

By: Averitt

S.B. No. 3

A BILL TO BE ENTITLED

AN ACT

relating to the development, management, and preservation of the water resources of the state; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. ENVIRONMENTAL FLOWS

SECTION 1.01. The heading to Section 5.506, Water Code, is amended to read as follows:

Sec. 5.506. EMERGENCY SUSPENSION OF PERMIT CONDITION RELATING TO, AND EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET ASIDE FOR, BENEFICIAL INFLOWS TO AFFECTED BAYS AND ESTUARIES AND INSTREAM USES.

SECTION 1.02. Section 5.506, Water Code, is amended by adding Subsection (a-1) and amending Subsections (b) and (c) to read as follows:

(a-1) State water that is set aside by the commission to meet the needs for freshwater inflows to affected bays and estuaries and instream uses under Section 11.1471(a)(2) may be made available temporarily for other essential beneficial uses if the commission finds that an emergency exists that cannot practically be resolved in another way.

(b) The commission must give written notice of the proposed action [~~suspension~~] to the Parks and Wildlife Department before the commission suspends a permit condition under Subsection (a) or makes water available temporarily under Subsection (a-1) [~~this~~]

1 ~~section~~]. The commission shall give the Parks and Wildlife
2 Department an opportunity to submit comments on the proposed action
3 [~~suspension~~] for a period of 72 hours from receipt of the notice and
4 must consider those comments before issuing an order implementing
5 the proposed action [~~imposing the suspension~~].

6 (c) The commission may suspend a permit condition under
7 Subsection (a) or make water available temporarily under Subsection
8 (a-1) [~~this section~~] without notice except as required by
9 Subsection (b).

10 SECTION 1.03. Subsection (j), Section 5.701, Water Code, is
11 amended to read as follows:

12 (j) The fee for other uses of water not specifically named
13 in this section is \$1 per acre-foot, except that no political
14 subdivision may be required to pay fees to use water for recharge of
15 underground freshwater-bearing sands and aquifers or for abatement
16 of natural pollution. A fee is not required for a water right that
17 is [~~This fee is waived for applications for instream-use water~~
18 ~~rights~~] deposited into the Texas Water Trust.

19 SECTION 1.04. Section 11.002, Water Code, is amended by
20 adding Subdivisions (15) through (19) to read as follows:

21 (15) "Environmental flow analysis" means the
22 application of a scientifically derived process for predicting the
23 response of an ecosystem to changes in instream flows or freshwater
24 inflows.

25 (16) "Environmental flow regime" means a schedule of
26 flow quantities that reflects seasonal and yearly fluctuations that
27 typically would vary geographically, by specific location in a

1 watershed, and that are shown to be adequate to support a sound
2 ecological environment and to maintain the productivity, extent,
3 and persistence of key aquatic habitats in and along the affected
4 water bodies.

5 (17) "Environmental flow standards" means those
6 requirements adopted by the commission under Section 11.1471.

7 (18) "Advisory group" means the environmental flows
8 advisory group.

9 (19) "Science advisory committee" means the Texas
10 environmental flows science advisory committee.

11 SECTION 1.05. Subsection (a), Section 11.023, Water Code,
12 is amended to read as follows:

13 (a) To the extent that state water has not been set aside by
14 the commission under Section 11.1471(a)(2) to meet downstream
15 instream flow needs or freshwater inflow needs, state [State] water
16 may be appropriated, stored, or diverted for:

17 (1) domestic and municipal uses, including water for
18 sustaining human life and the life of domestic animals;

19 (2) agricultural uses and industrial uses, meaning
20 processes designed to convert materials of a lower order of value
21 into forms having greater usability and commercial value, including
22 the development of power by means other than hydroelectric;

23 (3) mining and recovery of minerals;

24 (4) hydroelectric power;

25 (5) navigation;

26 (6) recreation and pleasure;

27 (7) public parks; and

1 (8) game preserves.

2 SECTION 1.06. Section 11.0235, Water Code, is amended by
3 amending Subsections (c) and (e) and adding Subsections (d-1)
4 through (d-5) and (f) to read as follows:

5 (c) The legislature has expressly required the commission
6 while balancing all other public interests to consider and, to the
7 extent practicable, provide for the freshwater inflows and instream
8 flows necessary to maintain the viability of the state's streams,
9 rivers, and bay and estuary systems in the commission's regular
10 granting of permits for the use of state waters. As an essential
11 part of the state's environmental flows policy, all permit
12 conditions relating to freshwater inflows to affected bays and
13 estuaries and instream flow needs must be subject to temporary
14 suspension if necessary for water to be applied to essential
15 beneficial uses during emergencies.

16 (d-1) The legislature finds that to provide certainty in
17 water management and development and to provide adequate protection
18 of the state's streams, rivers, and bays and estuaries, the state
19 must have a process with specific timelines for prompt action to
20 address environmental flow issues in the state's major basin and
21 bay systems, especially those systems in which unappropriated water
22 is still available.

23 (d-2) The legislature finds that:

24 (1) in those basins in which water is available for
25 appropriation, the commission should establish an environmental
26 set-aside below which water should not be available for
27 appropriation; and

1 (2) in those basins in which the unappropriated water
2 that will be set aside for instream flow and freshwater inflow
3 protection is not sufficient to fully satisfy the environmental
4 flow standards established by the commission, a variety of market
5 approaches, both public and private, for filling the gap must be
6 explored and pursued.

7 (d-3) The legislature finds that while the state has
8 pioneered tools to address freshwater inflow needs for bays and
9 estuaries, there are limitations to those tools in light of both
10 scientific and public policy evolution. To fully address bay and
11 estuary environmental flow issues, the foundation of work
12 accomplished by the state should be improved. While the state's
13 instream flow studies program appears to encompass a comprehensive
14 and scientific approach for establishing a process to assess
15 instream flow needs for rivers and streams across the state, more
16 extensive review and examination of the details of the program,
17 which may not be fully developed until the program is under way, are
18 needed to ensure an effective tool for evaluating riverine
19 environmental flow conditions.

20 (d-4) The legislature finds that the management of water to
21 meet instream flow and freshwater inflow needs should be evaluated
22 on a regular basis and adapted to reflect both improvements in
23 science related to environmental flows and future changes in
24 projected human needs for water. In addition, the development of
25 management strategies for addressing environmental flow needs
26 should be an ongoing, adaptive process that considers and addresses
27 local issues.

1 (d-5) The legislature finds that recommendations for state
2 action to protect instream flows and freshwater inflows should be
3 developed through a consensus-based, regional approach involving
4 balanced representation of stakeholders and that such a process
5 should be encouraged throughout the state.

6 (e) The fact that greater pressures and demands are being
7 placed on the water resources of the state makes it of paramount
8 importance to ensure [~~reexamine the process for ensuring~~] that
9 these important priorities are effectively addressed by detailing
10 how environmental flow standards are to be developed using the
11 environmental studies that have been and are to be performed by the
12 state and others and specifying in clear delegations of authority
13 how those environmental flow standards will be integrated into the
14 regional water planning and water permitting process [~~to the~~
15 ~~commission~~].

16 (f) The legislature recognizes that effective
17 implementation of the approach provided by this chapter for
18 protecting instream flows and freshwater inflows will require more
19 effective water rights administration and enforcement systems than
20 are currently available in most areas of the state.

21 SECTION 1.07. Subchapter B, Chapter 11, Water Code, is
22 amended by adding Sections 11.0236, 11.02361, 11.02362, and 11.0237
23 to read as follows:

24 Sec. 11.0236. ENVIRONMENTAL FLOWS ADVISORY GROUP. (a) In
25 recognition of the importance that the ecological soundness of our
26 riverine, bay, and estuary systems and riparian lands has on the
27 economy, health, and well-being of the state there is created the

1 environmental flows advisory group.

2 (b) The advisory group is composed of nine members as
3 follows:

4 (1) three members appointed by the governor;

5 (2) three members of the senate appointed by the
6 lieutenant governor; and

7 (3) three members of the house of representatives
8 appointed by the speaker of the house of representatives.

9 (c) Of the members appointed under Subsection (b)(1):

10 (1) one member must be a member of the commission;

11 (2) one member must be a member of the board; and

12 (3) one member must be a member of the Parks and
13 Wildlife Commission.

14 (d) Each member of the advisory group serves at the will of
15 the person who appointed the member.

16 (e) The appointed senator with the most seniority and the
17 appointed house member with the most seniority serve together as
18 co-presiding officers of the advisory group.

19 (f) A member of the advisory group is not entitled to
20 receive compensation for service on the advisory group but is
21 entitled to reimbursement of the travel expenses incurred by the
22 member while conducting the business of the advisory group, as
23 provided by the General Appropriations Act.

24 (g) The advisory group may accept gifts and grants from any
25 source to be used to carry out a function of the advisory group.

26 (h) The commission shall provide staff support for the
27 advisory group.

1 (i) The advisory group shall conduct public hearings and
2 study public policy implications for balancing the demands on the
3 water resources of the state resulting from a growing population
4 with the requirements of the riverine, bay, and estuary systems
5 including granting permits for instream flows dedicated to
6 environmental needs or bay and estuary inflows, use of the Texas
7 Water Trust, and any other issues that the advisory group
8 determines have importance and relevance to the protection of
9 environmental flows. In evaluating the options for providing
10 adequate environmental flows, the advisory group shall take notice
11 of the strong public policy imperative that exists in this state
12 recognizing that environmental flows are important to the
13 biological health of our public and private lands, streams and
14 rivers, and bay and estuary systems and are high priorities in the
15 water management process. The advisory group shall specifically
16 address:

17 (1) ways that the ecological soundness of those
18 systems will be ensured in the water rights administration and
19 enforcement and water allocation processes; and

20 (2) appropriate methods to encourage persons
21 voluntarily to convert reasonable amounts of existing water rights
22 to use for environmental flow protection temporarily or
23 permanently.

24 (j) The advisory group may adopt rules, procedures, and
25 policies as needed to administer this section, to implement its
26 responsibilities, and to exercise its authority under Sections
27 11.02361 and 11.02362.

1 (k) Chapter 2110, Government Code, does not apply to the
2 size, composition, or duration of the advisory group.

3 (1) Not later than December 1, 2008, and every two years
4 thereafter, the advisory group shall issue and promptly deliver to
5 the governor, lieutenant governor, and speaker of the house of
6 representatives copies of a report summarizing:

7 (1) any hearings conducted by the advisory group;

8 (2) any studies conducted by the advisory group;

9 (3) any legislation proposed by the advisory group;

10 (4) progress made in implementing Sections 11.02361
11 and 11.02362; and

12 (5) any other findings and recommendations of the
13 advisory group.

14 (m) The advisory group is abolished on the date that the
15 commission has adopted environmental flow standards under Section
16 11.1471 for all of the river basin and bay systems in this state.

17 Sec. 11.02361. TEXAS ENVIRONMENTAL FLOWS SCIENCE ADVISORY
18 COMMITTEE. (a) The Texas environmental flows science advisory
19 committee consists of at least five but not more than nine members
20 appointed by the advisory group.

21 (b) The advisory group shall appoint to the science advisory
22 committee persons who will provide an objective perspective and
23 diverse technical expertise, including expertise in hydrology,
24 hydraulics, water resources, aquatic and terrestrial biology,
25 geomorphology, geology, water quality, computer modeling, and
26 other technical areas pertinent to the evaluation of environmental
27 flows.

1 (c) Members of the science advisory committee serve
2 five-year terms expiring March 1. A vacancy on the science advisory
3 committee is filled by appointment by the co-presiding officers of
4 the advisory group for the unexpired term.

5 (d) Chapter 2110, Government Code, does not apply to the
6 size, composition, or duration of the science advisory committee.

7 (e) The science advisory committee shall:

8 (1) serve as an objective scientific body to advise
9 and make recommendations to the advisory group on issues relating
10 to the science of environmental flow protection; and

11 (2) develop recommendations to help provide overall
12 direction, coordination, and consistency relating to:

13 (A) environmental flow methodologies for bay and
14 estuary studies and instream flow studies;

15 (B) environmental flow programs at the
16 commission, the Parks and Wildlife Department, and the board; and

17 (C) the work of the basin and bay expert science
18 teams described in Section 11.02362.

19 (f) To assist the advisory group to assess the extent to
20 which the recommendations of the science advisory committee are
21 considered and implemented, the commission, the Parks and Wildlife
22 Department, and the board shall provide written reports to the
23 advisory group, at intervals determined by the advisory group, that
24 describe:

25 (1) the actions taken by each agency in response to
26 each recommendation; and

27 (2) for each recommendation not implemented, the

1 reason it was not implemented.

2 (g) The science advisory committee is abolished on the date
3 the advisory group is abolished under Section 11.0236(m).

4 Sec. 11.02362. DEVELOPMENT OF ENVIRONMENTAL FLOW REGIME
5 RECOMMENDATIONS. (a) For the purposes of this section, the
6 advisory group, not later than November 1, 2007, shall define the
7 geographical extent of each river basin and bay system in this state
8 for the sole purpose of developing environmental flow regime
9 recommendations under this section and adoption of environmental
10 flow standards under Section 11.1471.

11 (b) The advisory group shall give priority in descending
12 order to the following river basin and bay systems of the state for
13 the purpose of developing environmental flow regime
14 recommendations and adopting environmental flow standards:

15 (1) the river basin and bay system consisting of the
16 Trinity and San Jacinto Rivers and Galveston Bay and the river basin
17 and bay system consisting of the Sabine and Neches Rivers and Sabine
18 Lake Bay;

19 (2) the river basin and bay system consisting of the
20 Colorado and Lavaca Rivers and Matagorda and Lavaca Bays and the
21 river basin and bay system consisting of the Guadalupe, San
22 Antonio, and Aransas Rivers and Copano, Aransas, and San Antonio
23 Bays; and

24 (3) the river basin and bay system consisting of the
25 Nueces River and Corpus Christi and Baffin Bays, the river basin and
26 bay system consisting of the Rio Grande, the Rio Grande estuary, and
27 the Lower Laguna Madre, and the Brazos River and its associated bay

1 and estuary system.

2 (c) For the river basin and bay systems listed in Subsection
3 (b)(1):

4 (1) the advisory group shall appoint the basin and bay
5 area stakeholders committee not later than November 1, 2007;

6 (2) the basin and bay area stakeholders committee
7 shall establish a basin and bay expert science team not later than
8 March 1, 2008;

9 (3) the basin and bay expert science team shall
10 finalize environmental flow regime recommendations and submit them
11 to the basin and bay area stakeholders committee, the advisory
12 group, and the commission not later than March 1, 2009;

13 (4) the basin and bay area stakeholders committee
14 shall submit to the commission its comments on and recommendations
15 regarding the basin and bay expert science team's recommended
16 environmental flow regime not later than September 1, 2009; and

17 (5) the commission shall adopt the environmental flow
18 standards as provided by Section 11.1471 not later than September
19 1, 2010.

20 (d) The advisory group shall appoint the basin and bay area
21 stakeholders committees for the river basin and bay systems listed
22 in Subsection (b)(2) not later than September 1, 2008, and shall
23 appoint the basin and bay area stakeholders committees for the
24 river basin and bay systems listed in Subsection (b)(3) not later
25 than September 1, 2009. The advisory group shall establish a
26 schedule for the performance of the tasks listed in Subsections
27 (c)(2) through (5) with regard to the river basin and bay systems

1 listed in Subsections (b)(2) and (3) that will result in the
2 adoption of environmental flow standards for that river basin and
3 bay system by the commission as soon as is reasonably possible.
4 Each basin and bay area stakeholders committee and basin and bay
5 expert science team for a river basin and bay system listed in
6 Subsection (b)(2) or (3) shall make recommendations to the advisory
7 group with regard to the schedule applicable to that river basin and
8 bay system. The advisory group shall consider the recommendations
9 of the basin and bay area stakeholders committee and basin and bay
10 expert science team as well as coordinate with, and give
11 appropriate consideration to the recommendations of, the
12 commission, the Parks and Wildlife Department, and the board in
13 establishing the schedule.

14 (e) For a river basin and bay system or a river basin that
15 does not have an associated bay system in this state not listed in
16 Subsection (b), the advisory group shall establish a schedule for
17 the development of environmental flow regime recommendations and
18 the adoption of environmental flow standards. The advisory group
19 shall develop the schedule in consultation with the commission, the
20 Parks and Wildlife Department, the board, and the pertinent basin
21 and bay area stakeholders committee and basin and bay expert
22 science team. The advisory group may, on its own initiative or on
23 request, modify a schedule established under this subsection to be
24 more responsive to particular circumstances, local desires,
25 changing conditions, or time-sensitive conflicts. This subsection
26 does not prohibit, in a river basin and bay system for which the
27 advisory group has not yet established a schedule for the

1 development of environmental flow regime recommendations and the
2 adoption of environmental flow standards, an effort to develop
3 information on environmental flow needs and ways in which those
4 needs can be met by a voluntary consensus-building process.

5 (f) The advisory group shall appoint a basin and bay area
6 stakeholders committee for each river basin and bay system in this
7 state for which a schedule for the development of environmental
8 flow regime recommendations and the adoption of environmental flow
9 standards is specified by or established under Subsection (c), (d),
10 or (e). Chapter 2110, Government Code, does not apply to the size,
11 composition, or duration of a basin and bay area stakeholders
12 committee. Each committee must consist of at least 17 members. The
13 membership of each committee must:

14 (1) reflect a fair and equitable balance of interest
15 groups concerned with the particular river basin and bay system for
16 which the committee is established; and

17 (2) be representative of stakeholders having
18 interests in the particular river basin and bay system for which the
19 committee is established, including:

20 (A) agricultural water users;

21 (B) recreational water users, including coastal
22 recreational anglers and businesses supporting water recreation;

23 (C) municipalities;

24 (D) soil and water conservation districts;

25 (E) industrial water users, including
26 representatives of each of the following sectors:

27 (i) refining;

1 (ii) chemical manufacturing;
2 (iii) electricity generation; and
3 (iv) production of paper products or
4 timber;

5 (F) commercial fishermen;
6 (G) public interest groups;
7 (H) regional water planning groups;
8 (I) groundwater conservation districts;
9 (J) river authorities and other conservation and
10 reclamation districts with jurisdiction over surface water; and
11 (K) environmental interests.

12 (g) Members of a basin and bay area stakeholders committee
13 serve five-year terms expiring March 1. If a vacancy occurs on a
14 committee, the remaining members of the committee by majority vote
15 shall appoint a member to serve the remainder of the unexpired term.

16 (h) Meetings of a basin and bay area stakeholders committee
17 must be open to the public.

18 (i) Each basin and bay area stakeholders committee shall
19 establish a basin and bay expert science team for the river basin
20 and bay system for which the committee is established. The basin
21 and bay expert science team must be established not later than six
22 months after the date the basin and bay area stakeholders committee
23 is established. Chapter 2110, Government Code, does not apply to
24 the size, composition, or duration of a basin and bay expert science
25 team. Each basin and bay expert science team must be composed of
26 technical experts with special expertise regarding the river basin
27 and bay system or regarding the development of environmental flow

1 regimes. A person may serve as a member of more than one basin and
2 bay expert science team at the same time.

3 (j) The members of a basin and bay expert science team serve
4 five-year terms expiring April 1. A vacancy on a basin and bay
5 expert science team is filled by appointment by the pertinent basin
6 and bay area stakeholders committee to serve the remainder of the
7 unexpired term.

8 (k) The science advisory committee shall appoint one of its
9 members to serve as a liaison to each basin and bay expert science
10 team to facilitate coordination and consistency in environmental
11 flow activities throughout the state. The commission, the Parks
12 and Wildlife Department, and the board shall provide technical
13 assistance to each basin and bay expert science team, including
14 information about the studies conducted under Sections 16.058 and
15 16.059, and may serve as nonvoting members of the basin and bay
16 expert science team to facilitate the development of environmental
17 flow regime recommendations.

18 (l) Where reasonably practicable, meetings of a basin and
19 bay expert science team must be open to the public.

20 (m) Each basin and bay expert science team shall develop
21 environmental flow analyses and a recommended environmental flow
22 regime for the river basin and bay system for which the team is
23 established through a collaborative process designed to achieve a
24 consensus. In developing the analyses and recommendations, the
25 science team must consider all reasonably available science,
26 without regard to the need for the water for other uses, and the
27 science team's recommendations must be based solely on the best

1 science available. For the Rio Grande below Fort Quitman, any uses
2 attributable to Mexican water flows must be excluded from
3 environmental flow regime recommendations.

4 (n) Each basin and bay expert science team shall submit its
5 environmental flow analyses and environmental flow regime
6 recommendations to the pertinent basin and bay area stakeholders
7 committee, the advisory group, and the commission in accordance
8 with the applicable schedule specified by or established under
9 Subsection (c), (d), or (e). The basin and bay area stakeholders
10 committee and the advisory group may not change the environmental
11 flow analyses or environmental flow regime recommendations of the
12 basin and bay expert science team.

13 (o) Each basin and bay area stakeholders committee shall
14 review the environmental flow analyses and environmental flow
15 regime recommendations submitted by the committee's basin and bay
16 expert science team and shall consider them in conjunction with
17 other factors, including the present and future needs for water for
18 other uses related to water supply planning in the pertinent river
19 basin and bay system. For the Rio Grande, the basin and bay area
20 stakeholders committee shall also consider the water accounting
21 requirements for any international water sharing treaty, minutes,
22 and agreement applicable to the Rio Grande and the effects on
23 allocation of water by the Rio Grande watermaster in the middle and
24 lower Rio Grande. The Rio Grande basin and bay expert science team
25 may not recommend any environmental flow regime that would result
26 in a violation of a treaty or court decision. The basin and bay area
27 stakeholders committee shall develop recommendations regarding

1 environmental flow standards and strategies to meet the
2 environmental flow standards and submit those recommendations to
3 the commission and to the advisory group in accordance with the
4 applicable schedule specified by or established under Subsection
5 (c), (d), or (e). In developing its recommendations, the basin and
6 bay area stakeholders committee shall operate on a consensus basis
7 to the maximum extent possible.

8 (p) In recognition of the importance of adaptive
9 management, after submitting its recommendations regarding
10 environmental flow standards and strategies to meet the
11 environmental flow standards to the commission, each basin and bay
12 area stakeholders committee, with the assistance of the pertinent
13 basin and bay expert science team, shall prepare and submit for
14 approval by the advisory group a work plan. The work plan must:

15 (1) establish a periodic review of the basin and bay
16 environmental flow analyses and environmental flow regime
17 recommendations, environmental flow standards, and strategies, to
18 occur at least once every 10 years;

19 (2) prescribe specific monitoring, studies, and
20 activities; and

21 (3) establish a schedule for continuing the validation
22 or refinement of the basin and bay environmental flow analyses and
23 environmental flow regime recommendations, the environmental flow
24 standards adopted by the commission, and the strategies to achieve
25 those standards.

26 (q) In accordance with the applicable schedule specified by
27 or established under Subsection (c), (d), or (e), the advisory

1 group, with input from the science advisory committee, shall review
2 the environmental flow analyses and environmental flow regime
3 recommendations submitted by each basin and bay expert science
4 team. If appropriate, the advisory group shall submit comments on
5 the analyses and recommendations to the commission for use by the
6 commission in adopting rules under Section 11.1471. Comments must
7 be submitted not later than six months after the date of receipt of
8 the analyses and recommendations.

9 (r) In the event the commission, by permit or order, has
10 established an estuary advisory council, that council may continue
11 in full force and effect.

12 (s) Each basin and bay area stakeholders committee and basin
13 and bay expert science team is abolished on the date the advisory
14 group is abolished under Section 11.0236(m).

15 Sec. 11.0237. WATER RIGHTS FOR INSTREAM FLOWS DEDICATED TO
16 ENVIRONMENTAL NEEDS OR BAY AND ESTUARY INFLOWS. (a) The
17 commission may not issue a new permit for instream flows dedicated
18 to environmental needs or bay and estuary inflows. The commission
19 may approve an application to amend an existing permit or
20 certificate of adjudication to change the use to or add a use for
21 instream flows dedicated to environmental needs or bay and estuary
22 inflows.

23 (b) This section does not alter the commission's
24 obligations under Section 11.042(b) or (c), 11.046(b),
25 11.085(k)(2)(F), 11.134(b)(3)(D), 11.147, 11.1471, 11.1491,
26 11.150, 11.152, 16.058, or 16.059.

27 SECTION 1.08. Subsection (b), Section 11.082, Water Code,

1 is amended to read as follows:

2 (b) The state may recover the penalties prescribed in
3 Subsection (a) [~~of this section~~] by suit brought for that purpose in
4 a court of competent jurisdiction. The state may seek those
5 penalties regardless of whether a watermaster has been appointed
6 for the water division, river basin, or segment of a river basin
7 where the unlawful use is alleged to have occurred.

8 SECTION 1.09. Section 11.0841, Water Code, is amended by
9 adding Subsection (c) to read as follows:

10 (c) For purposes of this section, the Parks and Wildlife
11 Department has:

12 (1) the rights of a holder of a water right that is
13 held in the Texas Water Trust, including the right to file suit in a
14 civil court to prevent the unlawful use of such a right;

15 (2) the right to act in the same manner that a holder
16 of a water right may act to protect the holder's rights in seeking
17 to prevent any person from appropriating water in violation of a
18 set-aside established by the commission under Section 11.1471 to
19 meet instream flow needs or freshwater inflow needs; and

20 (3) the right to file suit in a civil court to prevent
21 the unlawful use of a set-aside established under Section 11.1471.

22 SECTION 1.10. Subsection (a), Section 11.0842, Water Code,
23 is amended to read as follows:

24 (a) If a person violates this chapter, a rule or order
25 adopted under this chapter or Section 16.236 [~~of this code~~], or a
26 permit, certified filing, or certificate of adjudication issued
27 under this chapter, the commission may assess an administrative

1 penalty against that person as provided by this section. The
2 commission may assess an administrative penalty for a violation
3 relating to a water division or a river basin or segment of a river
4 basin regardless of whether a watermaster has been appointed for
5 the water division or river basin or segment of the river basin.

6 SECTION 1.11. Subsection (a), Section 11.0843, Water Code,
7 is amended to read as follows:

8 (a) Upon witnessing a violation of this chapter or a rule or
9 order or a water right issued under this chapter, the executive
10 director or a person designated by the executive director,
11 including a watermaster or the watermaster's deputy, [~~as defined by~~
12 ~~commission rule,~~] may issue the alleged violator a field citation
13 alleging that a violation has occurred and providing the alleged
14 violator the option of either:

15 (1) without admitting to or denying the alleged
16 violation, paying an administrative penalty in accordance with the
17 predetermined penalty amount established under Subsection (b) [~~of~~
18 ~~this section~~] and taking remedial action as provided in the
19 citation; or

20 (2) requesting a hearing on the alleged violation in
21 accordance with Section 11.0842 [~~of this code~~].

22 SECTION 1.12. Subsection (b), Section 11.134, Water Code,
23 is amended to read as follows:

24 (b) The commission shall grant the application only if:

25 (1) the application conforms to the requirements
26 prescribed by this chapter and is accompanied by the prescribed
27 fee;

1 (2) unappropriated water is available in the source of
2 supply;

3 (3) the proposed appropriation:

4 (A) is intended for a beneficial use;

5 (B) does not impair existing water rights or
6 vested riparian rights;

7 (C) is not detrimental to the public welfare;

8 (D) considers any applicable environmental flow
9 standards established under Section 11.1471 and, if applicable, the
10 assessments performed under Sections 11.147(d) and (e) and Sections
11 11.150, 11.151, and 11.152; and

12 (E) addresses a water supply need in a manner
13 that is consistent with the state water plan and the relevant
14 approved regional water plan for any area in which the proposed
15 appropriation is located, unless the commission determines that
16 conditions warrant waiver of this requirement; and

17 (4) the applicant has provided evidence that
18 reasonable diligence will be used to avoid waste and achieve water
19 conservation as defined by [~~Subdivision (8)(B),~~] Section
20 11.002(8)(B) [~~11.002~~].

21 SECTION 1.13. Section 11.147, Water Code, is amended by
22 amending Subsections (b), (d), and (e) and adding Subsections
23 (e-1), (e-2), and (e-3) to read as follows:

24 (b) In its consideration of an application for a permit to
25 store, take, or divert water, the commission shall assess the
26 effects, if any, of the issuance of the permit on the bays and
27 estuaries of Texas. For permits issued within an area that is 200

1 river miles of the coast, to commence from the mouth of the river
2 thence inland, the commission shall include in the permit any
3 conditions considered necessary to maintain freshwater inflows to
4 any affected bay and estuary system, to the extent practicable when
5 considering all public interests and the studies mandated by
6 Section 16.058 as evaluated under Section 11.1491[~~, those~~
7 ~~conditions considered necessary to maintain beneficial inflows to~~
8 ~~any affected bay and estuary system~~].

9 (d) In its consideration of an application to store, take,
10 or divert water, the commission shall include in the permit, to the
11 extent practicable when considering all public interests, those
12 conditions considered by the commission necessary to maintain
13 existing instream uses and water quality of the stream or river to
14 which the application applies. In determining what conditions to
15 include in the permit under this subsection, the commission shall
16 consider among other factors:

17 (1) the studies mandated by Section 16.059; and

18 (2) any water quality assessment performed under
19 Section 11.150.

20 (e) The commission shall include in the permit, to the
21 extent practicable when considering all public interests, those
22 conditions considered by the commission necessary to maintain fish
23 and wildlife habitats. In determining what conditions to include
24 in the permit under this subsection, the commission shall consider
25 any assessment performed under Section 11.152.

26 (e-1) Any permit for a new appropriation of water or an
27 amendment to an existing water right that increases the amount of

1 water authorized to be stored, taken, or diverted must include a
2 provision allowing the commission to adjust the conditions included
3 in the permit or amended water right to provide for protection of
4 instream flows or freshwater inflows. With respect to an amended
5 water right, the provision may not allow the commission to adjust a
6 condition of the amendment other than a condition that applies only
7 to the increase in the amount of water to be stored, taken, or
8 diverted authorized by the amendment. This subsection does not
9 affect an appropriation of or an authorization to store, take, or
10 divert water under a permit or amendment to a water right issued
11 before September 1, 2007. The commission shall adjust the
12 conditions if the commission determines, through an expedited
13 public comment process, that such an adjustment is appropriate to
14 achieve compliance with applicable environmental flow standards
15 adopted under Section 11.1471. The adjustment:

16 (1) in combination with any previous adjustments made
17 under this subsection may not increase the amount of the
18 pass-through or release requirement for the protection of instream
19 flows or freshwater inflows by more than 12.5 percent of the
20 annualized total of that requirement contained in the permit as
21 issued or of that requirement contained in the amended water right
22 and applicable only to the increase in the amount of water
23 authorized to be stored, taken, or diverted under the amended water
24 right;

25 (2) must be based on appropriate consideration of the
26 priority dates and diversion locations of any other water rights
27 granted in the same river basin that are subject to adjustment under

1 this subsection; and

2 (3) must be based on appropriate consideration of any
3 voluntary contributions to the Texas Water Trust that contribute
4 toward meeting the environmental flow standards.

5 (e-2) Any water right holder who makes a contribution
6 described by Subsection (e-1)(3) is entitled to appropriate credit
7 for the benefits of the contribution against the adjustment of the
8 holder's water right under Subsection (e-1).

9 (e-3) Notwithstanding Subsections (b)-(e), for the purpose
10 of determining the environmental flow conditions necessary to
11 maintain freshwater inflows to an affected bay and estuary system,
12 existing instream uses and water quality of a stream or river, or
13 fish and aquatic wildlife habitats, the commission shall apply any
14 applicable environmental flow standard, including any
15 environmental flow set-aside, adopted under Section 11.1471
16 instead of considering the factors specified by those subsections.

17 SECTION 1.14. Subchapter D, Chapter 11, Water Code, is
18 amended by adding Section 11.1471 to read as follows:

19 Sec. 11.1471. ENVIRONMENTAL FLOW STANDARDS AND SET-ASIDES.

20 (a) The commission by rule shall:

21 (1) adopt appropriate environmental flow standards
22 for each river basin and bay system in this state that are adequate
23 to support a sound ecological environment, to the maximum extent
24 reasonable considering other public interests and other relevant
25 factors;

26 (2) establish an amount of unappropriated water, if
27 available, to be set aside to satisfy the environmental flow

1 standards to the maximum extent reasonable when considering human
2 water needs; and

3 (3) establish procedures for implementing an
4 adjustment of the conditions included in a permit or an amended
5 water right as provided by Sections 11.147(e-1) and (e-2).

6 (b) In adopting environmental flow standards for a river
7 basin and bay system under Subsection (a)(1), the commission shall
8 consider:

9 (1) the definition of the geographical extent of the
10 river basin and bay system adopted by the advisory group under
11 Section 11.02362(a) and the definition and designation of the river
12 basin by the board under Section 16.051(c);

13 (2) the schedule established by the advisory group
14 under Section 11.02362(d) or (e) for the adoption of environmental
15 flow standards for the river basin and bay system, if applicable;

16 (3) the environmental flow analyses and the
17 recommended environmental flow regime developed by the applicable
18 basin and bay expert science team under Section 11.02362(m);

19 (4) the recommendations developed by the applicable
20 basin and bay area stakeholders committee under Section 11.02362(o)
21 regarding environmental flow standards and strategies to meet the
22 flow standards;

23 (5) any comments submitted by the advisory group to
24 the commission under Section 11.02362(q);

25 (6) the specific characteristics of the river basin
26 and bay system;

27 (7) economic factors;

1 (8) the human and other competing water needs in the
2 river basin and bay system;

3 (9) all reasonably available scientific information,
4 including any scientific information provided by the science
5 advisory committee; and

6 (10) any other appropriate information.

7 (c) Environmental flow standards adopted under Subsection
8 (a)(1) must consist of a schedule of flow quantities, reflecting
9 seasonal and yearly fluctuations that may vary geographically by
10 specific location in a river basin and bay system.

11 (d) As provided by Section 11.023, the commission may not
12 issue a permit for a new appropriation or an amendment to an
13 existing water right that increases the amount of water authorized
14 to be stored, taken, or diverted if the issuance of the permit or
15 amendment would impair an environmental flow set-aside established
16 under Subsection (a)(2). A permit for a new appropriation or an
17 amendment to an existing water right that increases the amount of
18 water authorized to be stored, taken, or diverted that is issued
19 after the adoption of an applicable environmental flow set-aside
20 must contain appropriate conditions to ensure protection of the
21 environmental flow set-aside.

22 (e) An environmental flow set-aside established under
23 Subsection (a)(2) for a river basin and bay system other than the
24 middle and lower Rio Grande must be assigned a priority date
25 corresponding to the date the commission receives environmental
26 flow regime recommendations from the applicable basin and bay
27 expert science team and be included in the appropriate water

1 availability models in connection with an application for a permit
2 for a new appropriation or for an amendment to an existing water
3 right that increases the amount of water authorized to be stored,
4 taken, or diverted.

5 (f) An environmental flow standard or environmental flow
6 set-aside adopted under Subsection (a) may be altered by the
7 commission in a rulemaking process undertaken in accordance with a
8 schedule established by the commission. In establishing a
9 schedule, the commission shall consider the applicable work plan
10 approved by the advisory group under Section 11.02362(p). The
11 commission's schedule may not provide for the rulemaking process to
12 occur more frequently than once every 10 years unless the work plan
13 provides for a periodic review under Section 11.02362(p) to occur
14 more frequently than once every 10 years. In that event, the
15 commission may provide for the rulemaking process to be undertaken
16 in conjunction with the periodic review if the commission
17 determines that schedule to be appropriate. A rulemaking process
18 undertaken under this subsection must provide for the participation
19 of stakeholders having interests in the particular river basin and
20 bay system for which the process is undertaken.

21 SECTION 1.15. The heading to Section 11.148, Water Code, is
22 amended to read as follows:

23 Sec. 11.148. EMERGENCY SUSPENSION OF PERMIT CONDITIONS AND
24 EMERGENCY AUTHORITY TO MAKE AVAILABLE WATER SET ASIDE FOR
25 ENVIRONMENTAL FLOWS.

26 SECTION 1.16. Section 11.148, Water Code, is amended by
27 adding Subsection (a-1) and amending Subsections (b) and (c) to

1 read as follows:

2 (a-1) State water that is set aside by the commission to
3 meet the needs for freshwater inflows to affected bays and
4 estuaries and instream uses under Section 11.1471(a)(2) may be made
5 available temporarily for other essential beneficial uses if the
6 commission finds that an emergency exists that cannot practically
7 be resolved in another way.

8 (b) Before the commission suspends a permit condition under
9 Subsection (a) or makes water available temporarily under
10 Subsection (a-1) [~~of this section~~], it must give written notice to
11 the Parks and Wildlife Department of the proposed action
12 [~~suspension~~]. The commission shall give the Parks and Wildlife
13 Department an opportunity to submit comments on the proposed action
14 [~~suspension~~] within 72 hours from such time and the commission
15 shall consider those comments before issuing its order implementing
16 the proposed action [~~imposing the suspension~~].

17 (c) The commission may suspend the permit condition under
18 Subsection (a) or make water available temporarily under Subsection
19 (a-1) without notice to any other interested party other than the
20 Parks and Wildlife Department as provided by Subsection (b) [~~of~~
21 ~~this section~~]. However, all affected persons shall be notified
22 immediately by publication, and a hearing to determine whether the
23 suspension should be continued shall be held within 15 days of the
24 date on which the order to suspend is issued.

25 SECTION 1.17. Subsection (a), Section 11.1491, Water Code,
26 is amended to read as follows:

27 (a) The Parks and Wildlife Department and the commission

1 shall have joint responsibility to review the studies prepared
2 under Section 16.058 [~~of this code~~], to determine inflow conditions
3 necessary for the bays and estuaries, and to provide information
4 necessary for water resources management. Each agency shall
5 designate an employee to share equally in the oversight of the
6 program. Other responsibilities shall be divided between the Parks
7 and Wildlife Department and the commission to maximize present
8 in-house capabilities of personnel and to minimize costs to the
9 state. Each agency shall have reasonable access to all information
10 produced by the other agency. Publication of reports completed
11 under this section shall be submitted for comment to [~~both~~] the
12 commission, [~~and~~] the Parks and Wildlife Department, the advisory
13 group, the science advisory committee, and any applicable basin and
14 bay area stakeholders committee and basin and bay expert science
15 team.

16 SECTION 1.18. Subsection (g), Section 11.329, Water Code,
17 is amended to read as follows:

18 (g) The commission may not assess costs under this section
19 against a holder of a non-priority hydroelectric right that owns or
20 operates privately owned facilities that collectively have a
21 capacity of less than two megawatts or against a holder of a water
22 right placed in the Texas Water Trust for a term of at least 20
23 years. [~~This subsection is not intended to affect in any way the~~
24 ~~fees assessed on a water right holder by the commission under~~
25 ~~Section 1.29(d), Chapter 626, Acts of the 73rd Legislature, Regular~~
26 ~~Session, 1993. For purposes of Section 1.29(d), Chapter 626, Acts~~
27 ~~of the 73rd Legislature, Regular Session, 1993, a holder of a~~

1 ~~non-priority hydroelectric right that owns or operates privately~~
2 ~~owned facilities that collectively have a capacity of less than two~~
3 ~~megawatts shall be assessed fees at the same rate per acre-foot~~
4 ~~charged to a holder of a non-priority hydroelectric right that owns~~
5 ~~or operates privately owned facilities that collectively have a~~
6 ~~capacity of more than two megawatts.]~~

7 SECTION 1.19. Subsection (e), Section 11.404, Water Code,
8 is amended to read as follows:

9 (e) The court may not assess costs and expenses under this
10 section against:

11 (1) a holder of a non-priority hydroelectric right
12 that owns or operates privately owned facilities that collectively
13 have a capacity of less than two megawatts; or

14 (2) a holder of a water right placed in the Texas Water
15 Trust for a term of at least 20 years.

16 SECTION 1.20. Subchapter I, Chapter 11, Water Code, is
17 amended by adding Section 11.4531 to read as follows:

18 Sec. 11.4531. WATERMASTER ADVISORY COMMITTEE. (a) For
19 each river basin or segment of a river basin for which the executive
20 director appoints a watermaster under this subchapter, the
21 executive director shall appoint a watermaster advisory committee
22 consisting of at least nine but not more than 15 members. A member
23 of the advisory committee must be a holder of a water right or a
24 representative of a holder of a water right in the river basin or
25 segment of the river basin for which the watermaster is appointed.
26 In appointing members to the advisory committee, the executive
27 director shall consider:

1 (1) geographic representation;
2 (2) amount of water rights held;
3 (3) different types of holders of water rights and
4 users, including water districts, municipal suppliers, irrigators,
5 and industrial users; and

6 (4) experience and knowledge of water management
7 practices.

8 (b) An advisory committee member is not entitled to
9 reimbursement of expenses or to compensation.

10 (c) An advisory committee member serves a two-year term
11 expiring August 31 of each odd-numbered year and holds office until
12 a successor is appointed.

13 (d) The advisory committee shall meet within 30 days after
14 the date the initial appointments have been made and shall select a
15 presiding officer to serve a one-year term. The committee shall
16 meet regularly as necessary.

17 (e) The advisory committee shall:

18 (1) make recommendations to the executive director
19 regarding activities of benefit to the holders of water rights in
20 the administration and distribution of water to holders of water
21 rights in the river basin or segment of the river basin for which
22 the watermaster is appointed;

23 (2) review and comment to the executive director on
24 the annual budget of the watermaster operation; and

25 (3) perform other advisory duties as requested by the
26 executive director regarding the watermaster operation or as
27 requested by holders of water rights and considered by the

1 committee to benefit the administration of water rights in the
2 river basin or segment of the river basin for which the watermaster
3 is appointed.

4 SECTION 1.21. Sections 11.454 and 11.455, Water Code, are
5 amended to read as follows:

6 Sec. 11.454. DUTIES AND AUTHORITY OF THE WATERMASTER.
7 Section 11.327 applies to the duties and authority of a watermaster
8 appointed for a river basin or segment of a river basin under this
9 subchapter in the same manner as that section applies to the duties
10 and authority of a watermaster appointed for a water division under
11 Subchapter G [~~A watermaster as the agent of the commission and under~~
12 ~~the executive director's supervision shall:~~

13 [~~(1) divide the water of the streams or other sources~~
14 ~~of supply of his segment or basin in accordance with the authorized~~
15 ~~water rights,~~

16 [~~(2) regulate or cause to be regulated the controlling~~
17 ~~works of reservoirs and diversion works in time of water shortage,~~
18 ~~as is necessary because of the rights existing in the streams of his~~
19 ~~segment or basin, or as is necessary to prevent the waste of water~~
20 ~~or its diversion, taking, storage, or use in excess of the~~
21 ~~quantities to which the holders of water rights are lawfully~~
22 ~~entitled, and~~

23 [~~(3) perform any other duties and exercise any~~
24 ~~authority directed by the commission].~~

25 Sec. 11.455. COMPENSATION AND EXPENSES OF WATERMASTER
26 [ASSESSMENTS]. (a) Section 11.329 applies to the payment of the
27 compensation and expenses of a watermaster appointed for a river

1 basin or segment of a river basin under this subchapter in the same
2 manner as that section applies to the payment of the compensation
3 and expenses of a watermaster appointed for a water division under
4 Subchapter G.

5 (b) The executive director shall deposit the assessments
6 collected under this section to the credit of the watermaster fund.

7 (c) Money deposited under this section to the credit of the
8 watermaster fund may be used only for the purposes specified by
9 Section 11.3291 with regard to the watermaster operation under this
10 subchapter with regard to which the assessments were collected [~~The~~
11 ~~commission may assess the costs of the watermaster against all~~
12 ~~persons who hold water rights in the river basin or segment of the~~
13 ~~river basin under the watermaster's jurisdiction in accordance with~~
14 ~~Section 11.329 of this code].~~

15 SECTION 1.22. Subchapter F, Chapter 15, Water Code, is
16 amended by adding Section 15.4063 to read as follows:

17 Sec. 15.4063. ENVIRONMENTAL FLOWS FUNDING. The board may
18 authorize the use of money in the research and planning fund:

19 (1) to compensate the members of the Texas
20 environmental flows science advisory committee established under
21 Section 11.02361 for attendance and participation at meetings of
22 the committee and for transportation, meals, lodging, or other
23 travel expenses associated with attendance at those meetings as
24 provided by the General Appropriations Act;

25 (2) for contracts with cooperating state and federal
26 agencies and universities and with private entities as necessary to
27 provide technical assistance to enable the Texas environmental

1 flows science advisory committee and the basin and bay expert
2 science teams established under Section 11.02362 to perform their
3 statutory duties;

4 (3) to compensate the members of the basin and bay
5 expert science teams established under Section 11.02362 for
6 attendance and participation at meetings of the basin and bay
7 expert science teams and for transportation, meals, lodging, or
8 other travel expenses associated with attendance at those meetings
9 as provided by the General Appropriations Act; and

10 (4) for contracts with political subdivisions
11 designated as representatives of basin and bay area stakeholders
12 committees established under Section 11.02362 to fund all or part
13 of the administrative expenses incurred in conducting meetings of
14 the basin and bay area stakeholders committees or the pertinent
15 basin and bay expert science teams.

16 SECTION 1.23. Section 15.7031, Water Code, is amended by
17 amending Subsection (c) and adding Subsection (e) to read as
18 follows:

19 (c) The dedication of any water rights placed in trust must
20 be reviewed and approved by the commission, in consultation with
21 the board, ~~and~~ the Parks and Wildlife Department, and the
22 environmental flows advisory group. In addition, the Department of
23 Agriculture and the basin and bay area stakeholders committee and
24 basin and bay expert science team established under Section
25 11.02362 for the river basin and bay system to which the water right
26 pertains may provide input to the commission, as appropriate,
27 during the review and approval process for dedication of water

1 rights.

2 (e) While a water right is held in the trust, the water
3 authorized for beneficial use under the terms of the water right is
4 considered to be held for instream flows, water quality, fish and
5 wildlife habitat, bay and estuary inflows, or other environmental
6 uses without the need for a permit amendment. After the water right
7 is withdrawn in whole or in part from the trust, the use of the water
8 right or portion of the water right withdrawn must be in accordance
9 with the terms of the water right.

10 SECTION 1.24. Subsection (d), Section 16.059, Water Code,
11 is amended to read as follows:

12 (d) The priority studies shall be completed not later than
13 December 31, 2014 [~~2010~~]. The Parks and Wildlife Department, the
14 commission, and the board shall establish a work plan that
15 prioritizes the studies and that sets interim deadlines providing
16 for publication of flow determinations for individual rivers and
17 streams on a reasonably consistent basis throughout the prescribed
18 study period. Before publication, completed studies shall be
19 submitted for comment to the commission, the board, and the Parks
20 and Wildlife Department.

21 SECTION 1.25. Subsection (h), Section 26.0135, Water Code,
22 as amended by Chapters 234 and 965, Acts of the 77th Legislature,
23 Regular Session, 2001, is reenacted and amended to read as follows:

24 (h) The commission shall apportion, assess, and recover the
25 reasonable costs of administering the water quality management
26 programs under this section from users of water and wastewater
27 permit holders in the watershed according to the records of the

1 commission generally in proportion to their right, through permit
2 or contract, to use water from and discharge wastewater in the
3 watershed. Irrigation water rights, ~~[and]~~ non-priority
4 hydroelectric rights of a water right holder that owns or operates
5 privately owned facilities that collectively have a capacity of
6 less than two megawatts, and water rights held in the Texas Water
7 Trust for terms of at least 20 years will not be subject to this
8 assessment. The cost to river authorities and others to conduct
9 water quality monitoring and assessment shall be subject to prior
10 review and approval by the commission as to methods of allocation
11 and total amount to be recovered. The commission shall adopt rules
12 to supervise and implement the water quality monitoring,
13 assessment, and associated costs. The rules shall ensure that
14 water users and wastewater dischargers do not pay excessive
15 amounts, that program funds are equitably apportioned among basins,
16 that a river authority may recover no more than the actual costs of
17 administering the water quality management programs called for in
18 this section, and that no municipality shall be assessed cost for
19 any efforts that duplicate water quality management activities
20 described in Section 26.177 ~~[of this chapter]~~. The rules
21 concerning the apportionment and assessment of reasonable costs
22 shall provide for a recovery of not more than \$5,000,000 annually.
23 Costs recovered by the commission are to be deposited to the credit
24 of the water resource management account and may be used only to
25 accomplish the purposes of this section. The commission may apply
26 not more than 10 percent of the costs recovered annually toward the
27 commission's overhead costs for the administration of this section

1 and the implementation of regional water quality assessments. The
2 commission, with the assistance and input of each river authority,
3 shall file a written report accounting for the costs recovered
4 under this section with the governor, the lieutenant governor, and
5 the speaker of the house of representatives on or before December 1
6 of each even-numbered year.

7 SECTION 1.26. Subsection (b), Section 11.1491, Water Code,
8 is repealed.

9 SECTION 1.27. (a) The governor, lieutenant governor, and
10 speaker of the house of representatives shall appoint the initial
11 members of the environmental flows advisory group as provided by
12 Section 11.0236, Water Code, as added by this article, as soon as
13 practicable on or after the effective date of this article.

14 (b) As soon as practicable after taking office, the initial
15 members of the environmental flows advisory group shall appoint the
16 initial members of the Texas environmental flows science advisory
17 committee as provided by Section 11.02361, Water Code, as added by
18 this article. The terms of the initial members of the committee
19 expire March 1, 2012.

20 (c) The environmental flows advisory group shall appoint
21 the members of each basin and bay area stakeholders committee as
22 provided by Section 11.02362, Water Code, as added by this article.
23 The terms of the initial members of each committee expire March 1 of
24 the fifth year that begins after the year in which the initial
25 appointments are made.

26 (d) Each basin and bay area stakeholders committee shall
27 appoint the members of the basin and bay expert science team for the

1 river basin and bay system for which the committee is established as
2 provided by Section 11.02362, Water Code, as added by this article.
3 The terms of the initial members of each team expire April 1 of the
4 fifth year that begins after the year in which the initial
5 appointments are made.

6 (e) The executive director of the Texas Commission on
7 Environmental Quality shall appoint the members of the watermaster
8 advisory committee under Section 11.4531, Water Code, as added by
9 this article, for each river basin or segment of a river basin for
10 which the executive director appoints a watermaster under
11 Subchapter I, Chapter 11, Water Code. The terms of the initial
12 members of each committee expire August 31 of the first
13 odd-numbered year that begins after the year in which the initial
14 appointments are made.

15 SECTION 1.28. The changes in law made by this article
16 relating to a permit for a new appropriation of water or to an
17 amendment to an existing water right that increases the amount of
18 water authorized to be stored, taken, or diverted apply only to:

19 (1) water appropriated under a permit for a new
20 appropriation of water the application for which is pending with
21 the Texas Commission on Environmental Quality on the effective date
22 of this article or is filed with the commission on or after that
23 date; or

24 (2) the increase in the amount of water authorized to
25 be stored, taken, or diverted under an amendment to an existing
26 water right that increases the amount of water authorized to be
27 stored, taken, or diverted and the application for which is pending

1 with the Texas Commission on Environmental Quality on the effective
2 date of this article or is filed with the commission on or after
3 that date.

4 ARTICLE 2. WATER CONSERVATION AND PLANNING

5 SECTION 2.01. Section 1.003, Water Code, is amended to read
6 as follows:

7 Sec. 1.003. PUBLIC POLICY. It is the public policy of the
8 state to provide for the conservation and development of the
9 state's natural resources, including:

10 (1) the control, storage, preservation, and
11 distribution of the state's storm and floodwaters and the waters of
12 its rivers and streams for irrigation, power, and other useful
13 purposes;

14 (2) the reclamation and irrigation of the state's
15 arid, semiarid, and other land needing irrigation;

16 (3) the reclamation and drainage of the state's
17 overflowed land and other land needing drainage;

18 (4) the conservation and development of its forest,
19 water, and hydroelectric power;

20 (5) the navigation of the state's inland and coastal
21 waters; ~~and~~

22 (6) the maintenance of a proper ecological environment
23 of the bays and estuaries of Texas and the health of related living
24 marine resources; and

25 (7) the stewardship of public and private lands to
26 benefit waters of the state.

27 SECTION 2.02. Subchapter A, Chapter 1, Water Code, is

1 amended by adding Section 1.004 to read as follows:

2 Sec. 1.004. FINDINGS AND POLICY REGARDING LAND STEWARDSHIP.

3 (a) The legislature finds that responsible land stewardship
4 enhances the efficiency and effectiveness of this state's
5 watersheds by helping to increase surface water and groundwater
6 supplies, resulting in a benefit to the natural resources of this
7 state and to the general public. It is therefore the policy of this
8 state to encourage responsible land stewardship as a significant
9 water management tool.

10 (b) "Land stewardship," as used in this code, is the
11 practice of managing land to conserve or enhance suitable
12 landscapes and the ecosystem values of the land. Land stewardship
13 includes land and habitat management, wildlife conservation, and
14 watershed protection. Land stewardship practices include runoff
15 reduction, prescribed burning, managed grazing, brush management,
16 erosion management, reseeding with native plant species, riparian
17 management and restoration, and spring and creek-bank protection,
18 all of which benefit the water resources of this state.

19 SECTION 2.03. Section 11.002, Water Code, is amended by
20 adding Subdivision (20) to read as follows:

21 (20) "Best management practices" means those
22 voluntary efficiency measures developed by the commission and the
23 board that save a quantifiable amount of water, either directly or
24 indirectly, and that can be implemented within a specified time
25 frame.

26 SECTION 2.04. Subchapter E, Chapter 13, Water Code, is
27 amended by adding Section 13.146 to read as follows:

1 Sec. 13.146. WATER CONSERVATION PLAN. The commission shall
2 require a retail public utility that provides potable water service
3 to a population of 3,300 or more to submit to the executive
4 administrator of the board a water conservation plan based on
5 specific targets and goals developed by the retail public utility
6 and using appropriate best management practices, as defined by
7 Section 11.002, or other water conservation strategies. For
8 purposes of this section, the population served by a retail public
9 utility shall be determined on the basis of the population
10 estimates contained in the most recent regional water plan adopted
11 for the regional water planning area in which the retail public
12 utility's service area is located.

13 SECTION 2.05. Subsection (b), Section 15.102, Water Code,
14 is amended to read as follows:

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

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

21 (2) grants for:

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

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

26 (C) water conservation, desalination, brush
27 control, weather modification, regionalization, and projects

1 providing regional water quality enhancement services as defined by
2 board rule, including regional conveyance systems.

3 SECTION 2.06. Subchapter Q, Chapter 15, Water Code, is
4 amended by adding Section 15.9751 to read as follows:

5 Sec. 15.9751. PRIORITY FOR WATER CONSERVATION. The board
6 shall give priority to applications for funds for the
7 implementation of water supply projects in the state water plan by
8 entities that:

9 (1) have already demonstrated significant water
10 conservation savings; or

11 (2) will achieve significant water conservation
12 savings by implementing the proposed project for which the
13 financial assistance is sought.

14 SECTION 2.07. Subsection (h), Section 16.053, Water Code,
15 is amended by adding Subdivisions (10) and (11) to read as follows:

16 (10) The regional water planning group may amend the
17 regional water plan after the plan has been approved by the board.
18 Subdivisions (1)-(9) apply to an amendment to the plan in the same
19 manner as those subdivisions apply to the plan.

20 (11) This subdivision applies only to an amendment to
21 a regional water plan approved by the board. This subdivision does
22 not apply to the adoption of a subsequent regional water plan for
23 submission to the board as required by Subsection (i).
24 Notwithstanding Subdivision (10), the regional water planning
25 group may amend the plan in the manner provided by this subdivision
26 if the executive administrator determines that the amendment
27 qualifies for adoption in the manner provided by this subdivision

1 before the regional water planning group votes on adoption of the
2 amendment. An amendment qualifies for adoption in the manner
3 provided by this subdivision only if the amendment will not result
4 in the overallocation of any existing or planned source of water,
5 does not relate to a new reservoir, and will not have a significant
6 effect on instream flows or freshwater inflows to bays and
7 estuaries. If the executive administrator determines that an
8 amendment qualifies for adoption in the manner provided by this
9 subdivision, the regional water planning group may adopt the
10 amendment at a public meeting held in accordance with Chapter 551,
11 Government Code. The amendment must be placed on the agenda for the
12 meeting, and notice of the meeting must be given in the manner
13 provided by Chapter 551, Government Code, at least two weeks before
14 the date the meeting is held. The public must be provided an
15 opportunity to comment on the amendment at the meeting.

16 SECTION 2.08. Subsection (r), Section 16.053, Water Code,
17 as added by Chapter 1097, Acts of the 79th Legislature, Regular
18 Session, 2005, is amended to read as follows:

19 (r) The board by rule shall provide for reasonable
20 flexibility to allow for a timely amendment of a regional water
21 plan, the board's approval of an amended regional water plan, and
22 the amendment of the state water plan. If an amendment under this
23 subsection is[~~r~~] to facilitate planning for water supplies
24 reasonably required for a clean coal project, as defined by Section
25 5.001, the[~~.—The~~] rules may allow for amending a regional water
26 plan without providing notice and without a public meeting or
27 hearing under Subsection (h) if the amendment does not:

1 (1) significantly change the regional water plan, as
2 reasonably determined by the board; or

3 (2) adversely affect other water management
4 strategies in the regional water plan.

5 SECTION 2.09. Subchapter E, Chapter 16, Water Code, is
6 amended by adding Section 16.1311 to read as follows:

7 Sec. 16.1311. PRIORITY FOR WATER CONSERVATION. The board
8 shall give priority to applications for funds for implementation of
9 water supply projects in the state water plan by entities that:

10 (1) have already demonstrated significant water
11 conservation savings; or

12 (2) will achieve significant water conservation
13 savings by implementing the proposed project for which the
14 financial assistance is sought.

15 SECTION 2.10. Chapter 16, Water Code, is amended by adding
16 Subchapters K and L to read as follows:

17 SUBCHAPTER K. WATER CONSERVATION

18 Sec. 16.401. STATEWIDE WATER CONSERVATION PUBLIC AWARENESS
19 PROGRAM. (a) The executive administrator shall develop and
20 implement a statewide water conservation public awareness program
21 to educate residents of this state about water conservation. The
22 program shall take into account the differences in water
23 conservation needs of various geographic regions of the state and
24 shall be designed to complement and support existing local and
25 regional water conservation programs.

26 (b) The executive administrator is required to develop and
27 implement the program required by Subsection (a) in a state fiscal

1 biennium only if the legislature appropriates sufficient money in
2 that biennium specifically for that purpose.

3 Sec. 16.402. WATER CONSERVATION PLAN REVIEW. (a) Each
4 entity that is required to submit a water conservation plan to the
5 commission under this code shall submit a copy of the plan to the
6 executive administrator.

7 (b) Each entity that is required to submit a water
8 conservation plan to the executive administrator, board, or
9 commission under this code shall report annually to the executive
10 administrator on the entity's progress in implementing the plan.

11 (c) The executive administrator shall review each water
12 conservation plan and annual report to determine compliance with
13 the minimum requirements and submission deadlines developed under
14 Subsection (e).

15 (d) The board may notify the commission if the board
16 determines that an entity has violated this section or a rule
17 adopted under this section. Notwithstanding Section 7.051(b), a
18 violation of this section or of a rule adopted under this section is
19 enforceable in the manner provided by Chapter 7 for a violation of a
20 provision of this code within the commission's jurisdiction or of a
21 rule adopted by the commission under a provision of this code within
22 the commission's jurisdiction.

23 (e) The board and commission jointly shall adopt rules:

24 (1) identifying the minimum requirements and
25 submission deadlines for the water conservation plans described by
26 Subsection (b) and the annual reports required by that subsection;
27 and

1 (2) providing for the enforcement of this section and
2 rules adopted under this section.

3 SUBCHAPTER L. REGISTRATION AND REPORTING OF WATER TRANSACTIONS

4 Sec. 16.451. SCOPE OF SUBCHAPTER. This subchapter does not
5 apply to a sale or lease of land that includes the transfer of the
6 ownership of or a leasehold interest in the groundwater or surface
7 water rights unless the primary purpose of the purchaser or lessee
8 in purchasing or leasing the land is to acquire the ownership of or
9 a leasehold interest in the groundwater or surface water rights.

10 Sec. 16.452. REGISTRATION REQUIRED. Unless the person is
11 registered by the executive administrator under this subchapter, a
12 person may not:

13 (1) sell or lease a right of any kind to more than 100
14 acre-feet a year of surface water or groundwater to another person;
15 or

16 (2) agree to provide more than 100 acre-feet a year of
17 surface water or groundwater to another person.

18 Sec. 16.453. ELIGIBILITY FOR REGISTRATION. To be eligible
19 for registration under this subchapter, a person must submit to the
20 executive administrator:

21 (1) an application on a form prescribed by board rule;
22 and

23 (2) a fee in an amount determined by board rule that is
24 sufficient to cover the costs incurred by the board in
25 administering this subchapter.

26 Sec. 16.454. REGISTRATION RENEWAL. Registration under this
27 subchapter must be renewed annually.

1 Sec. 16.455. REPORTING WATER TRANSACTIONS. A person who
2 sells or leases a right of any kind to more than 100 acre-feet a year
3 of surface water or groundwater to another person or agrees to
4 provide more than 100 acre-feet a year of surface water or
5 groundwater to another person shall report the sale, lease, or
6 agreement to the executive administrator not later than the 30th
7 day after the date of closing of the sale or execution of the lease
8 or agreement by submitting to the executive administrator:

9 (1) a report concerning the sale, lease, or agreement
10 that complies with rules adopted by the board; and

11 (2) a transaction reporting fee in an amount
12 determined by board rule that is sufficient to cover the costs
13 incurred by the board in administering this subchapter.

14 Sec. 16.456. ADMINISTRATIVE PENALTY. (a) A person who
15 sells or leases a right of any kind to surface water or groundwater
16 or agrees to provide surface water or groundwater in violation of
17 Section 16.452 or 16.455 is subject to an administrative penalty.
18 The amount of the penalty may not exceed \$5,000 for each sale,
19 lease, or agreement in violation of Section 16.452 or 16.455. A
20 separate penalty may be imposed for a violation of each section if a
21 sale, lease, or agreement violates both sections.

22 (b) The executive administrator may refer a violation of
23 Section 16.452 or 16.455 to the commission. The commission may
24 impose an administrative penalty for the violation in the manner
25 provided by Subchapter C, Chapter 7.

26 Sec. 16.457. DEPOSIT OF FEES AND PENALTIES IN WATER
27 INFRASTRUCTURE FUND. A fee or administrative penalty collected

1 under this subchapter shall be deposited to the credit of the water
2 infrastructure fund.

3 SECTION 2.11. Section 17.125, Water Code, is amended by
4 adding Subsection (b-2) to read as follows:

5 (b-2) The board shall give priority to applications for
6 funds for implementation of water supply projects in the state
7 water plan by entities that:

8 (1) have already demonstrated significant water
9 conservation savings; or

10 (2) will achieve significant water conservation
11 savings by implementing the proposed project for which the
12 financial assistance is sought.

13 SECTION 2.12. Chapter 35, Water Code, is amended by adding
14 Section 35.020 to read as follows:

15 Sec. 35.020. PUBLIC PARTICIPATION IN GROUNDWATER MANAGEMENT
16 PROCESS. It is the policy of the state to encourage public
17 participation in the groundwater management process in areas within
18 a groundwater management area not represented by a groundwater
19 conservation district.

20 SECTION 2.13. Section 36.108, Water Code, is amended by
21 adding Subsections (d-3) and (d-4) to read as follows:

22 (d-3) Except as provided by Subsection (d-4), a district may
23 cast a number of votes equal to the number of counties in the
24 district. For purposes of this subsection, a county is in the
25 district if at least 50 percent of the geographic area of the county
26 lies within the district.

27 (d-4) Notwithstanding Subsection (d-3), a district whose

1 creation was confirmed before September 1, 2007, and which does not
2 include at least 50 percent of the geographic area of any of its
3 constituent counties has one vote.

4 SECTION 2.14. Subsection (b), Section 212.0101, Local
5 Government Code, is amended to read as follows:

6 (b) The Texas [~~Natural Resource Conservation~~] Commission on
7 Environmental Quality by rule shall establish the appropriate form
8 and content of a certification to be attached to a plat application
9 under this section.

10 SECTION 2.15. Subsection (b), Section 232.0032, Local
11 Government Code, is amended to read as follows:

12 (b) The Texas [~~Natural Resource Conservation~~] Commission on
13 Environmental Quality by rule shall establish the appropriate form
14 and content of a certification to be attached to a plat application
15 under this section.

16 SECTION 2.16. Chapter 401, Local Government Code, is
17 amended by adding Section 401.006 to read as follows:

18 Sec. 401.006. IRRIGATION SYSTEMS. (a) A municipality with
19 a population of 5,000 or more by ordinance shall require an
20 installer of an irrigation system:

21 (1) to hold a license issued under Section 1903.251,
22 Occupations Code; and

23 (2) to obtain a permit before installing a system
24 within the territorial limits or extraterritorial jurisdiction of
25 the municipality.

26 (b) The ordinance shall include minimum standards and
27 specifications for designing, installing, and operating irrigation

1 systems in accordance with Section 1903.053, Occupations Code, and
2 any rules adopted by the Texas Commission on Environmental Quality
3 under that section.

4 (c) A municipality may employ or contract with a licensed
5 plumbing inspector or a licensed irrigator to enforce the
6 ordinance.

7 (d) This section does not apply to an on-site sewage
8 disposal system, as defined by Section 366.002, Health and Safety
9 Code.

10 SECTION 2.17. Subsection (b), Section 1903.053,
11 Occupations Code, is amended to read as follows:

12 (b) The commission shall ~~may~~ adopt:

13 (1) standards relating to:

14 (A) the design, installation, and operation of
15 ~~for~~ irrigation systems;

16 (B) ~~that include~~ water conservation; and

17 (C) the duties and responsibilities of licensed
18 irrigators; and

19 (2) rules that provide for effective enforcement of
20 those standards~~[, irrigation system design and installation, and~~
21 ~~compliance with municipal codes]~~.

22 SECTION 2.18. (a) Chapter 9, Water Code, is repealed.

23 (b) The Texas Water Advisory Council is abolished on the
24 effective date of this article.

25 SECTION 2.19. Sections 15.102 and 17.125, Water Code, as
26 amended by this article, and Sections 15.9751 and 16.1311, Water
27 Code, as added by this article, apply only to an application for

1 financial assistance filed with the Texas Water Development Board
2 on or after the effective date of this article. An application for
3 financial assistance filed before the effective date of this
4 article is governed by the law in effect on the date the application
5 was filed, and the former law is continued in effect for that
6 purpose.

7 SECTION 2.20. (a) Not later than December 1, 2007:

8 (1) the Texas Water Development Board shall adopt
9 rules under Subchapter L, Chapter 16, Water Code, as added by this
10 article; and

11 (2) the executive administrator of the Texas Water
12 Development Board shall be prepared to accept applications
13 submitted under Section 16.453, Water Code, as added by this
14 article.

15 (b) A person is not required to be registered under Section
16 16.452, Water Code, as added by this article, until March 1, 2008.

17 (c) Section 16.455, Water Code, as added by this article,
18 applies only to a sale, lease, or agreement entered into on or after
19 March 1, 2008.

20 SECTION 2.21. (a) Not later than June 1, 2008, the Texas
21 Commission on Environmental Quality shall adopt rules as required
22 by Section 1903.053, Occupations Code, as amended by this article,
23 to take effect January 1, 2009.

24 (b) Not later than January 1, 2009, a municipality with a
25 population of 5,000 or more shall adopt an ordinance under Section
26 401.006, Local Government Code, as added by this article.

1 ARTICLE 3. UNIQUE RESERVOIR SITES AND SITES OF UNIQUE ECOLOGICAL
2 VALUE

3 SECTION 3.01. LEGISLATIVE FINDINGS. The legislature finds
4 that:

5 (1) the development of new water supplies to meet the
6 growing demand for water is necessary for the sound economic
7 development of this state and is of concern and importance to this
8 state;

9 (2) feasible sites for new reservoirs are identified
10 as having unique value in the 2006 regional water plans and the 2007
11 state water plan;

12 (3) most of the proposed reservoirs are also part of
13 recommended strategies for fulfilling identified needs in the 2007
14 state water plan that may occur as early as 2010 and 2020;

15 (4) it is necessary to preempt actions that could
16 circumvent the state's primacy over surface water in the state; and

17 (5) designation of these sites as unique reservoir
18 sites or river or stream segments of unique ecological value is
19 necessary for the sound economic development of this state, for the
20 protection of natural resources, and for the purpose of promoting
21 the public health, safety, and general welfare of this state.

22 SECTION 3.02. DESIGNATION OF UNIQUE RESERVOIR SITES. The
23 legislature, as authorized by Subsection (g), Section 16.051, Water
24 Code, designates the following sites as having unique value for the
25 construction of a dam and reservoir and further determines that the
26 sites are necessary to meet water supply needs:

27 (1) Lower Bois d'Arc reservoir, to be located on Bois

1 d'Arc Creek in Fannin County, upstream from the Caddo National
2 Grasslands Wildlife Management Area;

3 (2) Lake Ralph Hall reservoir, to be located on the
4 North Sulphur River in southeast Fannin County, north of the city of
5 Ladonia;

6 (3) Marvin Nichols reservoir, to be located on the
7 Sulphur River upstream from its confluence with White Oak Creek;
8 the dam will be located in Titus and Red River Counties and the
9 reservoir will also impound water in Franklin County;

10 (4) Lake Fastrill reservoir, to be located on the
11 Neches River in Anderson and Cherokee Counties, downstream from
12 Lake Palestine;

13 (5) Tehuacana Creek reservoir, to be located on
14 Tehuacana Creek in Freestone County, south of the Richland-Chambers
15 reservoir, with the two lakes to be connected by a channel;

16 (6) Bédias reservoir, to be located on both Bédias and
17 Caney Creeks in portions of Grimes, Madison, and Walker Counties;

18 (7) Brushy Creek reservoir, to be located near the
19 city of Marlin in central Falls County;

20 (8) Little River reservoir, to be located on the
21 Little River upstream from its confluence with the Brazos River in
22 Milam County;

23 (9) Little River off-channel reservoir, to be located
24 northwest of the city of Milano in Milam County, on Beaver Creek, a
25 tributary of the Little River;

26 (10) Texana Stage II reservoir, also known as Palmetto
27 Bend, to be located on the Lavaca River in Jackson County above the

1 confluence with the Navidad River and extending the existing dam
2 west across the Lavaca River;

3 (11) Goldthwaite channel dam reservoir, to be located
4 on the Colorado River west of the city of Goldthwaite and downstream
5 from the existing diversion structure;

6 (12) Wheeler Branch off-channel reservoir, to be
7 located on the Wheeler Branch tributary of the Paluxy River and
8 north of the city of Glen Rose in Somervell County;

9 (13) Cedar Ridge reservoir, to be located on the Clear
10 Fork of the Brazos River upstream from its confluence with Paint
11 Creek and in Throckmorton, Shackelford, and Haskell Counties;

12 (14) Lake 07 reservoir, to be located in southeastern
13 Lubbock County, to impound developed water resources discharged
14 into Yellowhouse Canyon as part of the Canyon Lakes System, also
15 known as the Jim Bertram Lake System;

16 (15) Lake 08 reservoir, to be located in southeastern
17 Lubbock County, to impound developed water resources discharged
18 into Yellowhouse Canyon as part of the Canyon Lakes System, also
19 known as the Jim Bertram Lake System;

20 (16) Nueces off-channel reservoir, to be located west
21 of Lake Corpus Christi in south central Live Oak County, to be
22 linked to Lake Corpus Christi by pipeline and operated as part of
23 the Choke Canyon-Lake Corpus Christi reservoir system;

24 (17) Ringgold reservoir, to be located on the Little
25 Wichita River in Clay County approximately one-half mile upstream
26 from its confluence with the Red River;

27 (18) Muenster reservoir, to be located on Brushy Elm

1 Creek in western Cooke County; and

2 (19) Brownsville Weir and reservoir, to be located on
3 the lower Rio Grande in Cameron County; the proposed project
4 consists of a weir structure across the channel of the river
5 approximately eight miles downstream from the city of Brownsville.

6 SECTION 3.03. DESIGNATION OF SITES OF UNIQUE ECOLOGICAL
7 VALUE. The legislature, as authorized by Subsection (f), Section
8 16.051, Water Code, designates those river or stream segment sites
9 recommended in the 2007 state water plan as being of unique
10 ecological value.

11 SECTION 3.04. EFFECTIVE DATE. This article takes effect
12 immediately if it receives a vote of two-thirds of all the members
13 elected to each house, as provided by Section 39, Article III, Texas
14 Constitution. If this Act does not receive the vote necessary for
15 immediate effect, this article takes effect September 1, 2007.

16 ARTICLE 4. LEGISLATIVE JOINT INTERIM COMMITTEE

17 SECTION 4.01. (a) In this section, "committee" means the
18 joint interim committee on state water funding.

19 (b) The committee is composed of eight members as follows:

20 (1) the chair of the Senate Committee on Natural
21 Resources and the chair of the House Committee on Natural Resources
22 who shall serve as joint chairs of the committee;

23 (2) three members of the senate appointed by the
24 lieutenant governor; and

25 (3) three members of the house of representatives
26 appointed by the speaker of the house of representatives.

27 (c) An appointed member of the committee serves at the

1 pleasure of the appointing official.

2 (d) The committee shall meet at least annually with the
3 executive director of the Texas Commission on Environmental Quality
4 and the executive administrator of the Texas Water Development
5 Board to:

6 (1) receive information on water infrastructure needs
7 as identified in the state water plan;

8 (2) receive information on infrastructure cost and
9 funding options to be used by local entities to meet the needs
10 identified in the state water plan;

11 (3) receive analyses of the funding gap and
12 recommendations on how to address those funding needs;

13 (4) receive information on whether all water fees
14 assessed are sufficient to support the required regulatory
15 water-related state program functions and activities; and

16 (5) identify viable, sustainable, dedicated revenues
17 and fee sources, or increases to existing revenue and fees, to
18 support state water programs and to provide for natural resources
19 data collection and dissemination, financial assistance programs,
20 and water resources planning, including funding to implement water
21 management strategies in the state water plan.

22 (e) The committee may hold hearings and may request reports
23 and other information from state agencies as necessary to carry out
24 this section.

25 (f) The Senate Committee on Natural Resources and the House
26 Committee on Natural Resources shall provide staff necessary for
27 the committee to fulfill its duties.

1 (g) Not later than December 1, 2008, the committee shall
2 report to the governor, the lieutenant governor, and the speaker of
3 the house of representatives on the committee's activities under
4 Subsection (d) of this section. The report shall include
5 recommendations of any legislative action necessary to address
6 funding needs to support the state's water programs and water
7 infrastructure needs.

8 ARTICLE 5. EFFECTIVE DATE

9 SECTION 5.01. Except as otherwise provided by this Act,
10 this Act takes effect September 1, 2007.