

Amend CSHB 3526 (Senate committee report) at ARTICLE 4 (page 8, line 26) by inserting the following new ARTICLE 4 and renumbering the subsequent articles accordingly:

ARTICLE 4. STATE PARTICIPATION ACCOUNT.

SECTION 4.01. Section 16.131, Water Code, is amended to read as follows:

Sec. 16.131. AUTHORIZED PROJECTS. The board may use the state participation account of the development fund:

(1) to encourage optimum regional development of projects including the design, acquisition, lease, construction, reconstruction, development, or enlargement in whole or part of:

(A) [~~(1)~~] reservoirs and storm water retention basins for water supply, flood protection, and groundwater recharge;

(B) [~~(2)~~] facilities for the transmission and treatment of water; and

(C) [~~(3)~~] treatment works as defined by Section 17.001 of this code; and

(2) to acquire water rights or existing public water systems to encourage optimum regional development of desalination projects.

SECTION 4.02. Section 16.135, Water Code, is amended to read as follows:

Sec. 16.135. BOARD FINDINGS. Before the board may acquire a facility or interest in a facility, the board shall find affirmatively that:

(1) it is reasonable to expect that the state will recover its investment in the facility;

(2) the cost of the facility exceeds the current financing capabilities of the area involved, and the optimum regional development of the facility cannot be reasonably financed by local interests without state participation;

(3) the public interest will be served by acquisition of the facility; [~~and~~]

(4) the facility to be constructed or reconstructed contemplates the optimum regional development which is reasonably required under all existing circumstances of the site; and

(5) if appropriate, the facility to be acquired encourages optimum regional development of a desalination project.

SECTION 4.03. This Act takes effect September 1, 2009.