

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION
Revision 1

April 11, 2007

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB4 by Puente (Relating to water conservation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4, As Introduced: a negative impact of (\$667,546) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$340,773)
2009	(\$326,773)
2010	(\$321,773)
2011	(\$326,773)
2012	(\$321,773)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$340,773)
2009	(\$326,773)
2010	(\$321,773)
2011	(\$326,773)
2012	(\$321,773)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	5.0
2009	5.0
2010	5.0
2011	5.0
2012	5.0

Fiscal Analysis

This bill establishes a new Water Conservation Advisory Council (Council) composed of 17 members appointed by the Texas Water Development Board (TWDB) to represent the following entities: Texas Commission on Environmental Quality (TCEQ) ; Department of Agriculture; Parks and Wildlife Department (TPWD); State Soil and Water Conservation Board; TWDB; regional water planning

groups; federal agencies; municipalities; groundwater conservation districts; river authorities; environmental groups; irrigation districts; industries; institutional water users; professional organizations focused on water conservation; higher education; and agricultural groups.

The Council shall provide expertise in water conservation including: monitoring trends and new technologies in water conservation implementation; developing and implementing a state water management resource library; and monitoring the implementation of water conservation strategies by water users included in regional water plans. The Council would be required to submit a report to the Legislature and the Governor in even-numbered years on progress made in state water conservation. The TWDB would be responsible for assisting the Council in performance of these duties. The members would serve without compensation, but would be eligible for reimbursement of Council related expenses.

The bill would require the TWDB to develop and implement a statewide water conservation awareness program to educate residents of the state about water conservation. The bill would also require the TWDB to review water conservation plans and annual reports submitted by water utilities.

The bill amends the Government Code to require that rainwater harvesting systems be incorporated into the design and construction of: (1) each new state building with a roof measuring at least 10,000 square feet, and (2) any other new state building for which the incorporation of such systems is feasible.

The bill requires the TCEQ to adopt and enforce rules regulating the design, installation, and operation of irrigation systems, and the duties of licensed irrigators.

Methodology

The TWDB anticipates needing 1 additional FTE (Program Specialist II) and associated expenses in each fiscal year to provide operational assistance to the Council for a total of approximately \$61,000 a fiscal year. In order to conduct studies and provide data requested by the Council, one FTE (Research Specialist I) and associated operating expenses would be required each fiscal year, for a total of \$49,000 a fiscal year. The agency also estimates an additional other operating expense of \$5,000 a fiscal year in fiscal year 2009 and fiscal year 2011 related to development and publication of the report on water conservation in the state. The agency anticipates the cost to reimburse the members of the Council for Council-related duties to be \$15,000 a fiscal year.

In this cost estimate it is assumed that TWDB staff would be able to provide any necessary studies requested by the Council. If these studies were not able to be done with existing staff resources, the TWDB estimates that it could cost as much as \$50,000 a fiscal year to contract out to do such studies. These costs, however, are not included in this estimate.

The TWDB estimates that they will need 2.0 FTEs in each fiscal year for the public awareness program to provide oversight and administration of the program at a cost of approximately \$122,000 per fiscal year. Providing a public awareness campaign on the scale of the Texas Department of Transportation's "Don't Mess with Texas" campaign, could cost as much as \$9 million for the biennium. However, these costs are not included in this estimate. Instead it is assumed that the TWDB would use existing resources to begin developing a statewide water conservation public awareness campaign.

The TWDB anticipates needing 1 additional FTE and related costs in each fiscal year to review the water conservation plans and annual reports of retail water supply systems for a total of approximately \$61,000 a fiscal year.

This estimate assumes that all costs associated with this bill would be paid out of the General Revenue Fund.

There would be no significant impact to state agencies associated with requirement that rainwater harvesting systems be incorporated into the design and construction of new state buildings. According to the Texas Building and Procurement Commission, it is estimated that 30 new state buildings will be

built during the 2008-09 biennium, and according to estimates from the TPWD it will cost approximately \$16,500 per building for the installment of a rainwater harvesting system.

No significant fiscal implications are expected to the TCEQ as a result of provisions in this bill. It is anticipated that any costs associated with the regulation of irrigation systems can be absorbed by the TCEQ.

Technology

None.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 592 Soil and Water Conservation Board, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

LBB Staff: JOB, WK, ZS, JF