

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 1, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB1502 by Frost (Relating to conflicts between regional water plans prepared by regional water planning groups.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 16 of the Water Code to specify that an interregional conflict includes an inconsistency between water plans proposed by two or more regional water planning groups regarding the construction of a water project or the use of a water supply in a particular regional water planning area.

According to the Texas Water Development Board (TWDB), in the worst case scenario, these interregional conflicts could lead to the removal of water projects from the state water plan. According to the agency, there are currently 10 projects that could potentially be removed from the plan as a result of an interregional conflict. If all 10 projects were to be removed, the potential cost to the state to provide the regions in which these projects reside with planning grants to develop replacement water projects could be as much as \$1.4 million for the 2008-09 biennium.

According to the TWDB, there could also be some additional administrative costs associated with the facilitation of these interregional conflicts, for purposes of this fiscal note; however, it is assumed that the TWDB could absorb those costs within existing resources.

Local Government Impact

Delays in implementing needed water projects could increase water supply costs to local and regional providers.

Source Agencies: 580 Water Development Board

LBB Staff: JOB, WK, ZS, JF