Amend CSHB 725 (Senate Committee printing) by adding a new appropriately numbered SECTION as follows:

SECTION ____. Subsection (j), Section 13.255, Water Code, is amended as follows:

- (j) This section shall apply only in a case where:
- (1) the retail public utility that is authorized to serve in the certificated area that is annexed or incorporated by the municipality is a nonprofit water supply or sewer service corporation, a special utility district under Chapter 65, Water Code, a fresh water supply district under Chapter 53 Water Code; or
- (2) the retail public utility that is authorized to serve in the certificated area that is annexed or incorporated by the municipality is a retail public utility, other than a nonprofit water supply or sewer service corporation, and whose service area is located entirely within the boundaries of a municipality with a population of 1.7 million or more according to the most recent federal census—; or
- serve in the certificated area that is annexed or incorporated by the municipality is a retail public utility, other than a nonprofit water supply or sewer service corporation, and the service area to be acquired is located entirely within the boundaries of a municipality with a population of more than 30,000 that is in a county that has population of less than 90,000 and borders Lake Ray Hubbard according to the most recent federal census.