

SUBJECT: Water service provider duties in areas served by certain sewer services

COMMITTEE: Natural Resources — committee substitute recommended

VOTE: 8 ayes — Puente, Hamilton, Gattis, Creighton, Guillen, Hilderbran,
Laubenberg, O'Day

0 nays

1 absent — Gallego

WITNESSES: For — Peggy McCray, San Antonio Water System; Todd Parton, City of
Cibolo; (*Registered, but did not testify*: Keith Martin, San Antonio Water
System)

Against — Jesse Morin and Adolfo Ruiz, Bexar Metropolitan Water
District

On — Ken Petersen, Texas Rural Water Association

DIGEST: CSHB 3862 would add Local Government Code, sec. 402.911 to govern
duties a water service provider would perform for certain municipalities or
conservation and reclamation districts that provide sewer services.

CSHB 3862 would apply to an area:

- located in a county with more than 1 million residents in which more than 80 percent of the population resided in a single municipality (Bexar County);
- in which sewer service was provided by a municipality or district that also provided water services to other areas; and
- in which an entity other than the municipality or district provided water service to the area.

The municipality or district offering sewer services would have to provide written notice to a sewer service recipient with an account more than 90 days overdue. The notice would state the past due amount and the deadline by which water service would be terminated if the account remained unpaid. The notice would be sent by mail or hand-delivered to the location where sewer service was provided.

If the individual failed to pay the overdue bill after receipt of the notice, the municipality or district could notify the water service provider. This notification would include information on the number of days the individual failed to pay for sewer service and the amount due. After receiving this notice, the water service provider would discontinue the individual's water service.

The water service provider would give customer information to the municipality or district. The information would include customer contact information, customer monthly meter readings, monthly consumption information, and other meter information. This information would enable the municipality or district to bill sewer service users and verify users' water consumption.

The municipality or district would reimburse the water service provider for the incremental costs of providing the services outlined in this legislation. Incremental costs would be those in addition to the water service provider's costs of service provision. These costs would have to be consistent with costs incurred by other water utility providers. The information on incremental costs would be approved by a certified public accountant.

The bill would take effect on September 1, 2007.