AN ACT

relating to studies by the Texas Water Development Board of water needs and availability in this state.

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

SECTION 1. (a) In this section, "board" means the Texas Water Development Board.

(b) The board shall:

(1) conduct a study of water needs and availability in this state; and

(2) use the results of the study to produce a comprehensive water resources map.

(c) The study must consider:

(1) opportunities for, obstacles to, and costs associated with the development of new sources of water, including but not limited to the diversion of water from contiguous states, the use of flood control diversion channels, and the reuse of water associated with oil and gas operations;

(2) potential locations of facilities for the desalination of marine seawater and brackish groundwater;

(3) the allocation of costs associated with the transportation of desalinated marine seawater and brackish groundwater from the place of production to end users;

(4) the potential for the use of public-private partnerships for water development projects in this state; and
S.B. No. 1525

1 (5) methods to ensure that stakeholders from all water
2 user groups are included in the development of plans for the use of
3 water in this state.
4
5 (d) In conducting the study, the board may consult with the
6 Texas Commission on Environmental Quality.
7
8 (e) Not later than December 1, 2018, the board shall submit
9 to each standing committee of the legislature having primary
10 jurisdiction over water development:
11
12 (1) a report of the findings of the study conducted
13 under this section; and
14
15 (2) the map developed by the board under Subsection
16 (b) of this section.
17
18 SECTION 2. Section 11.155, Water Code, is amended to read as
19 follows:
20
21 Sec. 11.155. AQUIFER STORAGE AND RECOVERY REPORTS.
22
23 (a) The board shall make studies, investigations, and surveys of
24 the aquifers in the state as it considers necessary to determine the
25 occurrence, quantity, quality, and availability of aquifers in
26 which water may be stored and subsequently retrieved for beneficial
27 use.
28
29 (b) The board, working with appropriate interested persons,
30 including groundwater conservation districts, regional water
31 planning groups, and potential sponsors of aquifer storage and
32 recovery projects, shall:
33
34 (1) conduct studies of aquifer storage and recovery
35 projects identified in the state water plan or by interested
36 persons; and
(2) report the results of each study conducted under Subdivision (1) to regional water planning groups and interested persons.

(c) This subsection expires January 1, 2019. The board shall:

(1) conduct a statewide survey of the most favorable areas for aquifer storage and recovery;

(2) prepare a report that includes an overview of the survey conducted under Subdivision (1); and

(3) not later than December 15, 2018, submit the report described by Subdivision (2) to the governor, lieutenant governor, and speaker of the house of representatives. [The board shall undertake the studies, investigations, and surveys in the following order of priority:

[(1) areas designated by the commission as "priority groundwater management areas" under Section 35.008; and

[(2) other areas of the state in a priority to be determined by the board's ranking of where the greatest need exists.]

SECTION 3. The Texas Water Development Board is required to implement Sections 11.155(b) and (c), Water Code, as added by this Act, only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the board may, but is not required to, implement Sections 11.155(b) and (c), Water Code, as added by this Act, using other appropriations available for the purpose.

SECTION 4. This Act takes effect September 1, 2017.
S.B. No. 1525

I hereby certify that S.B. No. 1525 passed the Senate on April 19, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2017, by the following vote: Yeas 31, Nays 0.

I hereby certify that S.B. No. 1525 passed the House, with amendment, on May 24, 2017, by the following vote: Yeas 144, Nays 2, one present not voting.

Approved:

Date

Governor

FILED IN THE OFFICE OF THE SECRETARY OF STATE
3 PM O'CLOCK

JUN 15 2017
Secretary of State

4
PROCLAMATION
BY THE
Governor of the State of Texas
41-3541

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Greg Abbott, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1525 as passed by the Eighty-Fifth Texas Legislature, Regular Session, because of the following objections:

The Texas Water Development Board can perform the study mandated by Senate Bill 1525 with or without this legislation.

Since the Eighty-Fifth Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 15th day of June, 2017.

GREG Abbott
Governor of Texas

ATTESTED BY:

ROLANDO B. PABLOS
Secretary of State
TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1525 by Perry (Relating to a study by the Texas Water Development Board of water needs and availability in this state.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB1525, As Passed 2nd House: a negative impact of ($1,149,340) through the biennium ending August 31, 2019.

The Water Development Board would only be required to conduct a study on aquifer storage and recovery projects and a study on favorable areas if the legislature appropriates funds specifically for that purpose. If the legislature does not make such an appropriation, TWDB may, but is not required to, conduct studies using other appropriations available for the purpose.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>($847,895)</td>
</tr>
<tr>
<td>2019</td>
<td>($301,445)</td>
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<tr>
<td>2020</td>
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<td>($301,445)</td>
</tr>
<tr>
<td>2022</td>
<td>($301,445)</td>
</tr>
</tbody>
</table>

All Funds, Five-Year Impact:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Probable Revenue Gain/(Loss) from General Revenue Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
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<td>($301,445)</td>
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<tr>
<td>2022</td>
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</tr>
</tbody>
</table>
Fiscal Analysis

The bill would require the Texas Water Development Board (TWDB) to conduct three studies.

(1) The bill would require TWDB to conduct a study and produce a comprehensive water resources map of water needs and availability which considers development of additional water resources. The study would also be required to consider potential locations for desalination facilities and the allocation of costs associated with transporting desalinated water.

(2) The bill would direct TWDB to conduct studies of aquifer storage and recovery projects identified in the state water plan or by interested parties. TWDB would be required to work with groundwater conservation districts, regional water planning groups, and potential sponsors of aquifer storage and recovery projects in conducting these studies. TWDB would be required to report the results of each study to regional water planning groups and to interested parties.

(3) The bill would also direct TWDB to conduct a statewide survey of the most favorable areas for aquifer storage and recovery and to report on its findings by December 15, 2018. The subsection of the bill related to the statewide survey would expire on January 1, 2019.

TWDB would only be required to conduct study (2) on aquifer storage and recovery projects and study (3) on favorable areas if the legislature appropriates money specifically for that purpose. If the legislature does not make such an appropriation, TWDB may, but is not required to, conduct studies using other appropriations available for the purpose.

The bill would take effect September 1, 2017.

Methodology

TWDB has indicated it could conduct study (1) using existing resources.

For study (2) on aquifer storage and recovery projects and study (3) on favorable areas, TWDB estimates it will need to hire three additional geoscientists in order to conduct the studies required by the bill at an annual cost of $285,145 including salary, benefits, and necessary travel. Overtime expenses for computer equipment and geographic information system (GIS) licenses for the three new FTEs are estimated at $45,450. Ongoing annual GIS maintenance fees for the three new FTEs are estimated to be $6,300. TWDB has included an additional $1,000 in the first year for an existing FTE to travel to new meetings for stakeholders that will need to take place.

Based on previous project costs, TWDB estimates that the cost to conduct a statewide survey is $500,000. TWDB estimates that it will need additional data storage from Data Center Services in the amount of $10,000 per year.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Change in Number of State Employees from FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.0</td>
</tr>
<tr>
<td>2019</td>
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Technology

According to TWDB, there would be a cost of $10,000 per year for State Data Center services for data storage.

Local Government Impact

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

Source Agencies: 580 Water Development Board
LBB Staff: UP, SZ, MW, PBO, JGA, PM
TO: Honorable Lyle Larson, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1525 by Perry (Relating to a study by the Texas Water Development Board of water needs and availability in this state.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Water Development Board (TWDB) to conduct a study and produce a comprehensive water resources map of water needs and availability which considers development of additional water resources. The study would also be required to consider potential locations for desalination facilities and the allocation of costs associated with transporting desalinated water. Based on the analysis of TWDB and the Texas Commission on Environmental Quality, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

Local Government Impact

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

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, MW, PBO, PM
TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1525 by Perry (Relating to a study by the Texas Water Development Board of water needs and availability in this state.), As Introduced

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Water Development Board (TWDB) to conduct a study and produce a comprehensive water resources map of water needs and availability which considers development of additional water resources. The study would also be required to consider potential locations for desalination facilities and the allocation of costs associated with transporting desalinated water. Based on the analysis of TWDB and the Texas Commission on Environmental Quality, duties and responsibilities associated with implementing the provisions of the bill could be accomplished using existing resources.

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