

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

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

**May 27, 2009**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate

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

**IN RE: SB361** by Patrick, Dan (Relating to the requirement that certain water service providers ensure emergency operations during an extended power outage.), **As Passed 2nd House**

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

The bill would add Sections 13.1395 and 13.1396 to Subchapter E, Chapter 13, Water Code to require a retail public utility, exempt utility, or provider or conveyor of potable or raw water service that furnishes water service to more than one customer in a county with a population of 3.3 million or more and in a county, adjacent to a county with a population of 3.3 million or more, with a population of 400,000 or more to ensure the emergency operation of its water system during an extended power outage as soon as safe and practicable. The bill would require an affected utility to adopt and submit to the Texas Commission on Environmental Quality (TCEQ) for its approval an emergency preparedness plan that demonstrates the utility's ability to provide emergency operations.

The bill would place requirements on TCEQ related to review and approval or disapproval of the preparedness plans. TCEQ would also be required to provide an affected utility with access to the agency's financial, managerial, and technical contractors to assist the utility in complying with the applicable emergency preparedness plan submission deadline specified in the bill.

An affected utility would be required to submit to the county judge, the office of emergency management of each county in which the utility has more than one customer, the Public Utility Commission of Texas (PUC), and the Office of Emergency Management of the Governor a copy of the affected utility's emergency preparedness plan approved by TCEQ and a copy of TCEQ's notification that the plan has been approved. An affected utility would also be required to submit to the county judge, county office of emergency management of each affected county, the PUC, and the Office of Emergency Management of the Governor a report regarding water and wastewater facilities that qualify for critical load status under rules adopted by PUC. The bill would permit an affected utility to file a written request with TCEQ for an extension of not more than 90 days for the affected utility's emergency preparedness plan. The bill also provides requirements for the county judge and affected electric utilities. Various deadlines are included in the bill for each of the required reports.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2009.

It is assumed that requirements related to TCEQ, PUC, and the Office of Emergency Management of the Governor could be absorbed within existing resources.

## **Local Government Impact**

Based on the applicability criteria and the 2000 U.S. Census, the bill would initially apply only to Harris County; however, it is anticipated that the 2010 U.S. Census will result in the bill also applying to Fort Bend County in the first calendar year in which the official census figures are released.

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

**LBB Staff:** JOB, TP, SZ, TL, DB, SD