

SENATE AMENDMENTS

2nd Printing

By: Flores

H.B. No. 3438

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Rio Grande Regional Water Authority and the establishment of a member conference.

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

SECTION 1. Section 1.01, Chapter 385, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Subdivisions (4-a) and (6) through (8) to read as follows:

(4-a) "Conference" means the conference under Section 1A.01 of this Act.

(6) "Municipal class entity" means one of the following entities that is located in the authority:

(A) a municipality;

(B) a municipal utility district operating under Chapter 54, Water Code; or

(C) a special utility district operating under Chapter 65, Water Code.

(7) "Water supply corporation" means a nonprofit water supply corporation operating under Chapter 67, Water Code.

(8) "Watermaster" means the watermaster appointed by the commission under Subchapter G, Chapter 11, Water Code, for the segment of the Rio Grande basin inside the boundaries of the authority.

SECTION 2. Chapter 385, Acts of the 78th Legislature, Regular Session, 2003, is amended by adding Article IA to read as

1 follows:

2 ARTICLE IA. CONFERENCE

3 Sec. 1A.01. CONFERENCE MEMBERSHIP. (a) Subject to
4 Subsection (b) of this section, each county, municipal class
5 entity, water supply corporation, and irrigation district or other
6 water district in the authority is a member of the conference.

7 (b) The board may determine whether a prospective member is
8 qualified to become a member of the conference.

9 Sec. 1A.02. ADVISORY COMMITTEE. The board may appoint an
10 advisory committee composed of representatives of the conference
11 members to advise the board in administering this Act.

12 Sec. 1A.03. IRRIGATION DISTRICTS COMMITTEE. (a) The
13 irrigation districts that are members of the conference shall
14 convene as a committee to prepare a list of nominees for director
15 positions under Section 2.01(b)(1) of this Act at least 60 days
16 before directors' terms are scheduled to expire or whenever a
17 vacancy occurs in those positions. The committee shall provide the
18 list to the governor not later than the 21st day after the date on
19 which the committee convenes.

20 (b) The irrigation district conference members may select a
21 presiding officer to conduct committee meetings and represent the
22 entire committee.

23 SECTION 3. Section 2.01, Chapter 385, Acts of the 78th
24 Legislature, Regular Session, 2003, is amended by amending
25 Subsections (a), (b), (c), and (f) and adding Subsections (c-1),
26 (h), and (i) to read as follows:

27 (a) The board consists of 18 [~~15~~] directors.

1 (b) Twelve [~~Nine~~] directors are appointed by the governor,
2 with the advice and consent of the senate, as follows:

3 (1) nine [~~six~~] directors who represent irrigation
4 districts that are members of the conference from a list of nominees
5 submitted by the committee of irrigation districts convened under
6 Section 1A.03 of this Act;

7 (2) one director who represents the public;

8 (3) one director who represents municipal class
9 entities that are members of the conference [~~water utilities~~]; and

10 (4) one director who represents water supply
11 corporations that are members of the conference [~~municipalities~~].

12 (c) One director is appointed from each of the six counties
13 in the authority by majority vote of the commissioners court of that
14 county. In January of a year in which a director's term expires,
15 the commissioners court of the appropriate county shall appoint a
16 director for a four-year [~~two-year~~] term beginning February 1 of
17 that year. In addition to meeting the requirements of Subsection
18 (c-1) of this section, if applicable, a [A] director appointed as
19 provided by this subsection must:

20 (1) be a registered voter;

21 (2) reside in the county from which the director is
22 appointed; and

23 (3) work in a water-related field or have special
24 knowledge of water issues [~~be certified to the board by the county~~
25 ~~judge of the county from which the director is appointed~~].

26 (c-1) A director appointed under Subsection (c) of this
27 section must reside in the most populous municipality in the county

1 from which the director is appointed if the county:

2 (1) does not hold water rights;

3 (2) does not have a certificate of convenience and
4 necessity to provide water service; and

5 (3) is not a water service provider.

6 (f) Directors [~~Permanent directors~~] appointed under
7 Subsection (b) or (c) of this section serve staggered four-year
8 terms. [~~Permanent directors appointed under Subsection (c) of this~~
9 ~~section serve staggered two-year terms.~~]

10 (h) In making an appointment under Subsection (b)(1) of this
11 section, the governor may reject one or more of the nominees on a
12 list submitted by the committee of irrigation districts and
13 request a new list of different nominees. The second list of
14 nominees must be submitted to the governor not later than the 14th
15 day after the date of the governor's request for a new list. If the
16 governor rejects one or more of the nominees on the second list, the
17 governor may request a third, final list of nominees, that must be
18 submitted to the governor not later than the 14th day after the date
19 of the governor's request for the third list. If the governor
20 rejects one or more of the nominees on the third list, the governor
21 may select any person who represents an irrigation district that is
22 a member of the conference to serve as a director.

23 (i) The watermaster serves as a nonvoting advisor to the
24 board.

25 SECTION 4. Chapter 385, Acts of the 78th Legislature,
26 Regular Session, 2003, is amended by adding Section 2.035 to read as
27 follows:

1 Sec. 2.035. REMOVAL FROM OFFICE. It is a ground for removal
2 from the board that a director is absent from more than half of the
3 regularly scheduled board meetings that the director is eligible to
4 attend during a calendar year without an excuse approved by a
5 majority vote of the board.

6 SECTION 5. Section 2.06(b), Chapter 385, Acts of the 78th
7 Legislature, Regular Session, 2003, is amended to read as follows:

8 (b) The president is the chief executive officer of the
9 authority. The president may not vote at a board meeting except to
10 break a tie vote.

11 SECTION 6. Section 3.07, Chapter 385, Acts of the 78th
12 Legislature, Regular Session, 2003, is amended to read as follows:

13 Sec. 3.07. COURT-APPOINTED RECEIVER. The authority may
14 serve as the court-appointed receiver in a matter determined by a
15 court concerning the disposition of assets of any political
16 subdivision, municipally owned utility, or water supply
17 corporation [~~district authorized by Section 59, Article XVI, Texas~~
18 ~~Constitution~~].

19 SECTION 7. Chapter 385, Acts of the 78th Legislature,
20 Regular Session, 2003, is amended by adding Section 3.08 to read as
21 follows:

22 Sec. 3.08. DETERMINATION OF WATER RIGHTS. (a) Not later
23 than September 1 of each year, the watermaster shall provide to the
24 board a list of all water rights held inside the boundaries of the
25 authority and the authorized use for each right.

26 (b) The board shall timely review and certify each list.

27 (c) Not later than December 1 of each even-numbered year,

1 the board shall provide in writing to the governor and to each
2 member of the legislature whose legislative district is located
3 wholly or partly inside the boundaries of the authority:

4 (1) the most current list certified by the board under
5 this section; and

6 (2) a summary of the authorized uses for the water
7 rights on the most current list, including irrigation, municipal,
8 and industrial uses.

9 SECTION 8. Chapter 385, Acts of the 78th Legislature,
10 Regular Session, 2003, is amended by adding Section 4.04 to read as
11 follows:

12 Sec. 4.04. FEES AND ASSESSMENTS; AUTHORIZED CONTRIBUTIONS.

13 (a) The authority may impose a fee or assessment on a member of the
14 conference or another water user to pay authorized expenses of the
15 authority.

16 (b) Each fiscal year, the board shall determine the amount
17 of the fee or assessment based on the water rights held by the
18 affected entity.

19 (c) To determine the number of water rights, the board:

20 (1) shall, for a domestic, municipal, or industrial
21 water right, multiply by two the number of water rights certified by
22 the board under Section 3.08 of this Act; or

23 (2) shall, for any other water right, use the number of
24 water rights certified by the board under Section 3.08 of this Act.

25 (d) An initial fee or assessment imposed under this section
26 may not exceed five cents for each water right held by the affected
27 entity.

1 (e) The board may adopt standardized forms and procedures to
2 implement this section.

3 (f) The affected entity may charge any fee or assessment
4 paid to the authority to the operation and maintenance fund of the
5 entity or raise and pay the fee or assessment in any other
6 authorized manner.

7 (g) Any county in the authority, as authorized by the
8 commissioners court of the county, may contribute county money to
9 support the operations, projects, or other authorized expenses of
10 the authority. A county's contribution must be made as part of a
11 contract with the authority, and the contract must make clear how
12 the contribution serves a public purpose of the county.

13 SECTION 9. On or after the 90th day after the effective date
14 of this Act, and not later than one year after the effective date of
15 this Act, the watermaster appointed by the Texas Commission on
16 Environmental Quality under Subchapter G, Chapter 11, Water Code,
17 for the segment of the Rio Grande basin inside the boundaries of the
18 Rio Grande Regional Water Authority shall determine the number of
19 water rights held by each member of the conference of the Rio Grande
20 Regional Water Authority.

21 SECTION 10. (a) The terms of the members of the Board of
22 Directors of the Rio Grande Regional Water Authority serving on the
23 effective date of this Act expire on the date a majority of the
24 members required to be appointed under Subsection (c) of this
25 section qualify to serve.

26 (b) Not later than September 21, 2007, the committee of
27 irrigation districts shall convene as provided by Section 1A.03,

1 Chapter 385, Acts of the 78th Legislature, Regular Session, 2003,
2 as added by this Act, and submit to the governor an initial list of
3 nominees for the director positions under Section 2.01(b)(1) of
4 that chapter, as amended by this Act.

5 (c) Except as provided by Subsection (d) of this section,
6 not later than September 30, 2007:

7 (1) the governor shall appoint 12 members of the Board
8 of Directors of the Rio Grande Regional Water Authority as provided
9 by Section 2.01(b), Chapter 385, Acts of the 78th Legislature,
10 Regular Session, 2003, as amended by this Act; and

11 (2) the Commissioners Courts of Cameron, Hidalgo,
12 Starr, Webb, Willacy, and Zapata Counties shall each appoint a
13 member of the Board of Directors of the Rio Grande Regional Water
14 Authority as provided by Section 2.01(c), Chapter 385, Acts of the
15 78th Legislature, Regular Session, 2003, as amended by this Act.

16 (d) Appointments to the Board of Directors of the Rio Grande
17 Regional Water Authority under Subsection (c)(1) of this section
18 required to be made on or before September 30, 2007, are not:

19 (1) required to be made from the list of nominees
20 submitted by the committee of irrigation districts convened under
21 Section 1A.03, Chapter 385, Acts of the 78th Legislature, Regular
22 Session, 2003, as added by this Act; or

23 (2) subject to senate confirmation.

24 (e) At the first meeting of the Board of Directors of the Rio
25 Grande Regional Water Authority after directors are appointed under
26 Subsection (c) of this section, the directors shall draw lots to
27 determine their terms so that nine directors serve terms expiring

1 February 1, 2009, and nine directors serve terms expiring February
2 1, 2011.

3 SECTION 11. Sections 1.07, 2.01(d), and 3.03, Chapter 385,
4 Acts of the 78th Legislature, Regular Session, 2003, are repealed.

5 SECTION 12. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

FLOOR AMENDMENT NO. 1

Letai Saw
Secretary of the Senate

BY:

J. J. King

1 Amend H.B. No. 3438 (Senate Committee Printing) by adding the
2 following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS accordingly:

4 SECTION __. Chapter 49, Water Code, is amended by adding
5 Subchapter O to read as follows:

6 SUBCHAPTER O. EFFECT OF SUBDIVISION OF NONAGRICULTURAL LAND ON
7 WATER RIGHTS

8 Sec. 49.501. DEFINITIONS. In this subchapter:

9 (1) "Authority" means the Rio Grande Regional Water
10 Authority.

11 (2) "Municipal water supplier" means a municipality or a
12 water supply corporation.

13 Sec. 49.502. APPLICABILITY. This subchapter applies only to
14 a district, other than a drainage district, located wholly or
15 partly in a county:

16 (1) that borders the Gulf of Mexico and the United
17 Mexican States; or

18 (2) that is adjacent to a county described by
19 Subdivision (1).

20 Sec. 49.503. PETITION BY MUNICIPAL WATER SUPPLIER TO CONVERT
21 WATER USE AFTER SUBDIVISION. (a) This section applies only to
22 land:

23 (1) that is:

24 (A) subdivided into town lots or blocks or small
25 parcels of the same general nature as town lots or blocks;

26 (B) designed, intended, or suitable for residential

1 or other nonagricultural purposes, including streets, alleys,
2 parkways, parks, detention or retention ponds, and railroad
3 property and rights-of-way; or

4 (C) in a subdivision created to meet the
5 requirements of a governmental entity authorized to require a
6 recorded plat of subdivided lands;

7 (2) that is in a subdivision for which a plat or map has
8 been filed and recorded in the office of the county clerk of each
9 county in which the subdivision is wholly or partly located; and

10 (3) that is or was assessed as flat rate irrigable
11 property in the municipal water supplier's certificated service
12 area or its corporate area.

13 (b) A municipal water supplier that serves land described by
14 Subsection (a) may petition the district in accordance with this
15 section to convert the proportionate irrigation water right to the
16 Rio Grande from irrigation use to municipal use with municipal
17 priority of allocation under commission rules, for the use and
18 benefit of the municipal supplier.

19 (c) The municipal water supplier must file the petition with
20 the district not later than January 1 after the expiration of two
21 years after the date the plat or map was recorded under Subsection
22 (a). The district shall consider the petition not later than
23 January 31 of the year following the year in which the petition was
24 filed.

25 (d) The petition must identify by subdivision name or other
26 sufficient description the land that the municipal water supplier
27 supplies or has the right to supply potable water.

28 (e) This section applies only to one subdivision of the land
29 recorded under Subsection (a). This section does not apply to any

1 further subdivision of the same property.

2 Sec. 49.504. EFFECT OF MUNICIPAL WATER SUPPLIER'S FAILURE TO
3 FILE A PETITION. (a) If a municipal water supplier does not file
4 a petition under Section 49.503, the district may retain the water
5 rights for use by the district or may declare the water as excess
6 and contract for the sale or use of the water as determined by the
7 district.

8 (b) Before a district may contract for the sale or use of
9 water for more than one year with a purchaser located outside of a
10 county described by Section 49.502, the district must, for 90 days:

11 (1) make the water available under the same terms to all
12 municipal water suppliers located in those counties; and

13 (2) advertise the offer to sell or contract for the use
14 of the water by posting notice on:

15 (A) any website of the Rio Grande Watermaster's
16 Office;

17 (B) any website of the authority; and

18 (C) the official posting place for the district's
19 board meetings at the district's office.

20 (c) If, after the 90th day after the last date on which the
21 district posted notice, a municipal water supplier in a county
22 described by Section 49.502 has not contracted with the district
23 for the sale or use of the water, the district may contract with
24 any other person for the sale or use of the water under the terms
25 of the offer advertised under Subsection (b).

26 Sec. 49.505. CALCULATION OF PROPORTIONATE WATER RIGHTS. A
27 district that receives a petition under Section 49.503 shall
28 compute the proportionate amount of water rights to the Rio Grande.
29 The proportionate amount of water rights is equal to the amount of

1 irrigable acres of land in the subdivision multiplied by the lesser
2 of:

3 (1) 1.25 acre-feet per irrigable acre; or

4 (2) the sum of all irrigation water rights owned by the
5 district on September 1, 2007, as if the water rights had been
6 converted to municipal use under applicable commission rules,
7 divided by the total amount of irrigable acres of land in the
8 district on September 1, 2007.

9 Sec. 49.506. PROVISION OR CONVERSION OF PROPORTIONATE WATER
10 RIGHTS BY DISTRICT. (a) Not later than the second anniversary of
11 the date the municipal water supplier files a petition under
12 Section 49.503:

13 (1) a district shall provide the municipal water
14 supplier with the proportionate water rights described by Section
15 49.505 from the district's existing water rights; or

16 (2) a district shall, if the district does not have
17 sufficient existing water rights:

18 (A) apply for appropriate amendments to the
19 district's water rights under commission rules to convert the
20 proportionate water rights from irrigation use to municipal use
21 with municipal priority of allocation; and

22 (B) provide to the municipal water supplier the
23 converted rights described by Section 49.505.

24 (b) The district may continue to use the irrigation use water
25 for district purposes until:

26 (1) the commission approves the amendment to the
27 district's water rights; or

28 (2) the water is otherwise provided to the municipal
29 water supplier.

1 (c) A district that applies for appropriate amendments under
2 Subsection (a)(2) shall provide the municipal water supplier with
3 an estimate of the district's reasonable costs for the
4 administrative proceedings. The district is not required to begin
5 the proceedings until the municipal water supplier deposits the
6 amount of the estimate with the district. The municipal water
7 supplier shall pay the district any reasonable costs that exceed
8 the estimate. The district shall refund the balance of the deposit
9 if the actual cost is less than the estimate.

10 Sec. 49.507. CONTRACT TO PURCHASE PROPORTIONATE WATER RIGHTS;
11 WATER RIGHTS SALE CONTRACT. (a) A municipal water supplier may
12 contract to purchase the proportionate water rights described by
13 Section 49.505.

14 (b) The purchase price may not exceed 68 percent of the
15 current market value, as determined under Section 49.509, for the
16 year that the municipal water supplier petitions the district.

17 (c) The contract must be in writing in a document entitled
18 "Water Rights Sales Contract."

19 (d) The contract must include the purchase price for the
20 water rights or, if the consideration for the sale is not monetary,
21 the terms of the sale.

22 (e) The municipal water supplier shall file the contract with
23 the Rio Grande watermaster not later than the 10th day after the
24 date the contract is executed.

25 (f) The municipal water supplier shall pay the purchase price
26 when the proportionate amount of water rights is made available to
27 the municipal water supplier.

28 Sec. 49.508. CONTRACT TO USE PROPORTIONATE WATER RIGHTS;
29 WATER SUPPLY CONTRACT. (a) A municipal water supplier may

1 contract to use water associated with the proportionate water
2 rights described by Section 49.505.

3 (b) The contract must be for at least 40 years.

4 (c) The price for the contractual right to use the municipal
5 use water is based on an amount for one acre-foot of municipal use
6 water with a municipal use priority of allocation and may not
7 exceed the sum of:

8 (1) an amount equal to the district's annual flat rate
9 charge per assessed acre; and

10 (2) the equivalent of the charge for four irrigations
11 per flat rate acre of irrigable property in the district.

12 (d) The parties to the contract shall agree on the terms of
13 payment of the contract price.

14 (e) The board periodically shall determine the flat rate
15 charge and irrigation per acre charge described by Subsection (c).

16 (f) The contract must be in writing in a document entitled
17 "Water Supply Contract." The contract may contain any terms to
18 which the parties agree.

19 (g) The municipal water supplier shall file the contract with
20 the Rio Grande watermaster not later than the 10th day after the
21 date the contract is executed.

22 Sec. 49.509. DUTY OF AUTHORITY TO CALCULATE CURRENT MARKET
23 VALUE. (a) The authority annually at its January meeting shall
24 calculate the current market value by using the average price per
25 acre-foot of municipal use water after conversion from irrigation
26 use water to municipal use water with a municipal priority of
27 allocation under commission rules of the last three purchases
28 involving:

29 (1) a municipal water supplier;

1 (2) a party other than a municipal water supplier; and
2 (3) at least 100 acre-feet of municipal use water, with
3 municipal priority of allocation.

4 (b) The authority shall use information from the water rights
5 sales contracts reported to the Rio Grande Watermaster's Office to
6 calculate the current market value.

7 (c) The authority shall make the calculation:

8 (1) without charging any of the parties involved; and
9 (2) using 100 percent of the value of monetary
10 exchanges, not in-kind exchanges.

11 Sec. 49.510. ACCOUNTING FOR SALE OF WATER RIGHTS. A district
12 shall maintain an accounting of money received from the sale of
13 water rights under this subchapter.

14 Sec. 49.511. CAPITAL IMPROVEMENTS. A district shall
15 designate at least 75 percent of the proceeds from the sale of
16 water rights for capital improvements in the district.

17 Sec. 49.512. MAP OF SERVICE AREA. (a) In this section,
18 "outer boundaries of a district" means district boundaries without
19 considering any exclusion of land from inside the district.

20 (b) Each municipal water supplier that has a certificate of
21 convenience and necessity service area in the outer boundaries of a
22 district shall file a map of the service area with the district.

23 (c) The municipal water supplier shall update the map and
24 forward the map to the district when changes are made.

25 (d) A district periodically shall provide to a municipal
26 water supplier that serves territory in the district a copy of the
27 district's map showing the outer boundaries of the district.

28 (e) A district may request from a municipal water supplier a
29 map of the municipal suppliers's service area, and a municipal

1 water supplier may request from the district a map of the
2 district's outer boundaries. On request, the district and a
3 municipal water supplier shall provide the map free of charge to
4 each other at least one time each year. If the district or
5 municipal water supplier receives more than one request a year for
6 a map, the district or municipal water supplier may charge a
7 reasonable fee for the map.

8 SECTION ____ . Subchapter D, Chapter 43, Local Government Code,
9 is amended by adding Section 43.0741 to read as follows:

10 Sec. 43.0741. ABOLITION OF CERTAIN WATER CONTROL AND
11 IMPROVEMENT, WATER IMPROVEMENT, AND IRRIGATION DISTRICTS THAT
12 DELIVER RAW WATER TO MUNICIPALITIES. (a) This section applies
13 only to:

14 (1) a water control and improvement, water improvement,
15 or irrigation district:

16 (A) at least 60 percent of the territory of which
17 is located in a single municipality as a result of annexation or
18 incorporation;

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

22 (C) that has no outstanding bonded indebtedness;
23 and

24 (2) a municipality that:

25 (A) receives raw water from a district described by
26 Subdivision (1); and

27 (B) is located in a county that has a population of
28 400,000 or more, borders the United Mexican States, and has three
29 or more cities that each have a population of more than 25,000.

1 (b) A municipality may adopt an ordinance abolishing a
2 district by a vote of at least two-thirds of the membership of the
3 municipality's governing body if the governing body determines
4 that:

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

8 (2) the district has no outstanding bonded indebtedness;

9 (3) the services furnished and functions performed by
10 the district can be furnished and performed by the municipality;
11 and

12 (4) the abolition of the district is in the best
13 interests of the residents and property of the municipality and the
14 district.

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

22 (1) the date the municipality finally approves the
23 ordinance; or

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

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

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

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

12 (g) The ordinance takes effect on:

13 (1) the expiration of the period for filing a petition
14 under Subsection (c) if the voters of the municipality do not file
15 a petition that meets the requirements of that subsection before
16 the expiration of that period; or

17 (2) the approval of the ordinance at an election under
18 Subsection (f).

19 (h) If the ordinance takes effect:

20 (1) the district is abolished;

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

23 (3) ___ percent of the cash reserves of the district
24 shall be paid to Rio Grande Regional Water Authority;

25 (4) the municipality becomes responsible for operating
26 the district's facilities for the benefit of the district's
27 existing customers and performing the services and functions that
28 were performed by the district; and

29 (5) the municipality assumes all the debts, liabilities,

1 and obligations of the district.

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

6 SECTION _____. Subchapter O, Chapter 49, Water Code, as added
7 by this Act, applies only to a subdivision for which a plat or map
8 has been recorded in the office of the county clerk of a county on
9 or after the effective date of this Act. A subdivision for which a
10 plat or map was recorded before the effective date of this Act is
11 covered by the law in effect on the date the plat or map was
12 recorded, and the former law is continued in effect for that
13 purpose.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

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

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

IN RE: HB3438 by Flores (Relating to the powers and duties of the Rio Grande Regional Water Authority and the establishment of a member conference.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require the establishment of a member conference consisting of each county, municipal class entity, water supply corporation, and irrigation district or other water district located within the Rio Grande Regional Water Authority (authority). The irrigation districts that are members of the conference would also be required to convene as a committee for specified purposes.

The bill would increase from 9 to 12 the number of directors the governor appoints to the authority. The structure of the board and the membership and terms of the board members would be changed. The governor and the county commissioners courts of Cameron, Hidalgo, Starr, Webb, Willacy, and Zapata counties would be required to make applicable appointments to the board of the authority by September 30, 2007.

The watermaster in the affected segment of the Rio Grande basin would be a nonvoting advisor to the authority's board and by September 1 of each year would be required to provide the board a list of all water rights held inside the boundaries of the authority and the authorized use for each water right. On or after the 90th day after the effective date of the Act, the watermaster would be required to determine the number of water rights held by each member of the conference of the authority.

The authority would be authorized to impose a fee or assessment on a member of the conference or another water user to pay authorized expenses of the authority. The bill provides the method for determining the amount of a fee or assessment. An affected entity would be authorized to charge the fee to the entity's operation and maintenance fund or raise the amount in any other authorized manner. A county within the authority would be authorized to contribute county money to the authority.

The bill would take effect September 1, 2007.

The Texas Commission on Environmental Quality reports that if the watermaster has to collect fees for the authority, the agency assumes that costs associated with this task would be reimbursed by the authority and would therefore minimize any fiscal impact.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, DB, WK

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 26, 2007

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

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

IN RE: **HB3438** by Flores (Relating to the powers and duties of the Rio Grande Regional Water Authority and the establishment of a member conference.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the establishment of a member conference consisting of each county, municipal class entity, water supply corporation, and irrigation district or other water district located within the Rio Grande Regional Water Authority (authority). The irrigation districts that are members of the conference would also be required to convene as a committee for specified purposes.

The bill would increase from 9 to 12 the number of directors the governor appoints to the authority. The structure of the board and the membership and terms of the board members would be changed. The governor and the county commissioners courts of Cameron, Hidalgo, Starr, Webb, Willacy, and Zapata counties would be required to make applicable appointments to the board of the authority by September 30, 2007.

The watermaster in the affected segment of the Rio Grande basin would be a nonvoting advisor to the authority's board and by September 1 of each year would be required to provide the board a list of all water rights held inside the boundaries of the authority and the authorized use for each water right. On or after the 90th day after the effective date of the Act, the watermaster would be required to determine the number of water rights held by each member of the conference of the authority.

The authority would be authorized to impose a fee or assessment on a member of the conference or another water user to pay authorized expenses of the authority. The bill provides the method for determining the amount of a fee or assessment. An affected entity would be authorized to charge the fee to the entity's operation and maintenance fund or raise the amount in any other authorized manner. A county within the authority would be authorized to contribute county money to the authority.

The bill would take effect September 1, 2007.

The Texas Commission on Environmental Quality reports that if the watermaster has to collect fees for the authority, the agency assumes that costs associated with this task would be reimbursed by the authority and would therefore minimize any fiscal impact.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, DB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

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

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

IN RE: HB3438 by Flores (Relating to the powers and duties of the Rio Grande Regional Water Authority and the establishment of a member conference.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the establishment of a member conference consisting of each county, municipal class entity, water supply corporation, and irrigation district or other water district located within the Rio Grande Regional Water Authority (authority).

The bill would increase from 9 to 12 the number of directors the governor appoints to the authority. The structure of the board and the membership and terms of the board members would be changed. The governor and the county commissioners courts of Cameron, Hidalgo, Starr, Webb, Willacy, and Zapata counties would be required to make applicable appointments to the board of the authority by September 30, 2007.

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