

## **BILL ANALYSIS**

C.S.H.B. 857  
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Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that due to the heightened awareness for water conservation, the Texas Legislature has recently started to phase in water audit requirements for retail public utilities providing potable water. These water audits identify the amount of water loss in water delivery systems. An annual audit is required of a utility that receives financial assistance from the Texas Water Development Board (TWDB), while a utility that does not receive financial assistance from the TWDB is required to perform and file an audit every five years. C.S.H.B. 857 seeks to increase the number of utilities that are required to perform and file an annual water audit so that water loss areas can be identified and repaired sooner and savings can be passed along to customers. The bill also seeks to further the state's objective for more efficient water management practices.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 857 amends the Water Code to remove language limiting the retail public utilities providing potable water that are required to perform and file with the Texas Water Development Board (TWDB) an annual water audit computing the utility's system water loss during the preceding year to those utilities that receive financial assistance from the TWDB. The bill makes the exception to such requirement that a retail public utility providing potable water that does not receive financial assistance from the TWDB instead perform and file with the TWDB every five years a water audit computing the utility's most recent annual system water loss applicable only to such a utility that serves a population of 3,300 or less. The bill requires the TWDB to develop appropriate methodologies and submission dates for a water audit for retail public utilities serving populations of 3,300 or less, in addition to retail public utilities serving other populations.

C.S.H.B. 857 requires a retail public utility for which an annual water audit is required to submit its initial audit not later than September 1, 2014, and requires such audit to compute the utility's most recent annual system water loss.

### **EFFECTIVE DATE**

September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 857 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Sections 16.0121(b), (c), and (f), Water Code, are amended to read as follows:

(b) ~~A [Except as provided by Subsection (b-1), a]~~ retail public utility providing potable water ~~[that receives from the board financial assistance]~~ shall perform and file with the board an annual water audit computing the utility's system water loss during the preceding year.

(c) The board shall develop appropriate methodologies and submission dates for a water audit required under Subsection (b) ~~or (b-1)]~~ for the following categories of retail public utilities:

- (1) retail public utilities serving populations of 100,000 or more;
- (2) retail public utilities serving populations of 50,000 or more but less than 100,000;
- (3) retail public utilities serving populations of more than 10,000 but less than 50,000; and
- (4) retail public utilities serving populations of 10,000 or less.

~~(f) The board shall compile the information included in the water audits required by Subsection [Subsections] (b) [and (b-1)] according to category of retail public utility and according to regional water planning area. The regional planning group for a regional planning area shall use the information to identify appropriate water management strategies in the development of a regional water plan under Section 16.053.~~

SECTION 2. Section 16.0121(b-1), Water Code, is repealed.

SECTION 3. (a) The changes in law made by this Act do not affect the date on which a

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Sections 16.0121(b), (b-1), and (c), Water Code, are amended to read as follows:

(b) ~~Except as provided by Subsection (b-1),~~ a retail public utility providing potable water ~~[that receives from the board financial assistance]~~ shall perform and file with the board an annual water audit computing the utility's system water loss during the preceding year.

~~(b-1) A retail public utility providing potable water that does not receive from the board financial assistance and is serving a population of 3,300 or less shall perform and file with the board every five years a water audit computing the utility's most recent annual system water loss.~~

(c) The board shall develop appropriate methodologies and submission dates for a water audit required under Subsection (b) ~~or (b-1)]~~ for the following categories of retail public utilities:

- (1) retail public utilities serving populations of 100,000 or more;
- (2) retail public utilities serving populations of 50,000 or more but less than 100,000;
- (3) retail public utilities serving populations of ~~[more than]~~ 10,000 or more but less than 50,000; ~~[and]~~
- (4) retail public utilities serving populations of more than 3,300 but less than 10,000; and
- (5) retail public utilities serving populations of 3,300 or less.

~~No equivalent provision.~~

SECTION 2.

retail public utility subject to Section 2, Chapter 1041 (H.B. 3090), Acts of the 82nd Legislature, Regular Session, 2011, is required to submit an annual water audit required by Section 16.0121, Water Code.

(b) Not later than May 1, 2015, a retail public utility that, immediately before the effective date of this Act, is subject to Section 16.0121(b-1), Water Code, shall submit its initial annual water audit required by Section 16.0121, Water Code, as amended by this Act. The initial water audit shall compute the utility's most recent annual system water loss.

SECTION 4. This Act takes effect September 1, 2013.

Not later than September 1, 2014, a retail public utility shall submit its initial annual water audit required by Section 16.0121(b), Water Code, as amended by this Act. The initial water audit shall compute the utility's most recent annual system water loss.

SECTION 3. Same as introduced version.