

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Puente

H.B. No. 4

A BILL TO BE ENTITLED

AN ACT

relating to water conservation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1.003, Water Code, is amended to read as follows:

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

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

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

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

(4) the conservation and development of its forest, water, and hydroelectric power;

(5) the navigation of the state's inland and coastal waters; ~~and~~

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

(7) the voluntary stewardship of public and private

1 lands to benefit waters of the state.

2 SECTION 2. Subchapter A, Chapter 1, Water Code, is amended  
3 by adding Section 1.004 to read as follows:

4 Sec. 1.004. FINDINGS AND POLICY REGARDING LAND STEWARDSHIP.

5 (a) The legislature finds that voluntary land stewardship  
6 enhances the efficiency and effectiveness of this state's  
7 watersheds by helping to increase surface water and groundwater  
8 supplies, resulting in a benefit to the natural resources of this  
9 state and to the general public. It is therefore the policy of this  
10 state to encourage voluntary land stewardship as a significant  
11 water management tool.

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

21 SECTION 3. Subtitle A, Title 2, Water Code, is amended by  
22 adding Chapter 10 to read as follows:

23 CHAPTER 10. WATER CONSERVATION ADVISORY COUNCIL

24 Sec. 10.001. DEFINITIONS. In this chapter:

25 (1) "Best management practices" has the meaning  
26 assigned by Section 11.002.

27 (2) "Board" means the Texas Water Development Board.

1           (3) "Commission" means the Texas Commission on  
2 Environmental Quality.

3           (4) "Council" means the Water Conservation Advisory  
4 Council.

5           Sec. 10.002. PURPOSE. The council is created to provide the  
6 governor, lieutenant governor, speaker of the house of  
7 representatives, legislature, board, commission, political  
8 subdivisions, and public with the resource of a select council with  
9 expertise in water conservation.

10          Sec. 10.003. CREATION AND MEMBERSHIP. (a) The council is  
11 composed of 23 members appointed by the board. The board shall  
12 appoint one member to represent each of the following entities or  
13 interest groups:

14           (1) Texas Commission on Environmental Quality;

15           (2) Department of Agriculture;

16           (3) Parks and Wildlife Department;

17           (4) State Soil and Water Conservation Board;

18           (5) Texas Water Development Board;

19           (6) regional water planning groups;

20           (7) federal agencies;

21           (8) municipalities;

22           (9) groundwater conservation districts;

23           (10) river authorities;

24           (11) environmental groups;

25           (12) irrigation districts;

26           (13) institutional water users;

27           (14) professional organizations focused on water

1 conservation;

2 (15) higher education;

3 (16) agricultural groups;

4 (17) refining and chemical manufacturing;

5 (18) electric generation;

6 (19) mining and recovery of minerals;

7 (20) landscape irrigation and horticulture;

8 (21) water control and improvement districts;

9 (22) rural water users; and

10 (23) municipal utility districts.

11 (b) Each entity or interest group described by Subsection  
12 (a) may recommend one or more persons to fill the position on the  
13 council held by the member who represents that entity or interest  
14 group. If one or more persons are recommended for a position on the  
15 council, the board shall appoint one of the persons recommended to  
16 fill the position.

17 Sec. 10.004. TERMS. (a) Members of the council serve  
18 staggered terms of six years, with seven or eight members' terms, as  
19 applicable, expiring August 31 of each odd-numbered year.

20 (b) The board shall fill a vacancy on the council for the  
21 unexpired term by appointing a person who has the same  
22 qualifications as required under Section 10.003 for the person who  
23 previously held the vacated position.

24 Sec. 10.005. PRESIDING OFFICER. The council members shall  
25 select one member as the presiding officer of the council to serve  
26 in that capacity until the person's term as a council member  
27 expires.

1           Sec. 10.006. COUNCIL STAFF. On request by the council, the  
2 board shall provide any necessary staff to assist the council in the  
3 performance of its duties.

4           Sec. 10.007. PUBLIC MEETINGS AND PUBLIC INFORMATION. (a)  
5 The council may hold public meetings as needed to fulfill its duties  
6 under this chapter.

7           (b) The council is subject to Chapters 551 and 552,  
8 Government Code.

9           Sec. 10.008. INAPPLICABILITY OF ADVISORY COMMITTEE LAW.  
10 Chapter 2110, Government Code, does not apply to the size,  
11 composition, or duration of the council.

12           Sec. 10.009. COMPENSATION OF MEMBERS. (a) Members of the  
13 council serve without compensation but may be reimbursed by  
14 legislative appropriation for actual and necessary expenses  
15 related to the performance of council duties.

16           (b) Reimbursement under Subsection (a) is subject to the  
17 approval of the presiding officer of the council.

18           Sec. 10.010. POWERS AND DUTIES OF COUNCIL. The council  
19 shall:

20           (1) monitor trends in water conservation  
21 implementation;

22           (2) monitor new technologies for possible inclusion by  
23 the board as best management practices in the best management  
24 practices guide developed by the water conservation implementation  
25 task force under Chapter 109, Acts of the 78th Legislature, Regular  
26 Session, 2003;

27           (3) monitor the effectiveness of the statewide water

1 conservation public awareness program developed under Section  
2 16.401 and associated local involvement in implementation of the  
3 program;

4 (4) develop and implement a state water management  
5 resource library;

6 (5) develop and implement a public recognition program  
7 for water conservation;

8 (6) monitor the implementation of water conservation  
9 strategies by water users included in regional water plans; and

10 (7) monitor target and goal guidelines for water  
11 conservation to be considered by the board and commission.

12 Sec. 10.011. REPORT. Not later than December 1 of each  
13 even-numbered year, the council shall submit to the governor,  
14 lieutenant governor, and speaker of the house of representatives a  
15 report on progress made in water conservation in this state.

16 Sec. 10.012. DESIGNATION OF CERTIFIED WATER CONSERVATION  
17 TRAINING FACILITIES STUDY. (a) The council shall conduct a study  
18 to evaluate the desirability of requiring the board to:

19 (1) designate as certified water conservation  
20 training facilities entities and programs that provide assistance  
21 to retail public utilities in developing water conservation plans  
22 under Section 13.146; and

23 (2) give preference to certified water conservation  
24 training facilities in making loans or grants for water  
25 conservation training and education activities.

26 (b) Not later than December 1, 2008, the council shall  
27 submit a written report containing the findings of the study and the

1 recommendations of the council to the governor, lieutenant  
2 governor, and speaker of the house of representatives.

3 (c) This section expires June 1, 2009.

4 SECTION 4. Section 11.002, Water Code, is amended by adding  
5 Subdivision (15) to read as follows:

6 (15) "Best management practices" means those  
7 voluntary efficiency measures developed by the commission and the  
8 board that save a quantifiable amount of water, either directly or  
9 indirectly, and that can be implemented within a specified time  
10 frame.

11 SECTION 5. Section 11.0235(b), Water Code, is amended to  
12 read as follows:

13 (b) Maintaining the biological soundness of the state's  
14 rivers, lakes, bays, and estuaries is of great importance to the  
15 public's economic health and general well-being. The legislature  
16 encourages voluntary water and land stewardship to benefit the  
17 water in the state, as defined by Section 26.001.

18 SECTION 6. Section 11.085(v), Water Code, is amended to  
19 read as follows:

20 (v) The provisions of this section, except Subsection (a),  
21 do not apply to:

22 (1) a proposed transfer which in combination with any  
23 existing transfers totals less than 3,000 acre-feet of water per  
24 annum from the same permit, certified filing, or certificate of  
25 adjudication;

26 (2) a request for an emergency transfer of water; or

27 (3) ~~[a proposed transfer from a basin to its adjoining~~

1 ~~coastal basin, or~~

2 [(4)] a proposed transfer from a basin to a county or  
3 municipality or the municipality's retail service area that is  
4 partially within the basin for use in that part of the county or  
5 municipality and the municipality's retail service area not within  
6 the basin.

7 SECTION 7. Subchapter E, Chapter 13, Water Code, is amended  
8 by adding Section 13.146 to read as follows:

9 Sec. 13.146. WATER CONSERVATION PLAN. The commission shall  
10 require a retail public utility that provides potable water service  
11 to 3,300 or more connections to submit to the executive  
12 administrator of the board a water conservation plan based on  
13 specific targets and goals developed by the retail public utility  
14 and using appropriate best management practices, as defined by  
15 Section 11.002, or other water conservation strategies.

16 SECTION 8. Section 15.102(b), Water Code, is amended to  
17 read as follows:

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

19 (1) grants or loans for projects that include  
20 supplying water and wastewater services in economically distressed  
21 areas or nonborder colonias as provided by legislative  
22 appropriations, this chapter, and board rules, including projects  
23 involving retail distribution of those services; and

24 (2) grants for:

25 (A) projects for which federal grant funds are  
26 placed in the loan fund;

27 (B) projects, on specific legislative

1 appropriation for those projects; or

2 (C) water conservation, desalination, brush  
3 control, weather modification, regionalization, and projects  
4 providing regional water quality enhancement services as defined by  
5 board rule, including regional conveyance systems.

6 SECTION 9. Chapter 16, Water Code, is amended by adding  
7 Subchapter K to read as follows:

8 SUBCHAPTER K. WATER CONSERVATION

9 Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS  
10 PROGRAM. (a) The executive administrator shall develop and  
11 implement a statewide water conservation public awareness program  
12 to educate residents of this state about water conservation. The  
13 program shall take into account the differences in water  
14 conservation needs of various geographic regions of the state and  
15 shall be designed to complement and support existing local and  
16 regional water conservation programs.

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

21 Sec. 16.402. WATER CONSERVATION PLAN REVIEW. (a) Each  
22 entity that is required to submit a water conservation plan to the  
23 commission under this code shall submit a copy of the plan to the  
24 executive administrator.

25 (b) Each entity that is required to submit a water  
26 conservation plan to the executive administrator, board, or  
27 commission under this code shall report annually to the executive

1 administrator on the entity's progress in implementing the plan.

2 (c) The executive administrator shall review each water  
3 conservation plan and annual report to determine compliance with  
4 the minimum requirements established by Section 11.1271 and the  
5 submission deadlines developed under Subsection (e) of this  
6 section.

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

15 (e) The board and commission jointly shall adopt rules:

16 (1) identifying the minimum requirements and  
17 submission deadlines for the annual reports required by Subsection  
18 (b); and

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

21 SECTION 10. Subchapter Z, Chapter 51, Education Code, is  
22 amended by adding Section 51.969 to read as follows:

23 Sec. 51.969. ON-SITE RECLAIMED SYSTEM TECHNOLOGIES  
24 CURRICULUM. The Texas Higher Education Coordinating Board shall  
25 encourage each institution of higher education to develop  
26 curriculum and provide related instruction regarding on-site  
27 reclaimed system technologies, including rainwater harvesting,

1 condensate collection, or cooling tower blow down.

2 SECTION 11. Section 447.004, Government Code, is amended by  
3 adding Subsection (c-1) to read as follows:

4 (c-1) The procedural standards adopted under this section  
5 must require that on-site reclaimed system technologies, including  
6 rainwater harvesting, condensate collection, or cooling tower blow  
7 down, or a combination of those system technologies, for nonpotable  
8 indoor use and landscape watering be incorporated into the design  
9 and construction of:

10 (1) each new state building with a roof measuring at  
11 least 10,000 square feet; and

12 (2) any other new state building for which the  
13 incorporation of such systems is feasible.

14 SECTION 12. Section 341.042, Health and Safety Code, is  
15 amended to read as follows:

16 Sec. 341.042. STANDARDS FOR HARVESTED RAINWATER. (a) The  
17 commission shall establish recommended standards relating to the  
18 domestic use of harvested rainwater, including health and safety  
19 standards for treatment and collection methods for harvested  
20 rainwater intended for drinking, cooking, or bathing.

21 (b) The commission by rule shall provide that if a structure  
22 is connected to a public water supply system and has a rainwater  
23 harvesting system for indoor use:

24 (1) the structure must have appropriate  
25 cross-connection safeguards; and

26 (2) the rainwater harvesting system may be used only  
27 for nonpotable indoor purposes.

1           (c) Standards and rules adopted by the commission under this  
2 chapter governing public drinking water supply systems do not apply  
3 to a person:

4                   (1) who harvests rainwater for domestic use; and

5                   (2) whose property is not connected to a public  
6 drinking water supply system.

7           SECTION 13. Chapter 401, Local Government Code, is amended  
8 by adding Section 401.006 to read as follows:

9           Sec. 401.006. WATER CONSERVATION BY HOME-RULE  
10 MUNICIPALITY. A home-rule municipality may adopt and enforce  
11 ordinances requiring water conservation in the municipality and by  
12 customers of the municipality's municipally owned water and sewer  
13 utility in the extraterritorial jurisdiction of the municipality.

14           SECTION 14. Section 1903.053, Occupations Code, is amended  
15 to read as follows:

16           Sec. 1903.053. STANDARDS. (a) The commission shall adopt  
17 by rule and enforce standards governing:

18                   (1) the connection of irrigation systems to any water  
19 supply;

20                   (2) the design, installation, and operation of  
21 irrigation systems;

22                   (3) water conservation; and

23                   (4) the duties and responsibilities of licensed  
24 irrigators.

25           (b) ~~[The commission may adopt standards for irrigation that~~  
26 ~~include water conservation, irrigation system design and~~  
27 ~~installation, and compliance with municipal codes.~~

1           ~~[(c)]~~ The commission may not require or prohibit the use of  
2 any irrigation system, component part, or equipment of any  
3 particular brand or manufacturer.

4           (c) In adopting standards under this section, the  
5 commission shall consult the council.

6           SECTION 15. As soon as practicable on or after the effective  
7 date of this Act, the Texas Water Development Board shall appoint  
8 the initial members of the Water Conservation Advisory Council, as  
9 required by Section 10.003, Water Code, as added by this Act. In  
10 making the initial appointments, the board shall designate seven  
11 members to serve terms expiring August 31, 2009, eight members to  
12 serve terms expiring August 31, 2011, and eight members to serve  
13 terms expiring August 31, 2013.

14           SECTION 16. Section 11.085, Water Code, as amended by this  
15 Act, applies to a transfer of state water from a basin to its  
16 adjoining coastal basin that is proposed on or after the effective  
17 date of this Act. The provisions of Section 11.085, Water Code, as  
18 amended by this Act, other than Subsection (a) of that section, do  
19 not apply to a transfer of state water from a basin to its adjoining  
20 coastal basin that was proposed before the effective date of this  
21 Act.

22           SECTION 17. Section 15.102(b), Water Code, as amended by  
23 this Act, applies only to an application for financial assistance  
24 filed with the Texas Water Development Board on or after the  
25 effective date of this Act. An application for financial assistance  
26 filed before the effective date of this Act is governed by the law  
27 in effect on the date the application was filed, and the former law

1 is continued in effect for that purpose.

2 SECTION 18. Not later than January 1, 2008, the Texas Water  
3 Development Board and the Texas Commission on Environmental Quality  
4 jointly shall adopt rules as required by Section 16.402(e), Water  
5 Code, as added by this Act.

6 SECTION 19. Not later than June 1, 2008, the Texas  
7 Commission on Environmental Quality shall adopt standards as  
8 required by Section 1903.053, Occupations Code, as amended by this  
9 Act, to take effect January 1, 2009.

10 SECTION 20. (a) Except as provided by Subsection (b) of  
11 this section, this Act takes effect immediately if it receives a  
12 vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2007.

16 (b) Section 11 of this Act takes effect September 1, 2009.

ADOPTED

MAY 23 2007

*Lataj Spaw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *Arnett*

1 Amend H.B. No. 4 (Senate Committee Printing) as follows:

2 (1) In the recital to SECTION 11 of the bill (page 5, line  
3 12), strike "Subsection (c-1)" and substitute "Subsections (c-1)  
4 and (c-2)".

5 (2) In SECTION 11 of the bill, immediately following  
6 proposed Section 447.004(c-1), Government Code (page 5, between  
7 lines 22 and 23), insert the following:

8 (c-2) The procedural standards required by Subsection (c-1)  
9 do not apply to a building if the state agency or institution of  
10 higher education constructing the building:

11 (1) determines that compliance with those standards is  
12 impractical; and

13 (2) notifies the state energy conservation office of  
14 the determination and provides to the office documentation  
15 supporting the determination.

FLOOR AMENDMENT NO. 3

BY: *[Signature]*

1 Amend House Bill No. 4 (Senate Committee Printing) by  
2 striking SECTION 20 of the bill and substituting the following:

3 SECTION 20. (a) Except as provided by Subsections (b)  
4 and (c) of this section, this Act takes effect immediately if it  
5 receives a vote of two-thirds of all the members elected to each  
6 house, as provided by Section 39, Article III, Texas  
7 Constitution. Except as provided by Subsections (b) and (c) of  
8 this section, if this Act does not receive the vote necessary  
9 for immediate effect, this Act takes effect September 1, 2007.

10 (b) Except as provided by Subsection (c) of this section,  
11 Section 11 of this Act takes effect September 1, 2009.

12 (c) This Act takes effect only if Senate Bill No. 3, Acts  
13 of the 80th Legislature, Regular Session, 2007, is enacted and  
14 becomes law.

**ADOPTED**

MAY 23 2007

*[Signature]*  
Secretary of the Senate

16

ADOPTED

*Avent*

FLOOR AMENDMENT NO. 4

MAY 23 2007

BY: \_\_\_\_\_

*Lotay Shaw*  
Secretary of the Senate

1 Amend H.B. 4 by adding the following appropriately numbered  
2 SECTIONS:

3 SECTION \_\_. Section 151.355, Tax Code, is amended to read  
4 as follows:

5 Sec. 151.355. WATER-RELATED EXEMPTIONS. The following are  
6 exempted from taxes imposed by this chapter:

7 (1) rainwater harvesting equipment or supplies, water  
8 recycling and reuse equipment or supplies, or other equipment,  
9 services, or supplies used solely to reduce or eliminate water  
10 use;

11 (2) equipment, services, or supplies used solely for  
12 desalination of surface water or groundwater;

13 (3) equipment, services, or supplies used solely for  
14 brush control designed to enhance the availability of water;

15 (4) equipment, services, or supplies used solely for  
16 precipitation enhancement;

17 (5) equipment, services, or supplies used solely to  
18 construct or operate a water or wastewater system certified by  
19 the Texas Commission on Environmental Quality as a regional  
20 system; ~~and~~

21 (6) equipment, services, or supplies used solely to  
22 construct or operate a water supply or wastewater system by a  
23 private entity as a public-private partnership as certified by  
24 the political subdivision that is a party to the project; and

25 (7) tangible personal property specifically used to  
26 process, reuse, or recycle wastewater that will be used in  
27 fracturing work performed at an oil or gas well.

28 SECTION \_\_. The change in law made by SECTION \_\_ of this  
29 Act to Section 151.355, Tax Code, does not affect taxes imposed

1 before the effective date of this Act, and the law in effect  
2 before the effective date of this Act is continued in effect for  
3 purposes of the liability for and collection of those taxes.

**ADOPTED**

FLOOR AMENDMENT NO. 5

MAY 23 2007 BY:

*Antony Spaw*  
Secretary of the Senate

*Shapleigh*  
(Shapleigh)

1 Amend H.B. 4 by adding the following appropriately numbered  
2 SECTION to the bill and renumbering subsequent SECTIONS of the  
3 bill accordingly:

4 SECTION \_\_.(a) In this section, "board" means the Texas  
5 Water Development Board.

6 (b) The board, in coordination with the Far West Texas  
7 Regional Water Planning Group established pursuant to Section  
8 16.053, Water Code, shall conduct a study regarding the possible  
9 impact of climate change on surface water supplies from the Rio  
10 Grande.

11 (c) In conducting the study, the board shall convene a  
12 conference within the Far West Texas regional water planning  
13 area designated pursuant to Section 16.053, Water Code, to  
14 review:

15 (1) any analysis conducted by a state located to the  
16 west of this state regarding the impact of climate change on  
17 surface water supplies in that state;

18 (2) any other current analysis of potential impacts  
19 of climate change on surface water resources; and

20 (3) recommendations for incorporation of potential  
21 impacts of climate change into the Far West Texas Regional Water  
22 Plan, including potential impacts to the Rio Grande in Texas  
23 subject to the Rio Grande Compact and identification of feasible  
24 water management strategies to offset any potential impacts.

25 (d) The conference should include, but not be limited to,  
26 the participation of representatives of:

27 (1) the Far West Texas Regional Water Planning Group;

28 (2) water authorities;

*-1-19*

- 1 (3) industrial customers;
- 2 (4) agricultural interests;
- 3 (5) municipalities;
- 4 (6) fishing or recreational interests;
- 5 (7) environmental advocacy organizations; and
- 6 (8) institutions of higher education.

7 (e) Not later than December 31, 2008, the board shall  
8 submit to the legislature a written report regarding the study  
9 findings under Subsection (b) of this section.

20  
2

FLOOR AMENDMENT NO. 6

**ADOPTED**

BY: Westworth

MAY 23 2007

1 Amend H.B. No. 4 between Article 5 <sup>Secretary of the Senate</sup> enacting clause and SECTION  
2 1 of the bill by inserting the following SECTIONS and  
3 renumbering the subsequent SECTIONS of the bill accordingly:

4 SECTION 1. Subtitle F, Title 6, Special District Local  
5 Laws Code, is amended by adding Chapter 8269 to read as follows:

6 CHAPTER 8269. TRUE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8269.001. DEFINITIONS. In this chapter:

9 (1) "Board" means the board of directors of the  
10 district.

11 (2) "Director" means a board member.

12 (3) "District" means the True Ranch Municipal Utility  
13 District No. 1.

14 Sec. 8269.002. NATURE OF DISTRICT. The district is a  
15 municipal utility district in Hays County created under and  
16 essential to accomplish the purposes of Section 59, Article XVI,  
17 Texas Constitution.

18 Sec. 8269.003. CONFIRMATION ELECTION REQUIRED. If the  
19 creation of the district is not confirmed at a confirmation  
20 election held under Section 8269.023 before September 1, 2012:

21 (1) the district is dissolved September 1, 2012,  
22 except that:

23 (A) any debts incurred shall be paid;

24 (B) any assets that remain after the payment of  
25 debts shall be transferred to Hays County; and

26 (C) the organization of the district shall be  
27 maintained until all debts are paid and remaining assets are  
28 transferred; and

1           (2) this chapter expires September 1, 2015.

2           Sec. 8269.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

3           (a) All land and other property in the district will benefit  
4           from the works and projects to be accomplished by the district  
5           under powers conferred by Section 59, Article XVI, Texas  
6           Constitution.

7           (b) The district is created to serve a public use and  
8           benefit.

9           Sec. 8269.005. INITIAL DISTRICT TERRITORY. (a) The  
10           district is initially composed of the territory described by  
11           Section 2 of the act creating this chapter.

12           (b) The boundaries and field notes contained in Section 2  
13           of the act creating this chapter form a closure. A mistake made  
14           in the field notes or in copying the field notes in the  
15           legislative process does not affect:

16           (1) the organization, existence, or validity of the  
17           district;

18           (2) the right of the district to impose taxes;

19           (3) the right of the district to issue bonds, notes,  
20           or other indebtedness or to pay the principal of and interest on  
21           a bond;

22           (4) the validity of the district's bonds, notes, or  
23           other indebtedness; or

24           (5) the legality or operation of the district or the  
25           board.

26           [Sections 8269.006-8269.020 reserved for expansion]

27           SUBCHAPTER A-1. TEMPORARY PROVISIONS

28           Sec. 8269.021. TEMPORARY DIRECTORS. (a) On or after  
29           September 1, 2007, a person who owns land in the district may  
30           submit a petition to the Texas Commission on Environmental

1 Quality requesting that the commission appoint as temporary  
2 directors the five persons named in the petition.

3 (b) The commission shall appoint as temporary directors  
4 the five persons named in the first petition received by the  
5 commission under Subsection (a).

6 (c) If a temporary director fails to qualify for office or  
7 if a vacancy occurs in the office of temporary director, the  
8 vacancy shall be filled as provided by Section 49.105, Water  
9 Code.

10 (d) Temporary directors serve until the earlier of:

11 (1) the date directors are elected under Section  
12 8269.023; or

13 (2) the date this chapter expires under Section  
14 8269.003.

15 Sec. 8269.022. ORGANIZATIONAL MEETING OF TEMPORARY  
16 DIRECTORS. As soon as practicable after all the temporary  
17 directors have qualified under Section 49.055, Water Code, the  
18 directors shall meet at a location in the district agreeable to  
19 a majority of the directors. If a location cannot be agreed  
20 upon, the meeting shall be at the Hays County Courthouse. At  
21 the meeting, the temporary directors shall elect officers from  
22 among the temporary directors and conduct any other district  
23 business.

24 Sec. 8269.023. CONFIRMATION AND INITIAL DIRECTORS'  
25 ELECTION. (a) The temporary directors shall hold an election  
26 to confirm the creation of the district and to elect five  
27 directors as provided by Section 49.102, Water Code.

28 (b) Section 41.001(a), Election Code, does not apply to a  
29 confirmation and initial directors' election held under this  
30 section.

1       Sec. 8269.024. INITIAL ELECTED DIRECTORS; TERMS.    The  
2 directors elected under Section 8269.023 shall draw lots to  
3 determine which two serve until the first regularly scheduled  
4 election of directors under Section 8269.052 and which three  
5 shall serve until the second regularly scheduled election of  
6 directors.

7       Sec. 8269.025. DATE OF FIRST REGULARLY SCHEDULED ELECTION  
8 OF DIRECTORS.    The board by order may postpone the first  
9 election under Section 8269.052 following the confirmation and  
10 initial directors' election held under Section 8269.023 if:

11           (1) the election would otherwise occur not later than  
12 the 60th day after the date on which the confirmation election  
13 is held; or

14           (2) the board determines that there is not sufficient  
15 time to comply with the requirements of law and to order the  
16 election.

17       Sec. 8269.026. EXPIRATION OF SUBCHAPTER.    This subchapter  
18 expires September 1, 2015.

19           [Sections 8269.027-8269.050 reserved for expansion]

20                   SUBCHAPTER B. BOARD OF DIRECTORS

21       Sec. 8269.051. DIRECTORS; TERMS.    (a)    The district is  
22 governed by a board of five directors.

23           (b) Directors serve staggered four-year terms.

24       Sec. 8269.052. ELECTION OF DIRECTORS.    On the uniform  
25 election date in May of each even-numbered year, the appropriate  
26 number of directors shall be elected.

27           [Sections 8269.053-8269.100 reserved for expansion]

28                   SUBCHAPTER C. POWERS AND DUTIES

29       Sec. 8269.101. GENERAL POWERS AND DUTIES.    The district  
30 has the powers and duties necessary to accomplish the purposes

1 for which the district is created.

2 Sec. 8269.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
3 DUTIES. The district has the powers and duties provided by the  
4 general law of this state, including Chapters 49 and 54, Water  
5 Code, applicable to municipal utility districts created under  
6 Section 59, Article XVI, Texas Constitution.

7 Sec. 8269.103. ROAD PROJECTS. (a) To the extent  
8 authorized by Section 52, Article III, Texas Constitution, the  
9 district may construct, acquire, improve, maintain, or operate  
10 arterials or main feeder roads or improvements in aid of those  
11 roads.

12 (b) A road project must meet all applicable construction  
13 standards, zoning and subdivision requirements, and regulatory  
14 ordinances of the municipality or county in whose jurisdiction  
15 the district is located.

16 Sec. 8269.104. COMPLIANCE WITH MUNICIPAL CONSENT  
17 ORDINANCES OR RESOLUTIONS. Subject to the limitations of  
18 Section 54.016, Water Code, the district shall comply with all  
19 valid and applicable requirements of any ordinance or resolution  
20 adopted by a municipality in the corporate limits or  
21 extraterritorial jurisdiction of which the district is located,  
22 including an ordinance or resolution adopted before September 1,  
23 2007, that consents to the creation of the district or to the  
24 inclusion of lands within the district.

25 [Sections 8269.105-8269.150 reserved for expansion]

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8269.151. ELECTIONS REGARDING TAXES OR BONDS. (a)  
28 Except as provided by Section 8269.201(b), the district may  
29 issue, without an election, bonds and other obligations secured  
30 by revenue or contract payments from any source other than ad

1 valorem taxation.

2 (b) The district must hold an election in the manner  
3 provided by Chapters 49 and 54, Water Code, to obtain voter  
4 approval before the district may impose an operation and  
5 maintenance tax or issue bonds payable from ad valorem taxes.

6 Sec. 8269.152. OPERATION AND MAINTENANCE TAX. (a) If  
7 authorized at an election held under Section 8269.151, the  
8 district may impose an operation and maintenance tax on taxable  
9 property in the district in accordance with Section 49.107,  
10 Water Code.

11 (b) The board shall determine the tax rate. The rate may  
12 not exceed the rate approved at the election.

13 [Sections 8269.153-8269.200 reserved for expansion]

14 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

15 Sec. 8269.201. AUTHORITY TO ISSUE BONDS AND OTHER  
16 OBLIGATIONS. (a) The district may issue bonds or other  
17 obligations payable wholly or partly from ad valorem taxes,  
18 impact fees, revenue, grants, or other district money, or any  
19 combination of those sources, to pay for any authorized district  
20 purpose.

21 (b) The district may not issue bonds to finance projects  
22 authorized by Section 8269.103 unless the issuance is approved  
23 by a vote of a two-thirds majority of the voters of the district  
24 voting at an election called for that purpose.

25 (c) Bonds or other obligations issued or incurred to  
26 finance projects authorized by Section 8269.103 may not exceed  
27 one-fourth of the assessed value of the real property in the  
28 district.

29 Sec. 8269.202. TAXES FOR BONDS. At the time bonds payable  
30 wholly or partly from ad valorem taxes are issued:

1           (1) the board shall impose a continuing direct annual  
2 ad valorem tax, without limit as to rate or amount, for each  
3 year that all or part of the bonds are outstanding; and

4           (2) the district annually shall impose an ad valorem  
5 tax on all taxable property in the district in an amount  
6 sufficient to:

7           (A) pay the interest on the bonds as the  
8 interest becomes due;

9           (B) create a sinking fund for the payment of the  
10 principal of the bonds when due or the redemption price at any  
11 earlier required redemption date; and

12           (C) pay the expenses of imposing the taxes.

13           SECTION 2. The True Ranch Municipal Utility District No. 1  
14 includes all the territory contained in the following area:

15 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING 465.71  
16 ACRES, MORE OR LESS, OF LAND AREA IN THE JOHN INGRAIM SURVEY,  
17 ABSTRACT NO. 256, HAYS COUNTY, TEXAS, BEING A PORTION OF THAT  
18 TRACT DESCRIBED AS 1279.69 ACRES IN A DEED FROM LESLIE TRUE  
19 VESPER ET AL TO LESLIE TRUE VESPER DATED AUGUST 10, 1992 AND  
20 RECORDED IN VOLUME 948, PAGE 789 OF THE HAYS COUNTY OFFICIAL  
21 PUBLIC RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES  
22 AND BOUNDS AS FOLLOWS:

23           BEGINNING at a ½" iron rod found in the southwest line of  
24 R.M. Highway No. 2325 and that tract described as an 80' R.O.W.  
25 in a deed from Cecil H. Hale, et al to the State of Texas dated  
26 August 29, 1956 and recorded in Volume 169, Page 304 of the Hays  
27 County Deed Records for the most northerly northwest corner of  
28 the panhandle portion of this description and the Vesper 1279.69  
29 acre tract and east corner of that tract described as 592.30  
30 acres in a deed from Leslie True Vesper et al to Ameritrust

27

1 Texas, N.A., Trustee dated August 10, 1992 and recorded in  
2 Volume 949, Page 572 of the Hays County Official Public Records,  
3 from which a TXDOT concrete monument found bears N 69°45'42" W  
4 162.75 feet;

5 THENCE leaving the Ameritrust Texas 592.30 acre tract and  
6 the PLACE OF BEGINNING as shown on that plat numbered 24587-06-  
7 3-d dated May 30, 2006 prepared for Leslie Vesper by Byrn &  
8 Associates, Inc., of San Marcos, Texas with the common northeast  
9 line of the Vesper 1279.69 acre tract and southwest line of R.M.  
10 Highway No. 2325 and the State of Texas 80' R.O.W. tract S  
11 69°48'34" E 599.94 feet to a ½" iron rod set for the northwest  
12 corner of that tract described as "Tract 1-1.00 acres" in a deed  
13 from Thomas W. Slaughter et ux to Randy C. Brown et ux dated  
14 February 12, 1996 and recorded in Volume 1206, Page 780 of the  
15 Hays County Official Public Records, from which A TXDOT concrete  
16 monument found bears S 69°47'57" E 120.11 feet;

17 THENCE leaving R.M. Highway No. 2325 and the State of Texas  
18 80' R.O.W. tract with the common east line of the Vesper 1279.69  
19 acre tract and west and south lines of the Brown 1.00 acre Tract  
20 1 the following two courses:

21 1. S 20°06'33" W 226.56 feet to a 2.5" pipe fence corner  
22 post found for corner, and

23 S 69°41'58" E 234.42 feet to a 2" pipe fence corner post  
24 found in the west line of that tract described as "Tract 2-5.347  
25 acres" in the previously mentioned deed to Randy C. Brown et ux  
26 for the southeast comer of the Brown 1.00 acre Tract 1;

27 THENCE leaving the Brown 1.00 acre Tract 1 and continuing  
28 with the common east line of the Vesper 1279.69 acre tract and  
29 west line of the Brown 5.347 acre Tract 2, as fenced and used,  
30 the following three courses:

2 8

1 S 00°10'12" E 410.74 feet to a ½" iron rod set at the  
2 approximate centerline of an underground pipeline for angle  
3 point,

4 S 00°04'22" E 196.11 feet to a 2.5" pipe fence post found  
5 for angle point, and

6 S 00°24'09" E 15.83 feet to an iron rod found with an  
7 aluminum cap stamped "Pro-Tech Eng" at fence corner for the  
8 southwest corner of the Brown 5.347 acre Tract 2 and northwest  
9 corner of the remaining portion of that tract described as  
10 187.78 acres in a deed from Henry Polvado & Lillie Polvado to  
11 Wesley Springs dated May 6, 1983 and recorded in Volume 393,  
12 Page 570 of the Hays County Deed Records (the Brown 5.347 acre  
13 Tract 2 being a portion of the Springs 187.78 acre tract);

14 THENCE leaving the Brown 5.347 acre Tract 2 and continuing  
15 with the east line of the Vesper 1279.69 acre tract and west  
16 line of the Springs 187.78 acre tract, as fenced and used, the  
17 following three courses:

18 S 00°00'57" E 1012.24 feet to a 2.5" pipe fence post found  
19 for angle point,

20 S 00°06'57" W 908.05 feet to a 4" pipe fence corner post  
21 found for angle point, and

22 S 00°03'12" E 354.80 feet to a 4" pipe fence corner post  
23 found for the southwest corner of the springs 187.78 acre tract  
24 and northwest corner of that tract described as 126.97 acres in  
25 a deed from Stanual W. Farris to the Stanual W. Farris Living  
26 Trust dated March 10, 2005 and recorded in Volume 2646, Page 385  
27 of the Hays County Official Public Records;

28 THENCE leaving the Springs 187.78 acre tract and continuing  
29 with the common east line of the Vesper 1279.69 acre tract and  
30 west line of Farris Living Trust 126.97 acre tract, as fenced

1 and used, the following three courses:

2 S 00°12'25" W 952.36 feet to a 4" pipe fence post found for  
3 angle point,

4 S 00°09'57"W 1087.12 feet to a 4" cedar post found for  
5 angle point, and

6 S 00°22'11" W 1072.11 feet to a ½" iron rod found at fence  
7 corner for the southwest corner of the Farris Living Trust  
8 126.97 acre tract and northwest corner of that tract described  
9 as 32.03 acres in a deed from Phil Harris to Shannon Harris  
10 dated April 8, 1998 and recorded in Volume 1463, Page 335 of the  
11 Hays County Official Public Records;

12 THENCE leaving the Farris Living Trust 126.97 acre tract  
13 and continuing with the common east line of the Vesper 1279.69  
14 acre tract and west line of the Shannon Harris 32.03 acre tract,  
15 as fenced and used, S 00°44'10"W 120.44 feet to a 4" cedar fence  
16 corner post found for the southwest corner of the Shannon Harris  
17 32.03 acre tract and northwest corner of that tract described as  
18 28.92 acres in a deed from A.J. Farris et ux to Philip D. Farris  
19 dated July 18, 1991 and recorded in Volume 882, page 620 of the  
20 Hays County Official Public Records;

21 THENCE leaving the Shannon Harris 32.03 acre tract and  
22 continuing with the common east line of the Vesper 1279.69 acre  
23 tract and west line of the Philip D. Farris 28.92 acre tract, as  
24 fenced and used, S 00°24'02" W 279.19 feet to a ½" iron rod  
25 found at fence corner for the southeast corner of this  
26 description and northeast corner of that tract described as  
27 52.30 acres in a deed from Leslie True Vesper to Paul R. Eastup  
28 et ux dated June 5, 1996 and recorded in Volume 1240, Page 309  
29 of the Hays County Official Public Records (the Eastup 52.30  
30 acre tract being a portion of the Vesper 1279.69 acre tract);

~~10~~ 30

1           THENCE leaving the Phillip D. Farris 28.92 acre tract and  
2 entering the Vesper 1279.69 acre tract with the north line of  
3 the Eastup 52.30 acre tract, N 87°10'57" W 1356.38 feet to a ½"  
4 iron rod found in fence for the northwest corner of the Eastup  
5 52.03 acre tract and northeast corner of that tract described as  
6 209.16 acres in a deed from Leslie True Vesper to James Nicholas  
7 Edwards and Lynn S. Edwards dated July 6, 2005 and recorded in  
8 Volume 2719, Page 740 of the Hays County Official Public Record  
9 (the Edwards 209.16 acre tract being a portion of the Vesper  
10 1279.69 acre tract);

11           THENCE leaving the Eastup 52.30 acre tract with the north  
12 line of the Edwards 209.16 acre tract, as fenced and used, the  
13 following five courses:

14           N 87°19'31" W 665.61 feet to a 4" pipe fence post found for  
15 angle point,

16           N 86°58'45" W 535.67 feet to a 3" cedar fence post found  
17 for angle point,

18           N 87°09'05" W 302.22 feet to a 3" cedar fence post found  
19 for angle point,

20           N 87°26'23" W 724.92 feet to a 4" cedar fence post found  
21 for angle point, and

22           N 86°46'01" W 426.90 feet to a ½" iron rod found with a  
23 plastic cap stamped "Byrn Survey" in the east line of that tract  
24 described as 504.13 acres in a deed from Leslie True Vesper to  
25 James L. Pierce and David L. Pierce dated February 8, 1999 and  
26 recorded in Volume 1500, Page 452 of the Hays County Official  
27 Public Records (the Pierce 504.13 acre tract being a portion of  
28 the Vesper 1279.69 acre tract);

29           THENCE leaving the Edwards 209.16 acre tract with the east  
30 line of the Pierce 504.13 acre tract the following two courses:

~~41~~ 31

1 N 08°19'22" E 124.79 feet to a ½" iron rod found with a  
2 plastic cap stamped "Byrn Survey" for corner, and

3 N 87°41'56" W 751.30 feet to a ½" iron rod found with a  
4 plastic cap stamped "Byrn Survey" for the southwest corner of  
5 this description, an interior corner in the east line of the  
6 Pierce 504.13 acre tract, and the south corner of that tract  
7 described as 10.59 acres in a deed from Leslie True Vesper to  
8 James L. Pierce and David L. Pierce dated June 15, 2001 and  
9 recorded in Volume 1872, Page 802 of the Hays County Official  
10 Public Records (the Pierce 10.59 acre tract being a portion of  
11 the Vesper 1279.69 acre tract);

12 THENCE leaving the Pierce 504.13 acre tract with the east  
13 line of Pierce 10.59 acre tract the following two courses:

14 N 05°37'42" E (being the bearing basis for description)  
15 734.58 feet to a ½" iron rod found with a plastic cap stamped  
16 "Byrn Survey" for angle point, and

17 N 16°12'16" E 1026.26 feet to a 16" cedar tree stump found  
18 in fence in the east line of the previously mentioned Pierce  
19 504.13 acre tract for the north corner of the Pierce 10.59 acre  
20 tract;

21 THENCE leaving the Pierce 10.59 acre tract and continuing  
22 with the east line of the Pierce 504.13 acre tract, as fenced  
23 and used, the following eight courses:

24 N 20°34'38" E 42.67 feet to a 16" cedar tree stump found  
25 for angle point,

26 N 15°43'09" E 241.85 feet to a 12" cedar tree stump found  
27 for angle point,

28 N 08°41'46" E 86.90 feet to a 14" cedar tree stump found  
29 for angle point,

30 N 07°33'58" E 244.38 feet to a 2.5" pipe fence post found

12 32

1 for angle point,  
2 N 24°14'46" E 623.77 feet to a 6" cedar fence post found  
3 for angle point,  
4 N 24°15'46" E 420.45 feet to a 2.5" pipe fence post found  
5 for angle point,  
6 N 12°52'45" E 194.02 feet to a 2.5" pipe fence post found  
7 for angle point, and  
8 N 01°30'08" E 340.55 feet to a 4" pipe fence corner post  
9 found in the south line of the previously mentioned Ameritrust  
10 Texas 592.30 acre tract and north line of the Vesper 1279.69  
11 acre tract for the northeast corner of the Pierce 504.13 acre  
12 tract and exterior west corner of this description;  
13 THENCE leaving the Pierce 504.13 acre tract with the common  
14 north line of the Vesper 1279.69 acre tract, and south line of  
15 the Ameritrust Texas 592.30 acre tract, as fenced and used, the  
16 following six courses:  
17 N 73°32'00" E 130.18 feet to a 4" pipe fence post found for  
18 angle point,  
19 S 48°36'36" E 170.02 feet to a ½" iron rod found for angle  
20 point,  
21 S 76°17'07" E 88.03 feet to a 4" pipe fence post found for  
22 angle point,  
23 S 86°44'44" E 798.24 feet to a 4" pipe fence post found for  
24 angle point,  
25 S 86°55'19" E 913.16 feet to a 4" pipe fence post found for  
26 angle point, and  
27 S 86°56'50" E 421.51 feet to a ½" iron rod found for the  
28 southeast corner of the Ameritrust Texas 592.30 acre tract and  
29 southwest corner of the panhandle portion of this description  
30 and the Vesper 1279.69 acre tract;

1           THENCE leaving the fence with the common west line of the  
2 panhandle portion of the Vesper 1279.69 acre tract and east line  
3 of the Ameritrust Texas 592.30 acre tract the following two  
4 courses:

5           N 00°00'32" E 1999.62 feet to a ½" iron rod found for angle  
6 point, and

7           N 32°23'54" E 1152.96 feet to the PLACE OF BEGINNING.

8           THERE are contained within these metes and bounds 465.71  
9 acres, more or less, as prepared from public records and surveys  
10 made on the ground in 1999, 2001, 2005 and on May 30, 2006 by  
11 Byrn & Associates, Inc., of San Marcos, Texas. All ½" iron rods  
12 set are capped with a plastic cap stamped "Byrn Survey".

13           SECTION 3. (a) The legal notice of the intention to  
14 introduce the provisions of this Act relating to the creation of  
15 the True Ranch Municipal Utility District No. 1, setting forth  
16 the general substance of those provisions, has been published as  
17 provided by law, and the notice and a copy of those provisions  
18 have been furnished to all persons, agencies, officials, or  
19 entities to which they are required to be furnished under  
20 Section 59, Article XVI, Texas Constitution, and Chapter 313,  
21 Government Code.

22           (b) The governor, one of the required recipients, has  
23 submitted the notice and provisions of this Act relating to the  
24 creation of the True Ranch Municipal Utility District No. 1 to  
25 the Texas Commission on Environmental Quality.

26           (c) The Texas Commission on Environmental Quality has  
27 filed its recommendations relating to the provisions of this Act  
28 relating to the creation of the True Ranch Municipal Utility  
29 District No. 1 with the governor, the lieutenant governor, and  
30 the speaker of the house of representatives within the required

14-34

1 time.

2 (d) All requirements of the constitution and laws of this  
3 state and the rules and procedures of the legislature with  
4 respect to the notice, introduction, and passage of this Act are  
5 fulfilled and accomplished.

~~15~~ 35

MAY 23 2007

*Latey Spaw*  
Secretary of the Senate

1 Amend H.B. No. 4 (senate committee printing) by adding the  
2 following appropriately numbered SECTION to the bill and  
3 renumbering subsequent SECTIONS of the bill appropriately:

4 SECTION \_\_. Sections 16.315 and 16.319, Water Code, are  
5 amended to read as follows:

6 Sec. 16.315. POLITICAL SUBDIVISIONS; COMPLIANCE WITH  
7 FEDERAL REQUIREMENTS. All political subdivisions are hereby  
8 authorized to take all necessary and reasonable actions that are  
9 not less stringent than [~~to comply with~~] the requirements and  
10 criteria of the National Flood Insurance Program, including but  
11 not limited to:

12 (1) making appropriate land use adjustments to  
13 constrict the development of land which is exposed to flood  
14 damage and minimize damage caused by flood losses;

15 (2) guiding the development of proposed future  
16 construction, where practicable, away from a location which is  
17 threatened by flood hazards;

18 (3) assisting in minimizing damage caused by floods;

19 (4) authorizing and engaging in continuing studies of  
20 flood hazards in order to facilitate a constant reappraisal of  
21 the flood insurance program and its effect on land use  
22 requirements;

23 (5) engaging in floodplain management, [~~and~~] adopting  
24 and enforcing permanent land use and control measures that are  
25 not less stringent than those [~~consistent with the criteria~~]  
26 established under the National Flood Insurance Act, and  
27 providing for the imposition of penalties on landowners who  
28 violate this subchapter or rules adopted or orders issued under

30

1 this subchapter;

2 (6) declaring property, when such is the case, to be  
3 in violation of local laws, regulations, or ordinances which are  
4 intended to discourage or otherwise restrict land development or  
5 occupancy in flood-prone areas and notifying the director, or  
6 whomever the director designates, of such property;

7 (7) consulting with, giving information to, and  
8 entering into agreements with the Federal Emergency Management  
9 Agency for the purpose of:

10 (A) identifying and publishing information with  
11 respect to all flood areas, including coastal areas; and

12 (B) establishing flood-risk zones in all such  
13 areas and making estimates with respect to the rates of probable  
14 flood-caused loss for the various flood-risk zones for each of  
15 these areas;

16 (8) cooperating with the director's studies and  
17 investigations with respect to the adequacy of local measures in  
18 flood-prone areas as to land management and use, flood control,  
19 flood zoning, and flood damage prevention;

20 (9) taking steps, using regional, watershed, and  
21 multi-objective approaches, to improve the long-range management  
22 and use of flood-prone areas;

23 (10) purchasing, leasing, and receiving property from  
24 the director when such property is owned by the federal  
25 government and lies within the boundaries of the political  
26 subdivision pursuant to agreements with the Federal Emergency  
27 Management Agency or other appropriate legal representative of  
28 the United States Government;

29 (11) requesting aid pursuant to the entire  
30 authorization from the commission;

2 37

1 (12) satisfying criteria adopted and promulgated by  
2 the commission pursuant to the National Flood Insurance Program;

3 (13) adopting permanent land use and control measures  
4 with enforcement provisions that are not less stringent than  
5 ~~[which are consistent with]~~ the criteria for land management and  
6 use adopted by the director;

7 (14) adopting more comprehensive floodplain  
8 management rules that the political subdivision determines are  
9 necessary for planning and appropriate to protect public health  
10 and safety;

11 (15) participating in floodplain management and  
12 mitigation initiatives such as the National Flood Insurance  
13 Program's Community Rating System, Project Impact, or other  
14 initiatives developed by federal, state, or local government;  
15 and

16 (16) collecting reasonable fees to cover the cost of  
17 administering a local floodplain management program.

18 Sec. 16.319. QUALIFICATION. Political subdivisions  
19 wishing to qualify under the National Flood Insurance Program  
20 shall have the authority to do so by complying with the  
21 directions of the Federal Emergency Management Agency and by:

22 (1) evidencing to the director a positive interest in  
23 securing flood insurance coverage under the National Flood  
24 Insurance Program; and

25 (2) giving to the director satisfactory assurance  
26 that measures will have been adopted for the political  
27 subdivision that ~~[which measures]~~ will be not less stringent  
28 than ~~[consistent with]~~ the comprehensive criteria for land  
29 management and use developed by the Federal Emergency Management  
30 Agency.

→ 38

ADOPTED

MAY 23 2007

*Letay Spaw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 8

BY: *[Signature]*

1 Amend H.B. No. 4 by adding the following appropriately  
2 numbered SECTION to the bill and renumbering subsequent SECTIONS  
3 accordingly:

4 SECTION \_\_\_\_ Subchapter D, Chapter 43, Local Government  
5 Code, is amended by adding Section 43.0741 to read as follows:

6 Sec. 43.0741. ABOLITION OF CERTAIN WATER CONTROL AND  
7 IMPROVEMENT, WATER IMPROVEMENT, AND IRRIGATION DISTRICTS THAT  
8 DELIVER RAW WATER TO MUNICIPALITIES. (a) This section applies  
9 only to:

10 (1) a water control and improvement, water  
11 improvement, or irrigation district:

12 (A) at least 60 percent of the territory of  
13 which is located in a single municipality as a result of  
14 annexation or incorporation;

15 (B) that diverts raw water from the Rio Grande  
16 and in a 12-month period delivers at least 80 percent of that  
17 raw water to the municipality for municipal use; and

18 (C) that has no outstanding bonded indebtedness;  
19 and

20 (2) a municipality that:

21 (A) receives raw water from a district described  
22 by Subdivision (1); and

1                   (B) is located in a county that has a population  
2 of 400,000 or more, borders the United Mexican States, and has  
3 three or more cities that each have a population of more than  
4 25,000.

5           (b) A municipality may adopt an ordinance abolishing a  
6 district by a vote of at least two-thirds of the membership of  
7 the municipality's governing body if the governing body  
8 determines that:

9                   (1) at least 80 percent of the raw water diverted by  
10 the district in any 12-month period was for municipal use by the  
11 municipality;

12                   (2) the district has no outstanding bonded  
13 indebtedness;

14                   (3) the services furnished and functions performed by  
15 the district can be furnished and performed by the municipality;  
16 and

17                   (4) the abolition of the district is in the best  
18 interests of the residents and property of the municipality and  
19 the district.

20           (c) The voters of the municipality may protest the  
21 enactment or enforcement of the ordinance by filing a petition  
22 with the secretary of the municipality. The petition must be  
23 signed by a number of qualified voters of the municipality that  
24 is equal to at least 10 percent of the number of voters who  
25 voted in the most recent election for municipal officers. The  
26 petition must be filed not later than the 30th day after the  
27 later of:

28                   (1) the date the municipality finally approves the  
29 ordinance; or

30                   (2) the date of publication of the ordinance, if the  
31 ordinance is published before it is scheduled to take effect.

-2- 40

1       (d) The secretary shall verify the signatures on a  
2 petition filed in accordance with Subsection (c) and present the  
3 verified petition to the governing body of the municipality at  
4 its next scheduled meeting.

5       (e) On receipt of a verified petition, the governing body  
6 of the municipality shall suspend the ordinance, and the  
7 municipality may not take an action under the ordinance.

8       (f) The governing body of the municipality shall  
9 reconsider the suspended ordinance at its next meeting. If the  
10 governing body does not repeal the ordinance, the governing body  
11 shall submit a proposition for or against the ordinance to the  
12 voters at the next municipal election or at a special election  
13 the governing body may order for that purpose. The ordinance  
14 does not take effect unless a majority of the voters voting in  
15 the election vote for the ordinance.

16       (g) The ordinance takes effect on:

17           (1) the expiration of the period for filing a  
18 petition under Subsection (c) if the voters of the municipality  
19 do not file a petition that meets the requirements of that  
20 subsection before the expiration of that period; or

21           (2) the approval of the ordinance at an election  
22 under Subsection (f).

23       (h) If the ordinance takes effect:

24           (1) the district is abolished;

25           (2) except as provided by Subdivision (3), the  
26 property and other assets of the district vest in the  
27 municipality;

28           (3) 50 percent of the cash reserves of the district  
29 shall be paid to the Rio Grande Regional Water Authority;

30           (4) the municipality becomes responsible for  
31 operating the district's facilities for the benefit of the

1 district's existing customers and performing the services and  
2 functions that were performed by the district; and

3 (5) the municipality assumes all the debts,  
4 liabilities, and obligations of the district.

5 (i) A district that is abolished under this section shall  
6 provide its management and operational records to the  
7 municipality to ensure the orderly transfer of management and  
8 operational responsibility to the municipality.

*Niko Jackson*

ADOPTED

*Lataj Spaw*  
Secretary of the Senate

COMMITTEE AMENDMENT NO. 7

BY: Jackson

1 Amend H.B. No. 4 by striking SECTIONS 6 and 16 of the bill  
2 (Engrossed Version, page 7, line 18, through page 8, line 6, and  
3 page 13, lines 14 through 21, respectively) and renumbering the  
4 remaining SECTIONS of the bill accordingly.

**ADOPTED**

MAY 23 2007

*Lataj Spaw*  
Secretary of the Senate



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

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

May 18, 2007

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

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

**IN RE: HB4** by Puente (Relating to water conservation. ), **Committee Report 2nd House, As Amended**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4, Committee Report 2nd House, As Amended: a negative impact of (\$678,146) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | (\$346,073)  |
| 2009        | (\$332,073)  |
| 2010        | (\$327,073)  |
| 2011        | (\$332,073)  |
| 2012        | (\$327,073)  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Savings/(Cost) from<br><i>GENERAL REVENUE FUND</i><br>1 |
|-------------|--|
| 2008        | (\$346,073)  |
| 2009        | (\$332,073)  |
| 2010        | (\$327,073)  |
| 2011        | (\$332,073)  |
| 2012        | (\$327,073)  |

| Fiscal Year | Change in Number of State<br>Employees from FY 2007 |
|-------------|---|
| 2008        | 5.0   |
| 2009        | 5.0   |
| 2010        | 5.0   |
| 2011        | 5.0   |
| 2012        | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 23 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ) ; Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning



groups; federal agencies; municipalities; groundwater conservation districts; river authorities; environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; agricultural groups; and representatives from the following interest groups: refining and chemical manufacturing; electric generation; mining and recovery of minerals; landscape irrigation and horticulture; water control and improvement districts; rural water users; and municipal utility districts.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The Council would also be required to conduct a study by December 1, 2008 to evaluate the desirability of requiring the TWDB to designate certified water conservation training entities and programs; this study would also be submitted to the Legislature and Governor. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible. This provision would not take effect until September 1, 2009.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

## **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$20,300 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$100,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.



This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no fiscal impact for the 2008-09 biennium and no significant fiscal impact in subsequent fiscal years to state agencies associated with the requirement that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of new state buildings.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board, 551 Department of Agriculture, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

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

May 17, 2007

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

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

**IN RE: HB4** by Puente (Relating to water conservation.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4, As Engrossed: a negative impact of (\$678,146) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | (\$346,073)  |
| 2009        | (\$332,073)  |
| 2010        | (\$327,073)  |
| 2011        | (\$332,073)  |
| 2012        | (\$327,073)  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Savings/(Cost) from<br><i>GENERAL REVENUE FUND</i><br>1 |
|-------------|--|
| 2008        | (\$346,073)  |
| 2009        | (\$332,073)  |
| 2010        | (\$327,073)  |
| 2011        | (\$332,073)  |
| 2012        | (\$327,073)  |

| Fiscal Year | Change in Number of State<br>Employees from FY 2007 |
|-------------|---|
| 2008        | 5.0   |
| 2009        | 5.0   |
| 2010        | 5.0   |
| 2011        | 5.0   |
| 2012        | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 23 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ); Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning groups; federal agencies; municipalities; groundwater conservation districts; river authorities;



environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; agricultural groups; and representatives from the following interest groups: refining and chemical manufacturing; electric generation; mining and recovery of minerals; landscape irrigation and horticulture; water control and improvement districts; rural water users; and municipal utility districts.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The Council would also be required to conduct a study by December 1, 2008 to evaluate the desirability of requiring the TWDB to designate certified water conservation training entities and programs; this study would also be submitted to the Legislature and Governor. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible. This provision would not take effect until September 1, 2009.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

The bill provides that interbasin transfer rules apply to transfers proposed on or after the effective date of this Act from a basin to an adjoining coastal basin.

## **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$20,300 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$100,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately



\$61,000 a fiscal year.

This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no fiscal impact for the 2008-09 biennium and no significant fiscal impact in subsequent fiscal years to state agencies associated with the requirement that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of new state buildings.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board, 551 Department of Agriculture, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF



LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

Revision 1

April 16, 2007

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

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

IN RE: HB4 by Puente (Relating to water conservation.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4, Committee Report 1st House, Substituted: a negative impact of (\$678,146) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | (\$346,073)  |
| 2009        | (\$332,073)  |
| 2010        | (\$327,073)  |
| 2011        | (\$332,073)  |
| 2012        | (\$327,073)  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Savings/(Cost) from<br>GENERAL REVENUE FUND<br>1 |
|-------------|---|
| 2008        | (\$346,073)   |
| 2009        | (\$332,073)   |
| 2010        | (\$327,073)   |
| 2011        | (\$332,073)   |
| 2012        | (\$327,073)   |

| Fiscal Year | Change in Number of State<br>Employees from FY 2007 |
|-------------|---|
| 2008        | 5.0   |
| 2009        | 5.0   |
| 2010        | 5.0   |
| 2011        | 5.0   |
| 2012        | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 23 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ); Department of Agriculture; Parks and Wildlife



Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning groups; federal agencies; municipalities; groundwater conservation districts; river authorities; environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; agricultural groups; and representatives from the following interest groups: refining and chemical manufacturing; electric generation; mining and recovery of minerals; landscape irrigation and horticulture; water control and improvement districts; rural water users; and municipal utility districts.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The Council would also be required to conduct a study by December 1, 2008 to evaluate the desirability of requiring the TWDB to designate certified water conservation training entities and programs; this study would also be submitted to the Legislature and Governor. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

### **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$20,300 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$100,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.



This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no significant impact to state agencies associated with requirement that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of new state buildings.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board, 551 Department of Agriculture, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 2, 2007**

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

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

**IN RE: HB4** by Puente (Relating to water conservation. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4, Committee Report 1st House, Substituted: a negative impact of (\$678,146) through the biennium ending August 31, 2009.

**General Revenue-Related Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2008               | (\$346,073)   |
| 2009               | (\$332,073)   |
| 2010               | (\$327,073)   |
| 2011               | (\$332,073)   |
| 2012               | (\$327,073)   |

**All Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> |
|--------------------|--|
| 2008               | (\$346,073)  |
| 2009               | (\$332,073)  |
| 2010               | (\$327,073)  |
| 2011               | (\$332,073)  |
| 2012               | (\$327,073)  |

| <b>Fiscal Year</b> | <b>Change in Number of State<br/>Employees from FY 2007</b> |
|--------------------|---|
| 2008               | 5.0   |
| 2009               | 5.0   |
| 2010               | 5.0   |
| 2011               | 5.0   |
| 2012               | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 23 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ) ; Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning



groups; federal agencies; municipalities; groundwater conservation districts; river authorities; environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; agricultural groups; and representatives from the following interest groups: refining and chemical manufacturing; electric generation; mining and recovery of minerals; landscape irrigation and horticulture; water control and improvement districts; rural water users; and municipal utility districts.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The Council would also be required to conduct a study by December 1, 2008 to evaluate the desirability of requiring the TWDB to designate certified water conservation training entities and programs; this study would also be submitted to the Legislature and Governor. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

### **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$20,300 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$100,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.



This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no significant impact to state agencies associated with requirement that on-site reclaimed system technologies including rainwater harvesting, condensate collection, and cooling tower blow down systems be incorporated into the design and construction of new state buildings.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 580 Water Development Board, 551 Department of Agriculture, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF



**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**  
Revision 1

April 11, 2007

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

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

**IN RE: HB4** by Puente (Relating to water conservation.), **As Introduced**

|   |
|---|
| <b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB4, As Introduced: a negative impact of (\$667,546) through the biennium ending August 31, 2009. |
|---|

**General Revenue-Related Funds, Five-Year Impact:**

| Fiscal Year | Probable Net Positive/(Negative)<br>Impact to General Revenue Related<br>Funds |
|-------------|--|
| 2008        | (\$340,773)  |
| 2009        | (\$326,773)  |
| 2010        | (\$321,773)  |
| 2011        | (\$326,773)  |
| 2012        | (\$321,773)  |

**All Funds, Five-Year Impact:**

| Fiscal Year | Probable Savings/(Cost) from<br><i>GENERAL REVENUE FUND</i><br>1 |
|-------------|--|
| 2008        | (\$340,773)  |
| 2009        | (\$326,773)  |
| 2010        | (\$321,773)  |
| 2011        | (\$326,773)  |
| 2012        | (\$321,773)  |

| Fiscal Year | Change in Number of State<br>Employees from FY 2007 |
|-------------|---|
| 2008        | 5.0   |
| 2009        | 5.0   |
| 2010        | 5.0   |
| 2011        | 5.0   |
| 2012        | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 17 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ); Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning



groups; federal agencies; municipalities; groundwater conservation districts; river authorities; environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; and agricultural groups.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that rainwater harvesting systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

### **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$15,000 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$50,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.

This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no significant impact to state agencies associated with requirement that rainwater harvesting systems be incorporated into the design and construction of new state buildings. According to the Texas Building and Procurement Commission, it is estimated that 30 new state buildings will be



built during the 2008-09 biennium, and according to estimates from the TPWD it will cost approximately \$16,500 per building for the installment of a rainwater harvesting system.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF



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

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

**March 14, 2007**

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

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

**IN RE: HB4** by Puente (Relating to water conservation.), **As Introduced**

|   |
|---|
| <b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB4, As Introduced: a negative impact of (\$667,546) through the biennium ending August 31, 2009. |
|---|

**General Revenue-Related Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2008               | (\$340,773)   |
| 2009               | (\$326,773)   |
| 2010               | (\$321,773)   |
| 2011               | (\$326,773)   |
| 2012               | (\$321,773)   |

**All Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Savings/(Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> |
|--------------------|--|
| 2008               | (\$340,773)  |
| 2009               | (\$326,773)  |
| 2010               | (\$321,773)  |
| 2011               | (\$326,773)  |
| 2012               | (\$321,773)  |

| <b>Fiscal Year</b> | <b>Change in Number of State<br/>Employees from FY 2007</b> |
|--------------------|---|
| 2008               | 5.0   |
| 2009               | 5.0   |
| 2010               | 5.0   |
| 2011               | 5.0   |
| 2012               | 5.0   |

**Fiscal Analysis**

This bill establishes a new Water Conservation Advisory Council (Council) composed of 17 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ); Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning groups; federal agencies; municipalities; groundwater conservation districts; river authorities;



environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; and agricultural groups.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that rainwater harvesting systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

### **Methodology**

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$15,000 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$50,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.

This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no significant impact to state agencies associated with requirement that rainwater harvesting systems be incorporated into the design and construction of new state buildings. According to the Texas Building and Procurement Commission, it is estimated that 30 new state buildings will be built during the 2008-09 biennium, and according to estimates from the TPWD it will cost



approximately \$16,500 per building for the installment of a rainwater harvesting system.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

**Technology**

None.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

**LBB Staff:** JOB, WK, ZS, JF

