

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 27, 2019

TO: Honorable Lyle Larson, Chair, House Committee on Natural Resources

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB721 by Larson (Relating to the duty of the Texas Water Development Board to conduct studies of and prepare and submit reports on aquifer storage and recovery and aquifer recharge projects.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB721, Committee Report 1st House, Substituted: a negative impact of (\$1,200,882) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---------------------------------------------------------------------------------|
| 2020 | (\$889,300) |
| 2021 | (\$311,582) |
| 2022 | (\$311,582) |
| 2023 | (\$311,582) |
| 2024 | (\$311,582) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund | Change in Number of State Employees from FY 2019 |
|--------------------|----------------------------------------------------------|---------------------------------------------------------|
| | 1 | |
| 2020 | (\$889,300) | 3.0 |
| 2021 | (\$311,582) | 3.0 |
| 2022 | (\$311,582) | 3.0 |
| 2023 | (\$311,582) | 3.0 |
| 2024 | (\$311,582) | 3.0 |

Fiscal Analysis

The bill would amend the Water Code to require the Texas Water Development Board (TWDB) to conduct studies of aquifer storage projects, aquifer recovery projects, and aquifer recharge projects and report on the results of those studies to regional water planning groups and interested parties. In conducting the studies, TWDB would be required to work with river authorities, major water providers, water utilities, and regional water planning groups.

The bill would also require TWDB to conduct a statewide survey to identify the suitability of various aquifers for use in aquifer storage and recovery projects using several different criteria. The section of the bill establishing this requirement would expire January 1, 2021. TWDB would be required to prepare a report on the survey by December 15, 2020. The bill would remove the requirement that TWDB prioritize certain areas of the state for the study.

The bill would take effect September 1, 2019, or immediately if it receives a vote of two-thirds of all the members elected to each house.

Methodology

Based on information provided by TWDB, this analysis assumes an additional 3.0 Geoscientist IV (\$72,789 salary per FTE per year) would be needed beginning in 2020. These FTEs would support the program, conduct individual project studies, and oversee the contract for the statewide study. In addition, this analysis assumes TWDB would contract for the statewide survey at a cost of \$500,000 in fiscal year 2020. Costs associated with the 3.0 FTEs would be \$328,300 in fiscal year 2020, and \$295,282 each subsequent year. To support these FTEs, TWDB would need additional software licenses (\$51,000 in fiscal year 2020) and ongoing software maintenance (\$6,300 per year beginning in 2021). Based on information provided by TWDB, it is assumed that TWDB would also need additional storage capacity from Data Center Services in the amount of \$10,000 per year, beginning in fiscal year 2020.

Technology

Technology costs include additional storage with Data Center Services (\$10,000 per year), software licenses (\$51,000 in 2020), and ongoing software maintenance (\$6,300 per year beginning in 2021).

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 580 Water Development Board

LBB Staff: WP, SZ, MW, PBO, RC