

Amend HB 752 (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Subchapter O, Chapter 49, Water Code, is amended by adding Section 49.513 to read as follows:

Sec. 49.513. ELECTION BY CERTAIN MUNICIPAL WATER SUPPLIERS TO RECEIVE WATER BY ALTERNATIVE METHOD OF DELIVERY. (a) This section applies only to a municipal water supplier that:

(1) provides service to a municipality that:

(A) has a population of 115,000 or more; and

(B) is located in a county that is adjacent to an international border; and

(2) is the source of at least 70 percent of the total revenue received by a district from the diversion of raw water during the preceding year.

(b) A municipal water supplier may elect to have water that is held by a district for use by the municipal water supplier under a water right administered by the commission and as to which a municipality has priority of allocation delivered to the municipal water supplier for the municipal water supplier's diversion and use by another supplier that has the physical capability to deliver the water if:

(1) the governor has declared, as a result of a drought, a state of disaster under Section 418.014, Government Code, for a county in which the municipal water supplier making the election is located; or

(2) the United States' share of water storage in the Amistad-Falcon reservoir system is less than 50 percent of its total capacity.

(c) A municipal water supplier may elect to receive water by an alternative means of delivery and divert the water under Subsection (b) for a period not to exceed two years after the date the election is made.

(d) The commission shall, if necessary, amend a water right to authorize the delivery to and the diversion and use of water by a municipal water supplier under Subsection (b).

(e) An event described by Subsection (b)(1) or (2) is

considered to be an impairment of the public safety and welfare of a municipal water supplier.

(f) The obligations of a municipal water supplier to a district under a water supply or delivery contract involving municipal water supplies described by this section are abated following an election by the municipal water supplier under Subsection (b) during the period the election is in effect.

(g) For the purposes of a complaint filed by a municipal water supplier under Section 11.041, 12.013, or 13.043(f) that contests the contractual water and transportation rates charged to the municipal water supplier by a district, the municipal water supplier is considered to have shown that the protested rate adversely affects the public interest if the municipal water supplier presents prima facie evidence in the complaint that the district:

(1) has increased the rates charged to the municipal water supplier by 15 percent or more in the three years preceding the date the complaint is filed; or

(2) is charging rates for goods or services that are not related to the transportation and delivery of water to the municipal water supplier.

(h) On timely filing of a complaint described by Subsection (g), the commission shall refer the complaint to the State Office of Administrative Hearings to review the protested rate. The district has the burden of proof at a hearing on the complaint to establish, under applicable commission rules:

(1) the reasonableness of the district's rates; and

(2) that the rates conform with accepted ratemaking principles.