1-1   By: Eltife   S.B. No. 789
1-2   (In the Senate - Filed February 25, 2015; March 2, 2015,
1-3 read first time and referred to Committee on Agriculture, Water,
1-4 and Rural Affairs; April 21, 2015, reported favorably by the
1-5 following vote: Yeas 6, Nays 0; April 21, 2015, sent to printer.)

1-6   COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8 Perry	X			
1-9 Zaffirini	X			
1-10 Creighton			X	
1-11 Hall	X			
1-12 Hinojosa	X			
1-13 Kolkhorst	X			
1-14 Rodríguez	X			

1-15   A BILL TO BE ENTITLED
1-16   AN ACT

1-17 relating to the authority of certain municipalities to provide
1-18 sewer service to areas within the municipal boundaries without
1-19 obtaining a certificate of public convenience and necessity.
1-20   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21   SECTION 1. Section 13.247(a), Water Code, is amended to
1-22 read as follows:
1-23   (a) If an area is within the boundaries of a municipality,
1-24 all retail public utilities certified or entitled to certification
1-25 under this chapter to provide service or operate facilities in that
1-26 area may continue and extend service in its area of public
1-27 convenience and necessity within the area pursuant to the rights
1-28 granted by its certificate and this chapter, unless the
1-29 municipality exercises its power of eminent domain to acquire the
1-30 property of the retail public utility under Subsection (d). Except
1-31 as provided by Section 13.2475 or 13.255, a municipally owned or
1-32 operated utility may not provide retail water and sewer utility
1-33 service within the area certificated to another retail public
1-34 utility without first having obtained from the utility commission a
1-35 certificate of public convenience and necessity that includes the
1-36 areas to be served.
1-37   SECTION 2. Subchapter G, Chapter 13, Water Code, is amended
1-38 by adding Section 13.2475 to read as follows:
1-39   Sec. 13.2475. CERTIFICATES OF PUBLIC CONVENIENCE AND
1-40 NECESSITY TO PROVIDE SEWER SERVICE IN CERTAIN MUNICIPALITIES.
1-41 (a) This section applies only to a municipality:
1-42   (1) with a population of more than 95,000;
1-43   (2) located in a county that:
1-44   (A) borders Lake Palestine; and
1-45   (B) has a population of more than 200,000;
1-46   (3) that owns and operates a utility that provides
1-47 sewer service; and
1-48   (4) that has an area within the boundaries of the
1-49 municipality that is certificated to another retail public utility
1-50 that provides sewer service.
1-51   (b) A municipality may provide sewer service to an area
1-52 entirely within the municipality's boundaries without first having
1-53 to obtain from the commission a certificate of public convenience
1-54 and necessity that includes the area to be served, regardless of
1-55 whether the area to be served is certificated to another retail
1-56 public utility.
1-57   (c) Not less than 30 days before the municipality begins
1-58 providing sewer service to an area certificated to another retail
1-59 public utility, the municipality shall provide notice to the retail
1-60 public utility and the commission of its intention to provide
1-61 service to the area.

2-1   (d) On receipt of the notice required by Subsection (c), a
2-2 retail public utility may:
2-3   (1) petition the commission to decertify its
2-4 certificate for the area to be served by the municipality; or
2-5   (2) discontinue service to the area to be served by the
2-6 municipality, provided that there is no interruption of service to
2-7 any customer.
2-8   (e) This section may not be construed to limit the right of a
2-9 retail public utility to provide service in an area certificated to
2-10 the retail public utility.
2-11   (f) This section does not expand a municipality's power of
2-12 eminent domain under Chapter 21, Property Code.
2-13   SECTION 3. As soon as practicable after the effective date
2-14 of this Act, the Texas Commission on Environmental Quality shall
2-15 adopt rules and establish procedures relating to the notice
2-16 required under Section 13.2475, Water Code, as added by this Act.
2-17   SECTION 4. This Act takes effect September 1, 2015.

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