

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 25, 2007**

**TO:** Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

**IN RE: SB1959** by Zaffirini (Relating to damage to an aquifer by projects for storage of appropriated water.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill defines damage to an aquifer by aquifer storage and recovery (ASR) projects, establishes a process to test the aquifer for damage, and lists the mitigating steps to be taken by a party who has been determined to have damaged the aquifer.

The burden of the bill's requirements falls on permit holders with an ASR project. The bill specifies that it would be the permit holder, who would be responsible for performing the required tests and for notifying the Texas Commission on Environmental Quality (TCEQ) if they receive written notice of possible damage to an aquifer from a surrounding well user. These requirements are not expected to have a fiscal impact on the state.

**Local Government Impact**

According to the TCEQ, there would be a negative fiscal impact to a municipality, water supply district, or water utility if the unit of local government: (1) had expended financial resources to plan and develop an ASR project for the storage of state water in an aquifer; (2) received written notice from a well user under the added provisions; and (3) after paying for the required testing under the added provision, had to cease operations of the ASR and pay mitigation expenses because the aquifer was damaged by the project.

If a unit of local government were required to cease ASR operations under the bill, it would be a large financial loss because ASR projects generally require a large investment. For example, the San Antonio Water System's (SAWS) Phase I of the Twin Oaks ASR project cost a total of \$185 million including a 30 million gallon per day treatment facility, 16 wells, a high service pump station, and 30 miles of pipeline to convey water to pumping stations.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

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