Texas Capitol Report *Outcomes from Last Legislative Session and Future Outlook*

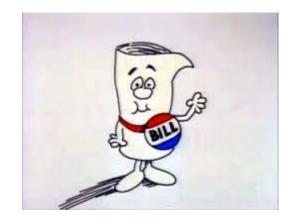
Alan Leonard Regulatory Policy Analyst

Heather Cooke Chief Administrative Officer



Agenda

- 2023 Session Recap
- Water Committees
- Key State Water Budget Items
- Review of New Water Laws
- Key Upcoming Dates
- Staying Informed/Involved







2023 Session Recap

- Biennial, 140-day Legislature
- Started 1/10/2023, "ended" 5/29/2023
- Four special sessions in Summer and Fall 2023
- Key issues
 - Budget surplus
 - Property tax relief/reform
 - Border Security
 - Educational Savings Accounts (a.k.a. 'vouchers')
 - Attorney General Impeachment





Senate Water, Ag, & Rural Affairs Committee

- Chair: Charles Perry (Lubbock)
- Vice Chair: Kelly Hancock (North Richland Hills)
- Other members:
 - Cesar Blanco
 - Pete Flores
 - Lois Kolkhorst
 - Roland Gutierrez
 - Nathan Johnson
 - Kevin Sparks
 - Drew Springer (retiring)







House Natural Resources Committee

- Chair: Tracy King (Uvalde) (retiring)
- Vice Chair: Ed Thompson (Pearland) (retiring)
- Other members:
 - Erin Elizabeth Gamez
 - Kyle Kacal
 - Stan Kitzman
 - Suleman Lalani
 - Will Metcalf
 - Four Price (retiring)
 - Ana-Maria Ramos
 - Glenn Rogers
 - Erin Zweiner



Key Water Budget Items

• TWDB

- \$51M CW SRF, \$73M DWSRF state matches
- \$625M for Flood Infrastructure Fund (FIF)
- Funding for TWDB data enhancements and salary adjustments
- \$1B Texas Water Fund
- Staff salary increases
- TCEQ
 - Staff salary increases
 - Website and record improvements
- PUC
 - Staff salary increases
 - Data analytics team





2023 Key Water Bills

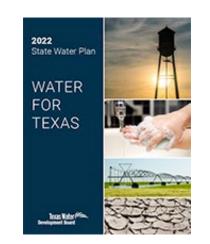
- SB 28: Texas Water Fund & New Water Supply Fund (taking pre-rule input now)
- HB 1845: Provisional Class D Water and Wastewater Licenses
- HB 3810: Outage notification to TCEQ
- Sunset bills: TCEQ, TWDB, PUC
- HB 14 (Third-party permit review option)





Sunset Bills

- HB 1565 (TWDB)
 - Next review: 2035
- HB 1500 (PUC, ERCOT, and OPUC)
 - Next review: 2029
- SB 1397 (TCEQ)
 - Next review: 2035







Groundwater

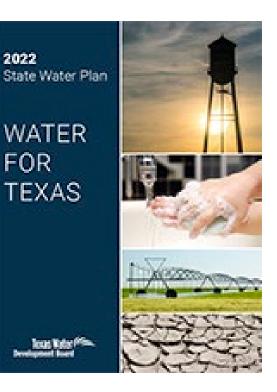
- HB 1971: GCD permits, timelines, board member disqualification
- HB 3059: GCD export fees
- HB 2443: Petitions to change GCD rules
- HB 3278: GMA process for DFCs
- SB 2440: Groundwater availability certs for subdivisions





Water Planning and Supply

- HB 2460: WAM updates (no funding though)
- HB 2759: Codifies MesoNet Hydrometeorology Network
- SB 1047: Produced Water Consortium pilot project selection and report
- HB 4856: TCEQ regulation of fluid oil & gas waste recharge injection wells





Water Rates and Billing

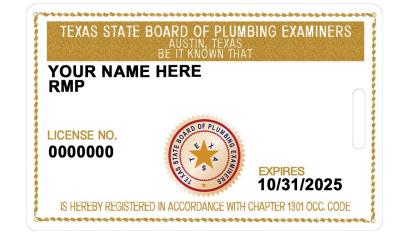
- SB 594: Water service and billing requirements for RV parks and cabin sites
- HB 2373: Removes statutory requirements for consolidating under one tariff
- HB 2774: Treatment of income tax for private utility rate proceedings



Occupational Licensing

- HB 1845: Provisional Class D W/WW licenses
- HB 2334: Removes plumber license requirement for service lines
- SB 510: Confidentiality of state licensees' data
- SB 422: Military servicemembers with

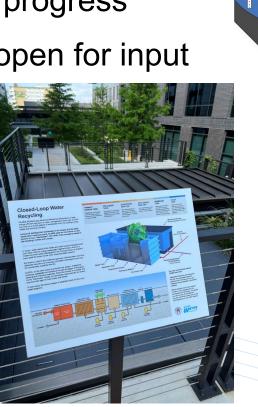
out-of-state licenses

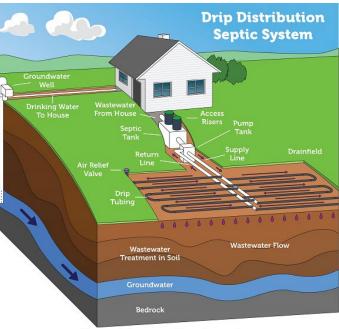




Wastewater

- HB 4087 (temporary OSSF permits and aerobic drip emitter systems for certain counties)
 - Pre-rulemaking feedback to TCEQ in progress
 - Entire TAC Chapter 285 OSSF rules open for input
- SB 1289 (Direct onsite reuse)





Please note: Septic systems vary. Diagram is not to scale.

Emergency Preparedness & Response

HB 3810: Outage & BWN notification to TCEQ/TDEM
SB 271: Cybersecurity incident reporting to DIR
SB 1093: W/WW plants on electric supply chain mapping





Image c/o <u>KVEO-TV</u>

Contracting and Procurement

• HB 3507 (Raised statutory ad & bidding thresholds)

- HB 3437 (Raised change order threshold for Ch. 49 Water districts)
- HB 2965 (Prohibition of Ch. 2272 waiver)



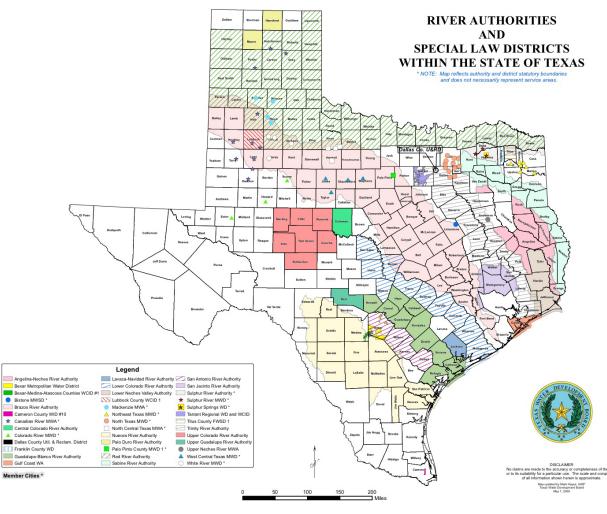
Permitting and Development

- HB 14: Third party permit review
- HB 2127: Local pre-emption of some Codes
 - Water, Health and Safety Codes NOT included
- HB 3699: Permit review
- SB 2038: ETJ Release
- HB 1707: Equal treatment of charter schools in permitting



Districts

- HB 2815: Omnibus bill amending statutes related to
 - MMDs
 - Ch. 49 districts
 - MUDs under Ch. 54
- HB 2816: Notice to property purchasers about area districts





Key Upcoming Dates (Estimated)

- Today-11/24: Interim hearings, primary and general elections
- 11/12/24: Bill Filing Begins
- ▲ 1/7/25: 89th Regular Session Begins
- ▲ 3/7/25: Statewide Bill Filing Deadline
- ♦ 5/26/23: 89th Regular Session Ends





Staying Informed/Involved

- ♦ Bills: <u>https://capitol.texas.gov</u>
- Laws: <u>https://statutes.capitol.Texas.gov</u>
- Agencies' Rules:

https://www.sos.state.tx.us/tac/index.shtml

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