

Amend **CSSB 3** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Chapter 418, Government Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. CRITICAL INFRASTRUCTURE PREPAREDNESS FUND

Sec. 418.301. DEFINITION. In this subchapter, "fund" means the critical infrastructure preparedness fund.

Sec. 418.302. CRITICAL INFRASTRUCTURE PREPAREDNESS FUND.

(a) The critical infrastructure preparedness fund is a special fund in the state treasury outside the general revenue fund.

(b) The fund may be used by the division only as provided by this subchapter.

(c) The fund consists of:

(1) legislative appropriations to the division for a purpose of the fund;

(2) any revenue that by law is dedicated for deposit to the fund;

(3) interest or other earnings on money credited to or allocable to the fund;

(4) money from gifts, grants, or donations to the fund; and

(5) money under the division's control that the division designates for deposit to the fund.

Sec. 418.303. USE OF FUND. The division may use the fund only to:

(1) make a grant to an eligible entity under this subchapter; and

(2) pay the necessary and reasonable expenses of administering the fund.

Sec. 418.304. ELECTRIC GRID IMPROVEMENT ACCOUNT. (a) The electric grid improvement account is an account in the fund.

(b) The account consists of:

(1) legislative appropriations to the division for a purpose of the account; and

(2) money from gifts, grants, or donations to the division for a purpose of the account.

(c) Subject to Subsection (d), the division may use the account only to make matching grants to eligible entities for hardening, weatherizing, and enhancing the reliability of the electric grid, including:

(1) installing advanced meter infrastructure and demand response technology;

(2) improving load shed capabilities;

(3) incentivizing customers to engage in distributed energy production and energy efficiency measures;

(4) installing electric energy storage; and

(5) weatherizing facilities.

(d) The division may not use the account to make grants for routine vegetation management.

(e) An entity is eligible to receive a matching grant under this section only if the entity is:

(1) a municipally owned electric utility;

(2) an electric cooperative;

(3) a transmission and distribution utility, as defined by Section 31.002, Utilities Code; or

(4) a vertically integrated utility.

(f) In making grants under this section, the division:

(1) shall consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

(C) the potential benefit of the project to:

(i) low-income communities; and

(ii) areas in disparate parts of the state;

(D) the equitable distribution of grants throughout the state;

(E) the existence of matching federal funds for the project and whether available federal funds have been exhausted; and

(F) the total impact of the project on the preparedness of the state's electric grid; and

(2) may consult with the Public Utility Commission of

Texas.

(g) The division shall condition each grant awarded under this section on the grant recipient providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources.

Sec. 418.305. HOSPITAL INFRASTRUCTURE PREPAREDNESS ACCOUNT. (a) The hospital infrastructure preparedness account is an account in the fund.

(b) The account consists of:

(1) legislative appropriations to the division for a purpose of the account; and

(2) money from gifts, grants, or donations to the division for a purpose of the account.

(c) The division may use the account only to make matching grants to eligible entities for purchasing reserve power supply that is reliable during an extreme weather event, such as on-site generation and energy storage systems, necessary to sustain critical medical care.

(d) An entity is eligible to receive a matching grant under this section only if the entity is:

(1) a hospital owned by a municipality; or

(2) a private for-profit or nonprofit hospital.

(e) In making grants under this section, the division:

(1) shall consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

(C) the potential benefit of the project to:

(i) low-income communities; and

(ii) areas in disparate parts of the state;

(D) the equitable distribution of grants throughout the state;

(E) the existence of matching federal funds for the project and whether available federal funds have been exhausted; and

(F) the total impact of the project on the state's preparedness; and

(2) may consult with the Health and Human Services Commission.

(f) The division shall condition each grant awarded under this section on the grant recipient:

(1) providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources; and

(2) reimbursing the division for the amount of the grant if the recipient ceases operation or relocates before the fifth anniversary of the date on which the project for which the grant was made is completed.

Sec. 418.306. NURSING HOME PREPAREDNESS ACCOUNT. (a) The nursing home preparedness account is an account in the fund.

(b) The account consists of:

(1) legislative appropriations to the division for a purpose of the account; and

(2) money from gifts, grants, or donations to the division for a purpose of the account.

(c) The division may use the account only to make matching grants to eligible entities for purchasing reserve power supply that is reliable during an extreme weather event, such as on-site generation and energy storage systems, necessary to:

(1) sustain critical medical care; or

(2) maintain the air temperature in the entity's facilities.

(d) An entity is eligible to receive a matching grant under this section only if the entity is:

(1) a nursing facility, as defined by Section 242.301, Health and Safety Code; or

(2) an assisted living facility, as defined by Section 247.002, Health and Safety Code.

(e) In making grants under this section, the division may consult with the Health and Human Services Commission.

(f) If the division receives more qualifying applications

for a grant under this section than the division has available money to fully fund, the division may reduce the amount of each grant made under this section in proportion to the number of individuals served by the grant applicant.

(g) The division shall condition each grant awarded under this section on the grant recipient:

(1) providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources; and

(2) reimbursing the division for the amount of the grant if the recipient ceases operation or relocates before the fifth anniversary of the date on which the project for which the grant was made is completed.

Sec. 418.307. DIALYSIS INFRASTRUCTURE ACCOUNT. (a) The dialysis infrastructure account is an account in the fund.

(b) The account consists of:

(1) legislative appropriations to the division for a purpose of the account; and

(2) money from gifts, grants, or donations to the division for a purpose of the account.

(c) The division may use the account only to make matching grants to end stage renal disease facilities, as defined by Section 251.001, Health and Safety Code, for purchasing reserve power supply that is reliable during an extreme weather event, such as on-site generation and energy storage systems, necessary to sustain critical medical care.

(d) In making grants under this section, the division:

(1) shall consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

(C) the potential benefit of the project to:

(i) low-income communities; and

(ii) areas in disparate parts of the state;

(D) the equitable distribution of grants

throughout the state;

(E) the existence of matching federal funds for the project and whether available federal funds have been exhausted; and

(F) the total impact of the project on the state's preparedness; and

(2) may consult with the Health and Human Services Commission.

(e) If the division receives more qualifying applications for a grant under this section than the division has available money to fully fund, the division may reduce the amount of each grant made under this section in proportion to the number of individuals served by the grant applicant.

(f) The division shall condition each grant awarded under this section on the grant recipient:

(1) providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources; and

(2) reimbursing the division for the amount of the grant if the recipient ceases operation or relocates before the fifth anniversary of the date on which the project for which the grant was made is completed.

Sec. 418.308. RULES. The division shall adopt rules necessary to carry out this subchapter, including rules:

(1) that establish procedures for an application for and the award of financial assistance;

(2) for the investment of money; and

(3) for the administration of the fund.

SECTION \_\_\_\_\_. Section 15.001(6), Water Code, is amended to read as follows:

(6) "Project" means:

(A) any undertaking or work, including planning activities and work to obtain regulatory authority at the local, state, and federal level, to conserve, convey, and develop water resources in the state, to provide for the maintenance and enhancement of the quality of the water of the state, to provide

nonstructural and structural flood control, drainage, subsidence control, recharge, chloride control, brush control, precipitation enhancement, and desalinization, to provide for the acquisition of water rights and the repair of unsafe dams, to provide for the weatherization of water and wastewater facilities, and to carry out other purposes defined by board rules;

(B) any undertaking or work outside the state to provide for the maintenance and enhancement of the quality of water by eliminating saline inflow through well pumping and deep well injection of brine; or

(C) any undertaking or work by Texas political subdivisions or institutions of higher education to conserve, convey, and develop water resources in areas outside Texas or to provide for the maintenance and enhancement of the quality of the water in areas adjoining Texas, if such undertaking or work will result in water being available for use in or for the benefit of Texas or will maintain and enhance the quality of water in Texas.

SECTION \_\_\_\_\_. Section 15.102(b), Water Code, is amended to read as follows:

(b) The loan fund may also be used by the board to provide:

(1) grants or loans for projects that include supplying water and wastewater services in economically distressed areas or nonborder colonias as provided by legislative appropriations, this chapter, and board rules, including projects involving retail distribution of those services; ~~and~~

(2) grants for:

(A) projects for which federal grant funds are placed in the loan fund;

(B) projects, on specific legislative appropriation for those projects; or

(C) water conservation, desalination, brush control, weather modification, regionalization, and projects providing regional water quality enhancement services as defined by board rule, including regional conveyance systems; and

(3) grants for emergency preparedness projects to harden and weatherize water and wastewater systems in the state, including:

- (A) covering wells;
- (B) purchasing reserve power supply, such as auxiliary generation and energy storage systems; and
- (C) building connectivity to neighboring water suppliers.

SECTION \_\_\_\_\_. Section 15.105, Water Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a), in passing on an application for a grant described by Section 15.102(b)(3), the board shall:

(1) consider:

(A) the expected number of individuals who will benefit from the project;

(B) existing infrastructure and overall need for the project;

(C) the potential benefit of the project to:

(i) low-income communities; and

(ii) areas in disparate parts of the state;

(D) the equitable distribution of grants throughout the state;

(E) the existence of matching federal funds for the project and whether available federal funds have been exhausted; and

(F) the total impact of the project on the state's preparedness; and

(2) consult with the Texas Division of Emergency Management.

SECTION \_\_\_\_\_. Section 15.107, Water Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other provision of this section, the board shall condition each grant awarded under Section 15.102(b)(3) on the grant recipient providing funds from non-state sources in a total amount at least equal to 10 percent of the grant amount, with at least five percent of the recipient's match coming from local sources.