

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**May 22, 2019**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

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

**IN RE:** SB911 by Hinojosa (Relating to the supervision of water districts by the Texas Commission on Environmental Quality.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Water Code to allow the Texas Commission on Environmental Quality Executive Director to request additional information after reviewing the audit report of a water district and would allow this same position to review and investigate a district's financial records and to conduct an on-site audit of a district's financial information. The bill would make certain statutory standards for surface water and groundwater management applicable to new water conservation and reclamation districts created in counties that border the Rio Grande, overly the Edwards-Trinity Aquifer, and have a population over 40,000. The bill would also require the Texas Water Development Board (TWDB) in coordination with TCEQ to adopt standards for water management and for river and spring flow for the Devil's River, Pecos River, and San Felipe Springs. According to the State Office of Administrative Hearings, Texas Water Development Board, and TCEQ, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

The Northeast Texas Municipal Water District assumes that the bill could have a significant financial impact on a water district in the event an audit reveals deficiencies that the state agency requires to be addressed, however the extent of the fiscal impact on water districts cannot be determined at this time.

**Source Agencies:**        360 State Office of Administrative Hearings, 580 Water Development Board, 582 Commission on Environmental Quality

**LBB Staff:** WP, SZ, MW, GDz, AF