

AN ACT

relating to the oversight and financing of certain water infrastructure matters under the jurisdiction of the Texas Water Development Board.

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

ARTICLE 1. WATER INFRASTRUCTURE DEVELOPMENT

SECTION 1.01. Chapter 6, Water Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. WATER SUPPLY CONVEYANCE COORDINATION

Sec. 6.301. DEFINITION. In this subchapter, "project" means a water supply development, treatment, or conveyance project eligible to receive financial assistance from the board.

Sec. 6.302. RESPONSIBILITIES OF BOARD. (a) Subject to legislative appropriation, the board shall:

(1) for the development of infrastructure to transport water that is made available by a project, facilitate joint planning and coordination between project sponsors, governmental entities, utilities, common carriers, and other entities, as applicable, to reduce the necessity of exercising the power of eminent domain to obtain interests in real property by using existing transportation and utility easements;

(2) facilitate the development of guidance and best practices for the standardization of the specifications, materials, and components used to design and construct

1 infrastructure to transport water;

2 (3) facilitate the development of standards and
3 guidance to ensure potential interconnectivity and
4 interoperability between different systems developed to transport
5 water from different projects;

6 (4) facilitate the development of mechanical and
7 technical standards for the integration of water that is made
8 available by a project into a water supply system or into
9 infrastructure to transport water that is made available by a
10 project, as applicable; and

11 (5) take other action the board determines necessary
12 to facilitate interconnectivity and interoperability between
13 different infrastructure developed to transport water from
14 different projects.

15 (b) When developing guidance and best practices under
16 Subsection (a)(2), the board shall, if practicable, recommend
17 building excess capacity into infrastructure to transport water to
18 facilitate the transportation of additional water supplies that are
19 developed after the initial construction of the infrastructure.

20 Sec. 6.303. USE OF PROFESSIONAL AND CONSULTING SERVICES
21 AUTHORIZED. (a) The board may procure professional and consulting
22 services to achieve a purpose described by Section 6.302.

23 (b) Chapter 2254, Government Code, applies to the
24 procurement of professional and consulting services by the board.

25 Sec. 6.304. FORMATION OF AD HOC COMMITTEES AUTHORIZED. The
26 board may convene one or more ad hoc committees composed of
27 representatives of current or potential project sponsors, the Texas

1 Department of Transportation, river authorities, retail public
2 utilities, electric utilities, counties, municipalities, special
3 purpose districts, common carriers, and other entities considered
4 appropriate by the board to advise and assist the board in
5 fulfilling any purpose described by Section 6.302, including in
6 drafting any guidance or best practices described by that section.

7 Sec. 6.305. PAYMENT OF EXPENSES FROM TEXAS WATER FUND
8 ADMINISTRATIVE FUND. Pursuant to Section 15.504(f), the board
9 shall pay from the Texas water fund administrative fund established
10 under Section 15.508:

11 (1) the necessary and reasonable administrative
12 expenses, including staffing expenses, incurred in administering
13 its responsibilities under this subchapter; and

14 (2) the necessary and reasonable expenses for the
15 procurement of professional and consulting services under Section
16 6.303.

17 SECTION 1.02. Section 11.036, Water Code, is amended by
18 adding Subsection (e) to read as follows:

19 (e) This section does not apply to a transfer of water or
20 water rights originating from outside this state under Section
21 15.703(a)(6) to any person having the right to acquire use of the
22 water.

23 SECTION 1.03. Section 15.153, Water Code, is amended by
24 amending Subsection (b) and adding Subsection (e) to read as
25 follows:

26 (b) The fund may be used to:

27 (1) provide financial assistance to political

1 subdivisions to develop water supply projects that create new water
2 sources for the state, including:

3 (A) desalination projects, including marine and
4 brackish water desalination;

5 (B) produced water treatment projects, other
6 than projects that are only for purposes of oil and gas exploration;

7 (C) aquifer storage and recovery projects; ~~and~~

8 (D) water and wastewater reuse projects;

9 (E) acquisition of water or water rights
10 originating from outside this state;

11 (F) reservoir projects for which:

12 (i) the required land has already been
13 acquired;

14 (ii) a permit for the discharge of dredged
15 or fill material has been issued by the United States Secretary of
16 the Army under Section 404, Federal Water Pollution Control Act (33
17 U.S.C. Section 1344); and

18 (iii) a permit for the storage, taking, or
19 diversion of state water has been issued by the commission under
20 Section 11.121; and

21 (G) the development of infrastructure to
22 transport water or integrate water into a water supply system,
23 other than groundwater produced from a well in this state ~~water~~
24 that is not part of ~~made available by~~ a project described by this
25 subdivision;

26 (2) make transfers from the fund:

27 (A) to the state water implementation fund for

1 Texas established under Subchapter G or the Texas Water Development
2 Fund II established under Subchapter L, Chapter 17; and

3 (B) for a purpose described by Subdivision (1);
4 ~~and~~

5 (3) make transfers from the fund to the water bank
6 account established under Section 15.707; and

7 (4) make transfers from the fund:

8 (A) to the Texas Water Development Fund II state
9 participation account established under Section 17.957; and

10 (B) for a purpose described by Subdivision (1).

11 (e) Money from the fund may be used to acquire another
12 person's right acquired or authorized in accordance with state law
13 to impound, divert, or use state water only by a water supply
14 contract or a lease of that right from its owner.

15 SECTION 1.04. Effective September 1, 2027, Section 15.153,
16 Water Code, is amended by adding Subsection (f) to read as follows:

17 (f) For purposes of Section 7-e(c), Article VIII, Texas
18 Constitution, groundwater is considered brackish if, at the time of
19 production from a well, the groundwater had a total dissolved
20 solids concentration of not less than 3,000 milligrams per liter.

21 SECTION 1.05. Sections 15.502(b) and (e), Water Code, are
22 amended to read as follows:

23 (b) The board may use the fund only to transfer money to:

24 (1) the water assistance fund established under
25 Subchapter B;

26 (2) the new water supply for Texas fund established
27 under Subchapter C-1;

1 (3) the state water implementation fund for Texas
2 established under Subchapter G;

3 (4) the state water implementation revenue fund for
4 Texas established under Subchapter H;

5 (4-a) the Texas water fund administrative fund
6 established under Section 15.508;

7 (4-b) the flood infrastructure fund established under
8 Subchapter I;

9 (5) a revolving fund established under Subchapter J;

10 (6) the rural water assistance fund established under
11 Subchapter R;

12 (7) the statewide water public awareness account
13 established under Section 16.027;

14 (8) the Texas Water Development Fund II water
15 financial assistance account established under Section 17.959;
16 [~~and~~]

17 (8-a) the Texas Water Development Fund II economically
18 distressed areas program account established under Section 17.958;

19 (9) the Texas Water Development Fund II state
20 participation account established under Section 17.957; and

21 (10) the agricultural water conservation fund
22 established under Section 50-d, Article III, Texas Constitution.

23 (e) The fund consists of:

24 (1) money transferred or deposited to the credit of
25 the fund by law, including:

26 (A) money appropriated by the legislature
27 directly to the fund; and

1 (B) money from any source transferred or
2 deposited to the credit of the fund as authorized by law;

3 (2) any other revenue that the legislature by statute
4 dedicates for deposit to the credit of the fund;

5 (3) investment earnings and interest earned on amounts
6 credited to the fund;

7 (4) money from gifts, grants, or donations to the
8 fund; and

9 (5) money returned from any authorized transfer.

10 SECTION 1.06. Effective September 1, 2027, Section
11 [15.502\(e\)](#), Water Code, is amended to read as follows:

12 (e) The fund consists of:

13 (1) money transferred or deposited to the credit of
14 the fund by law, including:

15 (A) money transferred or deposited to the credit
16 of the fund as provided by Section 7-e, Article VIII, Texas
17 Constitution;

18 (B) money appropriated by the legislature
19 directly to the fund; and

20 (C) money from any source transferred or
21 deposited to the credit of the fund as authorized by law;

22 (2) any other revenue that the legislature by statute
23 dedicates for deposit to the credit of the fund;

24 (3) investment earnings and interest earned on amounts
25 credited to the fund;

26 (4) money from gifts, grants, or donations to the
27 fund; and

1 (5) money returned from any authorized transfer.

2 SECTION 1.07. Section 15.504, Water Code, is amended by
3 amending Subsections (b), (c), and (f) and adding Subsection (f-1)
4 to read as follows:

5 (b) Except as provided by Subsection (f) and other than
6 money transferred to the state water implementation fund for Texas
7 established under Subchapter G, the ~~The~~ board may not transfer
8 money to a fund or account described by Section 15.502(b) until the
9 application for the project for which the money is to be used has
10 been approved.

11 (c) The board shall ensure that a portion of the money
12 transferred from the fund is used for:

13 (1) water and wastewater infrastructure projects,
14 including projects to rehabilitate or replace deficient or
15 deteriorating infrastructure, prioritized by risk or need for
16 financial assistance, including grants, for:

17 (A) rural political subdivisions; and

18 (B) municipalities with a population of less than
19 150,000;

20 (2) projects for which all required state or federal
21 permitting has been substantially completed, as determined by the
22 board;

23 (3) the statewide water public awareness program
24 established under Section 16.026;

25 (4) water conservation strategies; ~~and~~

26 (5) water loss mitigation projects; and

27 (6) technical assistance for applicants in obtaining

1 and using financial assistance from funds and accounts administered
2 by the board.

3 (f) In each state fiscal year, the [The] board may transfer
4 not more than two percent of the money deposited to the credit of
5 the fund in that state fiscal year to the Texas water fund
6 administrative fund established under Section 15.508 [use the fund]
7 to pay or reimburse the board for the necessary and reasonable
8 expenses of the board in administering the fund as provided by
9 Section 15.508(c) [not to exceed two percent].

10 (f-1) The board may enter into an agreement with the
11 commission to pay from the Texas water fund administrative fund
12 established under Section 15.508 the necessary and reasonable
13 staffing expenses, not to exceed \$2 million, incurred by the
14 commission on or before August 31, 2027, for the review of permit
15 applications for water supply projects receiving financial
16 assistance from the fund. This subsection expires September 1,
17 2028.

18 SECTION 1.08. Section 15.505, Water Code, is amended to
19 read as follows:

20 Sec. 15.505. TRANSFER OF MONEY. (a) Notwithstanding any
21 other law:

22 (1) the board may[+
23 [~~(A)~~] transfer money from the fund into any other
24 fund or account described by Section 15.502(b); and
25 [~~(B) restore to the fund money transferred from~~
26 ~~the fund and deposited to the credit of a fund or account described~~
27 ~~by Section 15.502(b), and]~~

1 (2) a fund or account described by Section 15.502(b)
2 may accept a transfer of money made under this subchapter.

3 (b) The board may not restore to the fund money transferred
4 from the fund and deposited to the credit of a fund or account
5 described by Section 15.502(b).

6 SECTION 1.09. Effective September 1, 2027, Section 15.505,
7 Water Code, is amended by adding Subsections (c) and (d) to read as
8 follows:

9 (c) Of the amount of money deposited to the credit of the
10 Texas water fund under Section 7-e, Article VIII, Texas
11 Constitution, before September 1, 2047, the administrator of the
12 fund shall allocate not less than 50 percent to be used only for
13 transfer to either or both of the following funds:

14 (1) the new water supply for Texas fund established
15 under Subchapter C-1; or

16 (2) the state water implementation fund for Texas
17 established under Subchapter G.

18 (d) This subsection and Subsection (c) expire August 31,
19 2047.

20 SECTION 1.10. Subchapter H-1, Chapter 15, Water Code, is
21 amended by adding Section 15.508 to read as follows:

22 Sec. 15.508. ADMINISTRATIVE FUND. (a) The Texas water fund
23 administrative fund is a fund outside the general revenue fund
24 administered by the board and established for the payment of or
25 reimbursement of the board for the expenses incurred by the board in
26 administering the Texas water fund.

27 (b) The Texas water fund administrative fund consists of:

1 (1) money appropriated to the board for deposit to the
2 credit of the administrative fund;

3 (2) money transferred by the board to the
4 administrative fund under Section 15.504(f) or other law; and

5 (3) depository interest allocable to the
6 administrative fund.

7 (c) Pursuant to Section 15.504(f), the board may pay from
8 the Texas water fund administrative fund necessary and reasonable
9 expenses of the board in administering the Texas water fund,
10 including:

11 (1) staffing expenses incurred in administering its
12 responsibilities for providing grants, loans, financial
13 assistance, and technical assistance and procuring professional
14 and consulting services through and for all funds eligible to
15 receive transfers from the Texas water fund;

16 (2) carrying out responsibilities under Subchapter H,
17 Chapter 6; and

18 (3) any purposes for which money is appropriated by
19 the legislature from the Texas water fund administrative fund
20 related to the Texas water fund and all funds eligible to receive
21 transfers from the Texas water fund.

22 SECTION 1.11. Subchapter B, Chapter 16, Water Code, is
23 amended by adding Section 16.0123 to read as follows:

24 Sec. 16.0123. INTERIM STUDY OF INCORPORATION OF WASTEWATER
25 PLANNING INTO STATE WATER PLANNING PROCESS. (a) Using existing
26 resources, the executive administrator shall conduct a study to
27 determine:

1 (1) the feasibility and practicability of
2 incorporating planning for the development of infrastructure to
3 meet the state's current and future wastewater treatment needs into
4 the process used to produce each state water plan under Section
5 16.051, beginning with the five-year state water planning period
6 ending January 5, 2032; and

7 (2) the statutory changes necessary to facilitate the
8 incorporation of the wastewater treatment planning described by
9 Subdivision (1) into the process used to produce each state water
10 plan under Section 16.051, beginning with the five-year state water
11 planning period ending January 5, 2032.

12 (b) Not later than December 1, 2026, the executive
13 administrator shall provide a report of the study's findings to:

14 (1) the governor;
15 (2) the lieutenant governor;
16 (3) the speaker of the house of representatives;
17 (4) each member of the Texas Water Fund Advisory
18 Committee established under Section 15.009; and

19 (5) each member of the standing committees of the
20 senate and the house of representatives having primary jurisdiction
21 over water resources.

22 (c) This section expires May 31, 2027.

23 SECTION 1.12. Section 15.703(a), Water Code, is amended to
24 read as follows:

25 (a) The board may take all actions necessary to operate the
26 water bank and to facilitate the transfer of water rights from the
27 water bank for future beneficial use, including but not limited to:

- 1 (1) negotiating a sale price and terms acceptable to
2 the depositor and purchaser;
- 3 (2) maintaining a registry of water bank deposits and
4 those water users in need of additional supplies;
- 5 (3) informing water users in need of additional supply
6 of water rights available in the bank;
- 7 (4) encouraging water right holders to implement water
8 conservation practices and deposit the right to use the conserved
9 water into the bank;
- 10 (5) establishing requirements for deposit of a water
11 right into the water bank, including minimum terms for deposit;
- 12 (6) purchasing, holding, and transferring water or
13 water rights in its own name, including purchasing, holding, and
14 transferring water or water rights originating from outside this
15 state for the purpose of providing water for the use or benefit of
16 this state;
- 17 (7) establishing regional water banks;
- 18 (8) acting as a clearinghouse for water marketing
19 information, including water availability, pricing of water
20 transactions, environmental considerations, and potential buyers
21 and sellers of water rights;
- 22 (9) preparing and publishing a manual on structuring
23 water transactions;
- 24 (10) accepting and holding donations of water rights
25 to meet instream, water quality, fish and wildlife habitat, or bay
26 and estuary inflow needs;
- 27 (11) entering into contracts with persons to pay for

1 feasibility studies or the preparation of plans and specifications
2 relating to water conservation efforts or to estimate the amount of
3 water that would be saved through conservation efforts; and

4 (12) other actions to facilitate water transactions.

5 SECTION 1.13. Section 16.131(a), Water Code, is amended to
6 read as follows:

7 (a) The board may use the state participation account of the
8 development fund to encourage optimum regional and interregional
9 development of projects, including the design, acquisition, lease,
10 construction, reconstruction, development, or enlargement in whole
11 or part of:

12 (1) reservoirs and storm water retention basins for
13 water supply, flood protection, and groundwater recharge;

14 (2) facilities for the transmission and treatment of
15 water;

16 (3) treatment works as defined by Section 17.001;
17 ~~and~~

18 (4) interregional water supply projects selected
19 under Section 16.145; and

20 (5) projects described by Section 15.153(b)(1).

21 SECTION 1.14. Section 17.0112(a), Water Code, is amended to
22 read as follows:

23 (a) The board may issue not more than \$100 ~~[\$25]~~ million in
24 bonds ~~[dedicated under Section 17.0111 of this code and may issue~~
25 ~~not more than \$50 million in bonds]~~ authorized under Article III,
26 Texas Constitution, during a fiscal year to provide financial
27 assistance for water supply and sewer services as provided under

1 Subchapter K of this chapter.

2 SECTION 1.15. Section 17.933(c), Water Code, is amended to
3 read as follows:

4 (c) The total amount of financial assistance provided by the
5 board to political subdivisions under this subchapter from
6 state-issued bonds for which repayment is not required may not
7 exceed at any time 90 [~~70~~] percent of the total principal amount of
8 issued and unissued bonds authorized under Article III of the Texas
9 Constitution, for purposes of this subchapter plus outstanding
10 interest on those bonds.

11 SECTION 1.16. The following provisions of the Water Code
12 are repealed:

13 (1) Section 16.131(c); and

14 (2) Section 16.146(h).

15 ARTICLE 2. LEGISLATIVE OVERSIGHT

16 SECTION 2.01. Section 15.431(1), Water Code, is amended to
17 read as follows:

18 (1) "Advisory committee" means the [~~State Water~~
19 ~~Implementation Fund for~~] Texas Water Fund Advisory Committee.

20 SECTION 2.02. Section 15.438, Water Code, is transferred to
21 Subchapter A, Chapter 15, Water Code, redesignated as Section
22 15.009, Water Code, and amended to read as follows:

23 Sec. 15.009 [~~15.438~~]. TEXAS WATER FUND ADVISORY COMMITTEE.

24 (a) The [~~State Water Implementation Fund for~~] Texas Water Fund
25 Advisory Committee is composed of the following eight [~~seven~~]
26 members:

27 (1) the comptroller, or a person designated by the

1 comptroller;

2 (2) the director of the Texas Division of Emergency
3 Management or the successor in function to that entity, or a person
4 designated by that person;

5 (3) the chair of the committee of the senate having
6 primary jurisdiction over water resources;

7 (4) the chair of the committee of the house of
8 representatives having primary jurisdiction over water resources;

9 (5) two [~~three~~] members of the senate appointed by the
10 lieutenant governor, including at least one [+

11 [(A) ~~a~~] member of the committee of the senate
12 having primary jurisdiction over matters relating to finance; and

13 (6) two [~~and~~

14 [(B) ~~the chair of the committee of the senate~~
15 ~~having primary jurisdiction over water resources; and~~

16 [(3) ~~three~~] members of the house of representatives
17 appointed by the speaker of the house of representatives, including
18 at least one [+

19 [(A) ~~a~~] member of the committee of the house of
20 representatives having primary jurisdiction over appropriations [+
21 ~~and~~

22 [(B) ~~the chair of the committee of the house of~~
23 ~~representatives having primary jurisdiction over water resources].~~

24 (b) The board [~~following persons~~] shall designate agency
25 personnel to serve as staff support for the advisory committee [+

26 [(1) ~~the deputy executive administrator of the board~~
27 ~~who is responsible for water science and conservation or a person~~

1 ~~who holds an equivalent position at the agency, or a person~~
2 ~~designated by that person;~~

3 ~~[(2) the deputy executive administrator of the board~~
4 ~~who is responsible for water resources planning and information or~~
5 ~~a person who holds an equivalent position at the agency, or a person~~
6 ~~designated by that person; and~~

7 ~~[(3) the chief financial officer of the board, or a~~
8 ~~person who holds an equivalent position at the agency].~~

9 (c) A ~~[An appointed]~~ member of the advisory committee
10 designated under Subsection (a)(1) or (2) or appointed under
11 Subsection (a)(5) or (6) serves at the will of the person who
12 designated or appointed the member.

13 (d) The members of the advisory committee described by
14 Subsections (a)(3) and (4) serve as ~~[lieutenant governor shall~~
15 ~~appoint a]~~ co-presiding officers ~~[officer]~~ of the ~~[advisory]~~
16 committee ~~[from among the members appointed by the lieutenant~~
17 ~~governor, and the speaker of the house of representatives shall~~
18 ~~appoint a co-presiding officer of the committee from among the~~
19 ~~members appointed by the speaker].~~

20 (e) The advisory committee may hold public hearings, formal
21 meetings, or work sessions. Either co-presiding officer of the
22 advisory committee may call a public hearing, formal meeting, or
23 work session of the advisory committee at any time. The advisory
24 committee may not take formal action at a public hearing, formal
25 meeting, or work session unless a quorum of the committee is
26 present.

27 (f) Except as otherwise provided by this subsection, a

1 member of the advisory committee is not entitled to receive
2 compensation for service on the committee or reimbursement for
3 expenses incurred in the performance of official duties as a member
4 of the committee. Service on the advisory committee by a member of
5 the senate or house of representatives is considered legislative
6 service for which the member is entitled to reimbursement and other
7 benefits in the same manner and to the same extent as for other
8 legislative service.

9 (g) The advisory committee may ~~shall~~ submit comments and
10 recommendations to the board regarding the use of money in:

11 (1) the state water implementation fund for Texas
12 established under Subchapter G ~~[fund]~~ for use by the board in
13 adopting rules under Section 15.439 and in adopting policies and
14 procedures under Section 15.441;

15 (2) the Texas water fund established under Subchapter
16 H-1 for use by the board in adopting rules under Section 15.507;

17 (3) the flood infrastructure fund established under
18 Subchapter I for use by the board in adopting rules under Section
19 15.537; and

20 (4) the Texas infrastructure resiliency fund
21 established under Section 16.452 for use by the board in adopting
22 rules under Section 16.460. ~~[The submission must include:~~

23 ~~[(1) comments and recommendations on rulemaking~~
24 ~~related to the prioritization of projects in regional water plans~~
25 ~~and the state water plan in accordance with Section 15.437;~~

26 ~~[(2) comments and recommendations on rulemaking~~
27 ~~related to establishing standards for determining whether projects~~

1 ~~meet the criteria provided by Section 15.434(b),~~

2 ~~[(3) an evaluation of the available programs for~~
3 ~~providing financing for projects included in the state water plan~~
4 ~~and guidelines for implementing those programs, including~~
5 ~~guidelines for providing financing for projects included in the~~
6 ~~state water plan that are authorized under Subchapter Q or R of this~~
7 ~~chapter, Subchapter E or F, Chapter 16, or Subchapter J, Chapter 17,~~

8 ~~[(4) an evaluation of the lending practices of the~~
9 ~~board and guidelines for lending standards;~~

10 ~~[(5) an evaluation of the use of funds by the board to~~
11 ~~provide support for financial assistance for water projects,~~
12 ~~including support for the purposes described by Section 15.435(c),~~

13 ~~[(6) an evaluation of whether premium financing~~
14 ~~programs should be established within the funds described by~~
15 ~~Section 15.435 to serve the purposes of this subchapter, especially~~
16 ~~in connection with projects described by Section 15.434(b),~~

17 ~~[(7) an evaluation of methods for encouraging~~
18 ~~participation in the procurement process by companies domiciled in~~
19 ~~this state or that employ a significant number of residents of this~~
20 ~~state, and~~

21 ~~[(8) an evaluation of the overall operation, function,~~
22 ~~and structure of the fund.]~~

23 (h) The advisory committee shall review the overall
24 operation, function, and structure of each fund listed in
25 Subsection (g) ~~[the fund]~~ at least semiannually ~~[and may provide~~
26 ~~comments and recommendations to the board on any matter]~~.

27 (i) The advisory committee may:

1 (1) provide comments and recommendations to the board
2 on any matter;

3 (2) review the overall operation, function, and
4 structure of any fund established under this chapter or Chapter 16
5 that is not listed in Subsection (g); and

6 (3) adopt rules, procedures, and policies as needed to
7 administer this section and implement its responsibilities.

8 (j) Chapter 2110, Government Code, does not apply to the
9 size, composition, or duration of the advisory committee.

10 (k) The advisory committee is not subject to Chapter 325,
11 Government Code (Texas Sunset Act). [~~Unless continued in existence~~
12 ~~as provided by that chapter, the advisory committee is abolished~~
13 ~~and this section expires September 1, 2035.~~]

14 (1) The advisory committee may [~~shall~~] make recommendations
15 to the board regarding information to be posted on the board's
16 Internet website relating to the funds listed in Subsection (g)
17 [~~under Section 15.440(b)~~].

18 (m) The advisory committee shall evaluate and may provide
19 comments or recommendations on the feasibility of the state owning,
20 constructing, and operating water supply projects, including
21 reservoirs and major water supply conveyance infrastructure,
22 through existing financial assistance programs under Subchapter E
23 of this chapter, Subchapter E or F, Chapter 16, or other mechanisms.

24 (n) The executive administrator shall provide an annual
25 report to the advisory committee on:

26 (1) the board's compliance with statewide annual goals
27 relating to historically underutilized businesses; and

1 (2) the participation level of historically
2 underutilized businesses in projects that receive funding related
3 to a bond enhancement agreement under Subchapter G [~~this~~
4 ~~subchapter~~].

5 (o) If the aggregate level of participation by historically
6 underutilized businesses in projects that receive funding related
7 to a bond enhancement agreement under Subchapter G [~~this~~
8 ~~subchapter~~] does not meet statewide annual goals adopted under
9 Chapter 2161, Government Code, the advisory committee shall make
10 recommendations to the board to improve the participation level.

11

(p) Notwithstanding Section 552.008, Government Code, the
12 advisory committee may access all records that relate to the
13 administration of the funds described in this section that are
14 maintained by any entity under contract with the board.

15

(q) The board, by providing information under this section
16 that is confidential or otherwise excepted from required disclosure
17 under law, does not waive or affect the confidentiality of the
18 information for purposes of state or federal law or waive the right
19 to assert exceptions to required disclosure of the information in
20 the future. The board may require the requesting individual member
21 of the advisory committee, the requesting advisory committee, or
22 the members or employees of the advisory committee who will view,
23 handle, or retain information that is received under this section
24 and that is confidential under law to sign a confidentiality
25 agreement that covers the information and requires that the
26 information:

27

(1) not be disclosed to anyone but other members of the

1 advisory committee;

2 (2) not be disclosed to another member of the advisory
3 committee for purposes other than the purpose for which it was
4 received;

5 (3) be labeled as confidential;

6 (4) be kept securely; and

7 (5) be controlled, such that all copies of the
8 information or notes taken from the information that implicate the
9 confidential nature of the information that are not destroyed or
10 returned to the board remain confidential and subject to the
11 confidentiality agreement.

12 SECTION 2.03. The following provisions of the Water Code
13 are repealed:

- 14 (1) Section 15.506;
15 (2) Section 15.540;
16 (3) Section 16.451(1); and
17 (4) Section 16.456.

18 ARTICLE 3. PERFORMANCE AND ACCOUNTABILITY

19 SECTION 3.01. Subchapter D, Chapter 6, Water Code, is
20 amended by adding Section 6.116 to read as follows:

21 Sec. 6.116. PUBLIC INFORMATION AND REPORTING. (a) The
22 board shall develop and maintain on its Internet website a publicly
23 available tool by which a person may obtain information regarding:

24 (1) state progress toward meeting future water supply
25 needs, including the extent to which water management strategies
26 and projects implemented after the adoption of the preceding state
27 water plan have affected that progress;

1 that amendment is not approved by the voters, Section 1.06 of this
2 Act has no effect.

3 (c) The sections of this Act adding Sections 15.153(f) and
4 15.505(c) and (d), Water Code, take effect September 1, 2027, but
5 only if the constitutional amendment proposed by H.J.R. 7, 89th
6 Legislature, Regular Session, 2025, is approved by the voters. If
7 that amendment is not approved by the voters, those sections of this
8 Act have no effect.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 7 passed the Senate on April 2, 2025, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 30, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 7 passed the House, with amendments, on May 28, 2025, by the following vote: Yeas 136, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor