

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**March 25, 2009**

**TO:** Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

**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.), **Committee Report 1st House, Substituted**

**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 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 also provides requirements for the county judge and affected electric utilities. Various deadlines are included in the bill for each of the required reports.

Not later than March 1, 2010, TCEQ would be required to adopt standards as required by the added Section 13.1395, Water Code.

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**

The criteria that the bill would apply only to utilities providing service to more than one customer in a county with a population of 3.3 million or more would narrow the applicability to utilities providing service to more than one customer in Harris County.

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:**

**LBB Staff:** JOB, DB