

## **BILL ANALYSIS**

H.B. 29  
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Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The bill author has informed the committee that large municipally owned utilities are losing an excessive amount of water through their infrastructure. According to a *Texas Tribune* article, 88 billion gallons of water were lost in Texas' most populous cities in 2023. The bill author has further informed the committee that his constituents in House District 17 are concerned about the billions of gallons of water that are pumped annually from the district to San Antonio, whose water system loses 21 billion gallons of water per year due to leaks, breaks, and other issues, as reported by the *San Antonio Express-News*. H.B. 29 seeks to address this issue by requiring certain municipally owned utilities that have filed an annual water audit with the Texas Water Development Board (TWDB) indicating that the utility's real water loss meets or exceeds the threshold established by TWDB rule to take certain corrective actions.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 29 amends the Water Code to require a municipally owned utility, defined by reference to provisions relating to water rates and services, that provides potable water through more than 150,000 service connections and that has filed an annual water audit with the Texas Water Development Board (TWDB) indicating that the utility's real water loss meets or exceeds the threshold established by TWDB rule to do the following:

- not later than the 180th day after the date the audit was filed, complete a validation of the audit to ensure the utility accurately assessed potential inaccuracies in data used in the audit;
- not later than the first anniversary of the date the audit was filed, develop and submit to the TWDB a water loss mitigation plan; and
- if the audit indicates that the utility's real water loss meets or exceeds the threshold for three consecutive audit years:
  - complete a more detailed validation of the utility's most current water audit to determine whether the implementation of water leakage reduction strategies is appropriate and to investigate the accuracy of the utility's billing data; and
  - update the utility's water loss mitigation plan accordingly.

H.B. 29 requires each audit validation regarding the accurate assessment by a utility of potential data inaccuracies to be performed by a person who has completed water audit validation training

and is certified to conduct the validation. The bill requires the validation to follow TWDB validation guidelines and prohibits the validation from being conducted by a TWDB staff member or the person who submitted the water audit.

H.B. 29 requires each water loss mitigation plan, as updated if applicable, to be incorporated into the utility's most recent water conservation plan not later than the first anniversary of the date the mitigation plan is completed. The bill requires the utility, as part of its annual water conservation report, to report the utility's progress in implementing the mitigation plan. The bill requires the mitigation plan to include the following:

- one-year, three-year, five-year, and ten-year goals for water loss mitigation;
- descriptions of water loss mitigation projects or programs designed to meet those goals;
- estimated financial savings and water savings from the implementation of the projects or programs; and
- cost estimates for implementing each project or program.

H.B. 29 requires a utility that is required to complete the more detailed validation of its most current water audit to update its water loss mitigation plan to revise the one-year, three-year, five-year, and ten-year goals. The bill requires each such validation to be performed by a person who is experienced in performing required validation activities and prohibits the validation from being conducted by a TWDB staff member or the person who submitted the water audit. The bill additionally requires the validation to be based on the recommendations from the utility's audit validation regarding the accurate assessment of potential data inaccuracies, be completed in consultation with the person who completed that validation, and be conducted in accordance with industry standards.

H.B. 29 requires the Texas Commission on Environmental Quality to assess against a municipally owned utility an administrative penalty of \$25,000 for each violation of the bill's provisions.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.