewardship
 17-8 includes land and habitat management, wildlife conservation, and
 17-9 watershed protection. Land stewardship practices include runoff
 17-10 reduction, prescribed burning, managed grazing, brush management,
 17-11 erosion management, reseeding with native plant species, riparian
 17-12 management and restoration, and spring and creek-bank protection,
 17-13 all of which benefit the water resources of this state.

17-14 SECTION 2.03. Section 11.002, Water Code, is amended by
 17-15 adding Subdivision (20) to read as follows:

17-16 (20) "Best management practices" means those
 17-17 voluntary efficiency measures developed by the commission and the
 17-18 board that save a quantifiable amount of water, either directly or
 17-19 indirectly, and that can be implemented within a specified time
 17-20 frame.

17-21 SECTION 2.04. Subchapter E, Chapter 13, Water Code, is
 17-22 amended by adding Section 13.146 to read as follows:

17-23 Sec. 13.146. WATER CONSERVATION PLAN. The commission shall
 17-24 require a retail public utility that provides potable water service
 17-25 to a population of 3,300 or more to submit to the executive
 17-26 administrator of the board a water conservation plan based on
 17-27 specific targets and goals developed by the retail public utility
 17-28 and using appropriate best management practices, as defined by
 17-29 Section 11.002, or other water conservation strategies. For
 17-30 purposes of this section, the population served by a retail public
 17-31 utility shall be determined on the basis of the population
 17-32 estimates contained in the most recent regional water plan adopted
 17-33 for the regional water planning area in which the retail public
 17-34 utility's service area is located.

17-35 SECTION 2.05. Subsection (b), Section 15.102, Water Code,
 17-36 is amended to read as follows:

17-37 (b) The loan fund may also be used by the board to provide:

17-38 (1) grants or loans for projects that include
 17-39 supplying water and wastewater services in economically distressed
 17-40 areas or nonborder colonias as provided by legislative
 17-41 appropriations, this chapter, and board rules, including projects
 17-42 involving retail distribution of those services; and

17-43 (2) grants for:

17-44 (A) projects for which federal grant funds are
 17-45 placed in the loan fund;

17-46 (B) projects, on specific legislative
 17-47 appropriation for those projects; or

17-48 (C) water conservation, desalination, brush
 17-49 control, weather modification, regionalization, and projects
 17-50 providing regional water quality enhancement services as defined by
 17-51 board rule, including regional conveyance systems.

17-52 SECTION 2.06. Subchapter Q, Chapter 15, Water Code, is
 17-53 amended by adding Section 15.9751 to read as follows:

17-54 Sec. 15.9751. PRIORITY FOR WATER CONSERVATION. The board
 17-55 shall give priority to applications for funds for the
 17-56 implementation of water supply projects in the state water plan by
 17-57 entities that:

17-58 (1) have already demonstrated significant water
 17-59 conservation savings; or

17-60 (2) will achieve significant water conservation
 17-61 savings by implementing the proposed project for which the
 17-62 financial assistance is sought.

17-63 SECTION 2.07. Subsection (h), Section 16.053, Water Code,
 17-64 is amended by adding Subdivisions (10) and (11) to read as follows:

17-65 (10) The regional water planning group may amend the
 17-66 regional water plan after the plan has been approved by the board.
 17-67 Subdivisions (1)-(9) apply to an amendment to the plan in the same
 17-68 manner as those subdivisions apply to the plan.

17-69 (11) This subdivision applies only to an amendment to

18-1 a regional water plan approved by the board. This subdivision does
 18-2 not apply to the adoption of a subsequent regional water plan for
 18-3 submission to the board as required by Subsection (i).
 18-4 Notwithstanding Subdivision (10), the regional water planning
 18-5 group may amend the plan in the manner provided by this subdivision
 18-6 if the executive administrator determines that the amendment
 18-7 qualifies for adoption in the manner provided by this subdivision
 18-8 before the regional water planning group votes on adoption of the
 18-9 amendment. An amendment qualifies for adoption in the manner
 18-10 provided by this subdivision only if the amendment will not result
 18-11 in the overallocation of any existing or planned source of water,
 18-12 does not relate to a new reservoir, and will not have a significant
 18-13 effect on instream flows or freshwater inflows to bays and
 18-14 estuaries. If the executive administrator determines that an
 18-15 amendment qualifies for adoption in the manner provided by this
 18-16 subdivision, the regional water planning group may adopt the
 18-17 amendment at a public meeting held in accordance with Chapter 551,
 18-18 Government Code. The amendment must be placed on the agenda for the
 18-19 meeting, and notice of the meeting must be given in the manner
 18-20 provided by Chapter 551, Government Code, at least two weeks before
 18-21 the date the meeting is held. The public must be provided an
 18-22 opportunity to comment on the amendment at the meeting.

18-23 SECTION 2.08. Subsection (r), Section 16.053, Water Code,
 18-24 as added by Chapter 1097, Acts of the 79th Legislature, Regular
 18-25 Session, 2005, is amended to read as follows:

18-26 (r) The board by rule shall provide for reasonable
 18-27 flexibility to allow for a timely amendment of a regional water
 18-28 plan, the board's approval of an amended regional water plan, and
 18-29 the amendment of the state water plan. If an amendment under this
 18-30 subsection is~~is~~ to facilitate planning for water supplies
 18-31 reasonably required for a clean coal project, as defined by Section
 18-32 5.001, ~~the~~ rules may allow for amending a regional water
 18-33 plan without providing notice and without a public meeting or
 18-34 hearing under Subsection (h) if the amendment does not:

18-35 (1) significantly change the regional water plan, as
 18-36 reasonably determined by the board; or
 18-37 (2) adversely affect other water management
 18-38 strategies in the regional water plan.

18-39 SECTION 2.09. Subchapter E, Chapter 16, Water Code, is
 18-40 amended by adding Section 16.1311 to read as follows:

18-41 Sec. 16.1311. PRIORITY FOR WATER CONSERVATION. The board
 18-42 shall give priority to applications for funds for implementation of
 18-43 water supply projects in the state water plan by entities that:

18-44 (1) have already demonstrated significant water
 18-45 conservation savings; or
 18-46 (2) will achieve significant water conservation
 18-47 savings by implementing the proposed project for which the
 18-48 financial assistance is sought.

18-49 SECTION 2.10. Chapter 16, Water Code, is amended by adding
 18-50 Subchapter K to read as follows:

18-51 SUBCHAPTER K. WATER CONSERVATION

18-52 Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS
 18-53 PROGRAM. (a) The executive administrator shall develop and
 18-54 implement a statewide water conservation public awareness program
 18-55 to educate residents of this state about water conservation. The
 18-56 program shall take into account the differences in water
 18-57 conservation needs of various geographic regions of the state and
 18-58 shall be designed to complement and support existing local and
 18-59 regional water conservation programs.

18-60 (b) The executive administrator is required to develop and
 18-61 implement the program required by Subsection (a) in a state fiscal
 18-62 biennium only if the legislature appropriates sufficient money in
 18-63 that biennium specifically for that purpose.

18-64 Sec. 16.402. WATER CONSERVATION PLAN REVIEW. (a) Each
 18-65 entity that is required to submit a water conservation plan to the
 18-66 commission under this code shall submit a copy of the plan to the
 18-67 executive administrator.

18-68 (b) Each entity that is required to submit a water
 18-69 conservation plan to the executive administrator, board, or

commission under this code shall report annually to the executive administrator on the entity's progress in implementing the plan.

(c) The executive administrator shall review each water conservation plan and annual report to determine compliance with the minimum requirements and submission deadlines developed under Subsection (e).

(d) The board may notify the commission if the board determines that an entity has violated this section or a rule adopted under this section. Notwithstanding Section 7.051(b), a violation of this section or of a rule adopted under this section is enforceable in the manner provided by Chapter 7 for a violation of a provision of this code within the commission's jurisdiction or of a rule adopted by the commission under a provision of this code within the commission's jurisdiction.

(e) The board and commission jointly shall adopt rules:
 (1) identifying the minimum requirements and submission deadlines for the water conservation plans described by Subsection (b) and the annual reports required by that subsection; and

(2) providing for the enforcement of this section and rules adopted under this section.

SECTION 2.11. Section 17.125, Water Code, is amended by adding Subsection (b-2) to read as follows:

(b-2) The board shall give priority to applications for funds for implementation of water supply projects in the state water plan by entities that:

(1) have already demonstrated significant water conservation savings; or

(2) will achieve significant water conservation savings by implementing the proposed project for which the financial assistance is sought.

SECTION 2.12. Chapter 35, Water Code, is amended by adding Section 35.020 to read as follows:

Sec. 35.020. PUBLIC PARTICIPATION IN GROUNDWATER MANAGEMENT PROCESS. It is the policy of the state to encourage public participation in the groundwater management process in areas within a groundwater management area not represented by a groundwater conservation district.

SECTION 2.13. Subsection (b), Section 212.0101, Local Government Code, is amended to read as follows:

(b) The Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality by rule shall establish the appropriate form and content of a certification to be attached to a plat application under this section.

SECTION 2.14. Subsection (b), Section 232.0032, Local Government Code, is amended to read as follows:

(b) The Texas [~~Natural Resource Conservation~~] Commission on Environmental Quality by rule shall establish the appropriate form and content of a certification to be attached to a plat application under this section.

SECTION 2.15. (a) Chapter 9, Water Code, is repealed.

(b) The Texas Water Advisory Council is abolished on the effective date of this article.

SECTION 2.16. Sections 15.102 and 17.125, Water Code, as amended by this article, and Sections 15.9751 and 16.1311, Water Code, as added by this article, apply only to an application for financial assistance filed with the Texas Water Development Board on or after the effective date of this article. An application for financial assistance filed before the effective date of this article is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

ARTICLE 3. UNIQUE RESERVOIR SITES AND SITES OF UNIQUE ECOLOGICAL VALUE

SECTION 3.01. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the development of new water supplies to meet the growing demand for water is necessary for the sound economic development of this state and is of concern and importance to this

20-1 state;

20-2 (2) feasible sites for new reservoirs are identified
20-3 as having unique value in the 2006 regional water plans and the 2007
20-4 state water plan;

20-5 (3) most of the proposed reservoirs are also part of
20-6 recommended strategies for fulfilling identified needs in the 2007
20-7 state water plan that may occur as early as 2010 and 2020;

20-8 (4) it is necessary to preempt actions that could
20-9 circumvent the state's primacy over surface water in the state; and

20-10 (5) designation of these sites as unique reservoir
20-11 sites or river or stream segments of unique ecological value is
20-12 necessary for the sound economic development of this state, for the
20-13 protection of natural resources, and for the purpose of promoting
20-14 the public health, safety, and general welfare of this state.

20-15 SECTION 3.02. DESIGNATION OF UNIQUE RESERVOIR SITES. The
20-16 legislature, as authorized by Subsection (g), Section 16.051, Water
20-17 Code, designates the following sites as having unique value for the
20-18 construction of a dam and reservoir and further determines that the
20-19 sites are necessary to meet water supply needs:

20-20 (1) Lower Bois d'Arc reservoir, to be located on Bois
20-21 d'Arc Creek in Fannin County, upstream from the Caddo National
20-22 Grasslands Wildlife Management Area;

20-23 (2) Lake Ralph Hall reservoir, to be located on the
20-24 North Sulphur River in southeast Fannin County, north of the city of
20-25 Ladonia;

20-26 (3) Lake Fastrill reservoir, to be located on the
20-27 Neches River in Anderson and Cherokee Counties, downstream from
20-28 Lake Palestine;

20-29 (4) Tehuacana Creek reservoir, to be located on
20-30 Tehuacana Creek in Freestone County, south of the Richland-Chambers
20-31 reservoir, with the two lakes to be connected by a channel;

20-32 (5) Bédias reservoir, to be located on both Bédias and
20-33 Caney Creeks in portions of Grimes, Madison, and Walker Counties;

20-34 (6) Brushy Creek reservoir, to be located near the
20-35 city of Marlin in central Falls County;

20-36 (7) Little River reservoir, to be located on the
20-37 Little River upstream from its confluence with the Brazos River in
20-38 Milam County;

20-39 (8) Little River off-channel reservoir, to be located
20-40 northwest of the city of Milano in Milam County, on Beaver Creek, a
20-41 tributary of the Little River;

20-42 (9) Texana Stage II reservoir, also known as Palmetto
20-43 Bend, to be located on the Lavaca River in Jackson County above the
20-44 confluence with the Navidad River and extending the existing dam
20-45 west across the Lavaca River;

20-46 (10) Goldthwaite channel dam reservoir, to be located
20-47 on the Colorado River west of the city of Goldthwaite and downstream
20-48 from the existing diversion structure;

20-49 (11) Wheeler Branch off-channel reservoir, to be
20-50 located on the Wheeler Branch tributary of the Paluxy River and
20-51 north of the city of Glen Rose in Somervell County;

20-52 (12) Cedar Ridge reservoir, to be located on the Clear
20-53 Fork of the Brazos River upstream from its confluence with Paint
20-54 Creek and in Throckmorton, Shackelford, and Haskell Counties;

20-55 (13) Lake 07 reservoir, to be located in southeastern
20-56 Lubbock County, to impound developed water resources discharged
20-57 into Yellowhouse Canyon as part of the Canyon Lakes System, also
20-58 known as the Jim Bertram Lake System;

20-59 (14) Lake 08 reservoir, to be located in southeastern
20-60 Lubbock County, to impound developed water resources discharged
20-61 into Yellowhouse Canyon as part of the Canyon Lakes System, also
20-62 known as the Jim Bertram Lake System;

20-63 (15) Nueces off-channel reservoir, to be located west
20-64 of Lake Corpus Christi in south central Live Oak County, to be
20-65 linked to Lake Corpus Christi by pipeline and operated as part of
20-66 the Choke Canyon-Lake Corpus Christi reservoir system;

20-67 (16) Ringgold reservoir, to be located on the Little
20-68 Wichita River in Clay County approximately one-half mile upstream
20-69 from its confluence with the Red River;

21-1 (17) Muenster reservoir, to be located on Brushy Elm
21-2 Creek in western Cooke County; and

21-3 (18) Brownsville Weir and reservoir, to be located on
21-4 the lower Rio Grande in Cameron County; the proposed project
21-5 consists of a weir structure across the channel of the river
21-6 approximately eight miles downstream from the city of Brownsville.

21-7 SECTION 3.03. DESIGNATION OF SITES OF UNIQUE ECOLOGICAL
21-8 VALUE. The legislature, as authorized by Subsection (f), Section
21-9 16.051, Water Code, designates those river or stream segment sites
21-10 recommended in the 2007 state water plan as being of unique
21-11 ecological value.

21-12 SECTION 3.04. EFFECTIVE DATE. This article takes effect
21-13 immediately if this Act receives a vote of two-thirds of all the
21-14 members elected to each house, as provided by Section 39, Article
21-15 III, Texas Constitution. If this Act does not receive the vote
21-16 necessary for immediate effect, this article takes effect September
21-17 1, 2007.

21-18 ARTICLE 4. LEGISLATIVE JOINT INTERIM COMMITTEE

21-19 SECTION 4.01. (a) In this section, "committee" means the
21-20 joint interim committee on state water funding.

21-21 (b) The committee is composed of eight members as follows:

21-22 (1) the chair of the Senate Committee on Natural
21-23 Resources and the chair of the House Committee on Natural Resources
21-24 who shall serve as joint chairs of the committee;

21-25 (2) three members of the senate appointed by the
21-26 lieutenant governor; and

21-27 (3) three members of the house of representatives
21-28 appointed by the speaker of the house of representatives.

21-29 (c) An appointed member of the committee serves at the
21-30 pleasure of the appointing official.

21-31 (d) The committee shall meet at least annually with the
21-32 executive director of the Texas Commission on Environmental Quality
21-33 and the executive administrator of the Texas Water Development
21-34 Board to:

21-35 (1) receive information on water infrastructure needs
21-36 as identified in the state water plan;

21-37 (2) receive information on infrastructure cost and
21-38 funding options to be used by local entities to meet the needs
21-39 identified in the state water plan;

21-40 (3) receive analyses of the funding gap and
21-41 recommendations on how to address those funding needs;

21-42 (4) receive information on whether all water fees
21-43 assessed are sufficient to support the required regulatory
21-44 water-related state program functions and activities; and

21-45 (5) identify viable, sustainable, dedicated revenues
21-46 and fee sources, or increases to existing revenue and fees, to
21-47 support state water programs and to provide for natural resources
21-48 data collection and dissemination, financial assistance programs,
21-49 and water resources planning, including funding to implement water
21-50 management strategies in the state water plan.

21-51 (e) The committee may hold hearings and may request reports
21-52 and other information from state agencies as necessary to carry out
21-53 this section.

21-54 (f) The Senate Committee on Natural Resources and the House
21-55 Committee on Natural Resources shall provide staff necessary for
21-56 the committee to fulfill its duties.

21-57 (g) Not later than December 1, 2008, the committee shall
21-58 report to the governor, the lieutenant governor, and the speaker of
21-59 the house of representatives on the committee's activities under
21-60 Subsection (d) of this section. The report shall include
21-61 recommendations of any legislative action necessary to address
21-62 funding needs to support the state's water programs and water
21-63 infrastructure needs.

21-64 ARTICLE 5. EFFECTIVE DATE

21-65 SECTION 5.01. Except as otherwise provided by this Act,
21-66 this Act takes effect September 1, 2007.

21-67 * * * * *