

SUBJECT: Consolidated billing and fee collection of sewer service and water supply

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 — None

Against — None

On — Ken Petersen, Texas Rural Water Association

DIGEST: CSHB 2892 would permit a public water service utility to contract with a public sewer service utility for the billing and collection of fees for sewer services. The joint collection of water service fees and sewer service fees would function as a consolidated billing process for customers served by both providers.

A contract would outline the consolidated billing process between the water service provider and the sewer service provider. The contract would include provisions to allow a water service provider to:

- terminate water services of an individual whose sewage services account was in non-payment; and
- charge a customer a reconnection fee if the water service was terminated for non-payment of the customer's sewage services account

A water service provider could charge sewer service customers a fee designed to recover costs associated with billing and fee collection services.

A sewer service provider could petition the Texas Commission on Environmental Quality (TCEQ) to require a water service provider to offer consolidated billing services if:

- the water service provider refused to enter into such a contract; or
- the water service provider and sewer service provider could not agree on contract terms.

The contract between the water service provider and the sewer service provider would include procedures and deadlines for submitting billing and customer information to the water service provider. The contract also would include provisions on the delivery of collected fees and payments to the sewer service provider.

The bill would take effect September 1, 2007.

**SUPPORTERS
SAY:**

Water services can be disconnected in order to create an incentive for bill payment. However, many sewer service providers have no means of enforcing fee collection on past due accounts because the disconnection of sewer services poses a health hazard. By allowing consolidation of billing procedures for water and sewer services, CSHB 2892 would permit water service providers to disconnect water services for unpaid sewer service bills. Under this bill, TCEQ could order a water service provider to offer this consolidated billing service and thereby create a tool to ensure fee collection for sewer services.

Combining billing of water and sewer services would create certain efficiencies. In cooperative agreements, more accurate measurements of water used in sewer services could be determined. Also, the bill would establish criteria for joint billing processes for water and sewer services and would help eliminate future disputes over such contracts.

TCEQ could serve as a neutral authority to oversee the contracts. In the case of a dispute, TCEQ would have the authority to resolve the issue in question. TCEQ already performs this function on an unofficial basis.

**OPPONENTS
SAY:**

No apparent opposition.