

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 16, 2009**

**TO:** Honorable Frank Corte, Jr., Chair, House Committee on Defense & Veterans' Affairs

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

**IN RE: HB2405** by Callegari (Relating to the requirement that certain retail water and sewer utility services maintain service during an extended power outage.), **As Introduced**

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

The bill would require the Texas Commission on Environmental Quality (TCEQ) to assign each county in the state a level of risk of “low,” “moderate,” or “high” according to that county’s likelihood of experiencing a major disaster, based on historical information regarding the number of past major disasters affecting each county. Each retail public utility, exempt utility, or provider of wholesale sewer service or potable water service in a county that receives a risk designation of “high” would be required to submit to TCEQ for approval a mutual aid agreement with another utility or provider that would ensure each utility’s or provider’s provision of water and sewer services during an extended power outage. TCEQ would be required to adopt rules that emphasize the most cost-effective means of compliance and place as little administrative burden as possible on a utility or provider.

Based on information provided by TCEQ, it is assumed the agency could absorb any associated costs within existing resources.

**Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

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