

By: Burnam, Lucio III, Callegari

H.B. No. 3605

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the evaluation by the Texas Water Development Board of  
3 applications for financial assistance for certain retail public  
4 utilities.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter D, Chapter 17, Water Code, is amended  
7 by adding Section 17.1245 to read as follows:

8 Sec. 17.1245. EVALUATION AND MODIFICATION OF CERTAIN  
9 APPLICATIONS. (a) In passing on an application for financial  
10 assistance from a retail public utility that provides potable water  
11 service to 3,300 or more connections, the board shall:

12 (1) evaluate the utility's system water loss based on  
13 the most recent audit prepared under Section 16.0121;

14 (2) evaluate for compliance with the board's best  
15 management practices the utility's water conservation plan  
16 required under Section 13.146; and

17 (3) issue a report to the utility detailing the  
18 results of the evaluation conducted under Subdivision (2).

19 (b) Not later than January 1 of each odd-numbered year, the  
20 board shall submit to the legislature a written summary of the  
21 results of evaluations conducted under Subsection (a)(2).

22 (c) If an evaluation conducted under Subsection (a)(1)  
23 indicates that a utility's system water loss exceeds 15 percent  
24 annually, the board:

1           (1) shall require the utility to amend the utility's  
2 application for financial assistance to include a plan to reduce  
3 the utility's system water loss to less than 15 percent annually;  
4 and

5           (2) may require that a portion of financial assistance  
6 awarded under this chapter be used to mitigate the system water loss  
7 or award additional financial assistance for that purpose.

8           (d) The board, by a two-thirds vote, may exempt from the  
9 application of Subsection (c) a utility whose system water loss  
10 exceeds 15 percent.

11           SECTION 2. Section 17.1245, Water Code, as added by this  
12 Act, applies only to an application for financial assistance  
13 submitted on or after the effective date of this Act. An  
14 application for financial assistance submitted before the  
15 effective date of this Act is governed by the law in effect on the  
16 date the application was submitted, and the former law is continued  
17 in effect for that purpose.

18           SECTION 3. This Act takes effect September 1, 2013.