

SENATE AMENDMENTS

2nd Printing

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.

ADOPTED

MAY 21 2013

By: Sten Hegar

Atty Gen
H.B. No. 3605
Secretary of the Senate

Substitute the following for H.B. No. 3605:

By: Sten Hegar

C.S. H.B. No. 3605

A BILL TO BE ENTITLED

1 AN ACT

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

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

6 SECTION 1. Section 16.0121, Water Code, is amended by
7 adding Subsections (g) and (h) to read as follows:

8 (g) A retail public utility providing potable water that
9 receives from the board financial assistance shall use a portion
10 of that financial assistance, or any additional financial
11 assistance provided by the board for the purpose described by
12 this subsection, to mitigate the utility's system water loss if,
13 based on a water audit filed by the utility under this section,
14 the water loss meets or exceeds the threshold established by
15 board rule.

16 (h) For each category of retail public utility listed in
17 Subsection (c), the board shall adopt rules regarding:

18 (1) the amount of system water loss that requires a
19 utility to take action under Subsection (g); and

20 (2) the use of financial assistance from the board as
21 required by Subsection (g) to mitigate system water loss.

22 SECTION 2. Section 17.1245, Water Code, as added by this
23 Act, applies only to an application for financial assistance
24 submitted on or after the effective date of this Act. An

1 application for financial assistance submitted before the
2 effective date of this Act is governed by the law in effect on
3 the date the application was submitted, and the former law is
4 continued in effect for that purpose.

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

6

ADOPTED

FLOOR AMENDMENT NO. 1

MAY 21 2013

Henry C. Paul
Secretary of the Senate

BY: *Steve Hogar*

1 Amend ~~S.~~^{H.}B. No. 3605 by adding the following appropriately
2 numbered SECTIONS to the bill and renumbering subsequent
3 SECTIONS of the bill accordingly:

4 SECTION __. Subchapter D, Chapter 17, Water Code, is
5 amended by adding Section 17.1245 to read as follows:

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

10 (1) evaluate for compliance with the board's best
11 management practices the utility's water conservation plan
12 required under Section 13.146; and

13 (2) issue a report to a utility detailing the results
14 of the evaluation conducted under Subdivision (1).

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

18 SECTION __. Section 17.1245, Water Code, as added by this
19 Act, applies only to an application for financial assistance
20 submitted on or after the effective date of this Act. An
21 application for financial assistance submitted before the
22 effective date of this Act is governed by the law in effect on
23 the date the application was submitted, and the former law is
24 continued in effect for that purpose.

ADOPTED

FLOOR AMENDMENT NO. 2

MAY 21 2013

Atty. Spaw
Secretary of the Senate

BY: *Steven Hegar*

1 Amend ^{H.} S.B. No. 3605 by adding the following appropriately
2 numbered SECTIONS to the bill and renumbering subsequent
3 SECTIONS of the bill accordingly:

4 SECTION __. Section 17.183, Water Code, is amended to read
5 as follows:

6 Sec. 17.183. CONSTRUCTION CONTRACT REQUIREMENTS. (a) The
7 governing body of each political subdivision receiving financial
8 assistance from the board shall require in all contracts for the
9 construction of a project:

10 (1) that each bidder furnish a bid guarantee
11 equivalent to five percent of the bid price;

12 (2) that each contractor awarded a construction
13 contract furnish performance and payment bonds:

14 (A) the performance bond shall include without
15 limitation guarantees that work done under the contract will be
16 completed and performed according to approved plans and
17 specifications and in accordance with sound construction
18 principles and practices; and

19 (B) the performance and payment bonds shall be
20 in a penal sum of not less than 100 percent of the contract
21 price and remain in effect for one year beyond the date of
22 approval by the engineer of the political subdivision; ~~and~~

23 (3) that payment be made in partial payments as the
24 work progresses;

25 (4) that each partial payment shall not exceed 95
26 percent of the amount due at the time of the payment as shown by
27 the engineer of the project, but, if the project is
28 substantially complete, a partial release of the five percent
29 retainage may be made by the political subdivision with approval

1 of the executive administrator;

2 (5) that payment of the retainage remaining due upon
3 completion of the contract shall be made only after:

4 (A) approval by the engineer for the political
5 subdivision as required under the bond proceedings;

6 (B) approval by the governing body of the
7 political subdivision by a resolution or other formal action;

8 and

9 (C) certification by the executive administrator
10 in accordance with the rules of the board that the work to be
11 done under the contract has been completed and performed in a
12 satisfactory manner and in accordance with approved plans and
13 specifications [~~sound engineering principles and practices~~];

14 (6) that no valid approval may be granted unless the
15 work done under the contract has been completed and performed in
16 a satisfactory manner according to approved plans and
17 specifications; and

18 (7) that, if a political subdivision receiving
19 financial assistance under Subchapter K of this chapter, labor
20 from inside the political subdivision be used to the extent
21 possible.

22 (b) Plans and specifications submitted to the board in
23 connection with an application for financial assistance must
24 include a seal by a licensed engineer affirming that the plans
25 and specifications are consistent with and conform to current
26 industry design and construction standards.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 22, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3605 by Burnam (Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

Among other provisions, the bill would implement a recommendation from the report "Enhance State Participation in Municipal Water Conservation" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: UP, SZ, JI, PM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 15, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3605 by Burnam (Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would implement a recommendation from the report "Enhance State Participation in Municipal Water Conservation" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: UP, SZ, JI, PM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 13, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3605 by Burnam (Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.), **As Engrossed**

<p>No fiscal implication to the State is anticipated.</p>
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Among other provisions, the bill would partially implement a recommendation from the report "Enhance State Participation in Municipal Water Conservation" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013.

The bill would require that should system water loss of a certain utility applying to the Texas Water Development Board (TWDB) for financial assistance exceed 15 percent annually, TWDB may require that a portion of financial assistance awarded be used to mitigate the system water loss or award additional financial assistance for that purpose. The TWDB would also evaluate for compliance with the TWDB's best management practices the utility's water conservation plan, issue a report to the utility on the results of the evaluation, and submit a biennial report to the legislature summarizing evaluations conducted. TWDB reports this would not have a fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: UP, SZ, JI, PM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 24, 2013

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3605 by Burnam (Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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Among other provisions, the bill would partially implement a recommendation from the report "Enhance State Participation in Municipal Water Conservation" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013.

The bill would require that should system water loss of a certain utility applying to the Texas Water Development Board (TWDB) for financial assistance exceed 15 percent annually, TWDB may require that a portion of financial assistance awarded be used to mitigate the system water loss or award additional financial assistance for that purpose. The TWDB would also evaluate for compliance with the TWDB's best management practices the utility's water conservation plan, issue a report to the utility on the results of the evaluation, and submit a biennial report to the legislature summarizing evaluations conducted. TWDB reports this would not have a fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: UP, SZ, JI, PM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 14, 2013

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3605 by Burnam (Relating to the evaluation by the Texas Water Development Board of applications for financial assistance for certain retail public utilities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would partially implement a recommendation from the report "Enhance State Participation in Municipal Water Conservation" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013.

The bill would require that if the system water loss of a certain utility applying to the Texas Water Development Board (TWDB) for financial assistance exceed 15 percent annually, TWDB may require that a portion of financial assistance awarded be used to mitigate the system water loss or award additional financial assistance for that purpose. TWDB reports this would not have a fiscal impact.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: UP, SZ, JI, PM