

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**March 13, 2011**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

**IN RE: SB181** by Shapiro (Relating to the reporting of water conservation measures by municipalities and water utilities.), **As Introduced**

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

The bill would amend the Water Code to require municipalities and water utilities to implement reporting measures established by the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ). Municipalities and water utilities would be required to implement the reporting measures no later than January 1, 2017.

The bill would require the TWDB and the TCEQ to adopt rules on the reporting of water conservation measures by municipalities and water utilities. The TWDB would be required to annually submit a report to the Legislature on statewide water usage, projected water use and conservation, and the status of implementation of state water plan projects beginning January 1, 2013.

The TWDB and the TCEQ indicate that any costs associated with the provisions of the bill could be absorbed within the agency's existing resources.

**Local Government Impact**

There could be significant costs to municipalities and water utilities to implement the provisions of the bill.

According to a report by the TWDB, approximately one quarter of the state's utilities are not currently capable of reporting at the standards set by the bill. Of the 1,000 utilities not currently capable of reporting in the manner set by the bill, 250 lack the required software to implement a reporting program. The 1,000 utilities would need added software, coding and labor hours. At the minimum, it would cost \$10,000 for each of the 250 smaller utilities, plus an additional \$3,000 for each of the 1,000 utilities for a total of \$5,500,000. At the maximum, it would cost \$35,000 for each of the 250 smaller utilities, plus an additional \$5,000 for each of the 1,000 utilities for a total of \$13,750,000.

**Source Agencies:** 580 Water Development Board, 582 Commission on Environmental Quality

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