

BILL ANALYSIS

C.S.H.B. 4168
By: Bonnen, Dennis
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Since the creation of the former Galveston County Water Authority some five decades ago, the district has seen its capacity and customer base grow significantly, and today the rechristened Gulf Coast Water Authority no longer supplies water just to Galveston County. Interested parties note that, until recently, the district was managed by a board of directors appointed by the Commissioners Court of Galveston County but that directors have since been added to represent Brazoria County and Fort Bend County. Because the water needs of the region served by the district have continued to increase and diversify, interested parties report a need to expand the district's authority and revise the composition of the district's board of directors to most effectively represent the district's customer base. C.S.H.B. 4168 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4168 amends Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, to authorize the Gulf Coast Water Authority, in connection with the acquisition of water or the treatment, storage, or transportation of water, to enter into retail service agreements within the Electric Reliability Council of Texas (ERCOT) for the purchase of electricity for the district's own use and to sell electricity in a sale or resale only by way of a registered power marketer or power generation company in accordance with applicable Public Utility Commission rules and ERCOT requirements. The bill authorizes such an agreement to provide for a term of years and include provisions that the district's board of directors determines are in the best interest of the district, including provisions for the posting of collateral or payment of an early termination amount in the event of early termination.

C.S.H.B. 4168 revises the composition of the district's board of directors. The bill decreases from seven to four the number of directors appointed by the Galveston County Commissioners Court; removes the requirements that such directors represent the geographic and ethnic diversity of the county and that certain of those directors be registered professional engineers; and removes provisions requiring certain appointments to be made on recommendations of the City Council of the City of Galveston and certain advisory committees and for the appointment of certain directors at-large. The bill instead requires one of the directors appointed by the Galveston County Commissioners Court to represent municipal interests, two of the directors to represent industrial interests, and the other director to represent the county at large. The bill

increases from one to two the number of directors appointed by the Fort Bend County Commissioners Court; removes the requirements that such a director represent district customers in that county, be recommended by one or more of those customers, and reside in that county; and instead requires one of the directors to represent municipal interests and one to represent the county at large. The bill increases from one to three the number of directors appointed by the Brazoria County Commissioners Court; removes the requirements that such a director represent district customers in that county, be recommended by one or more of those customers, and reside in that county; and instead requires one of the directors to represent agricultural interests, one director to represent municipal interests, and one to represent industrial interests. The bill removes language providing for the composition of the Industrial Advisory Committee and the Mainland Municipal Advisory Committee.

C.S.H.B. 4168 sets the terms of the district directors serving on the bill's effective date to expire September 1, 2015, requires appointments for the succeeding directors to be made not later than that date, and requires the succeeding directors to draw lots to determine which four directors serve a one-year term and which five directors serve a two-year term.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4168 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, is amended by adding Section 3A to read as follows:

Sec. 3A. In connection with the acquisition of water, or the treatment, storage, or transportation of water, the district may enter into agreements for the purchase or sale of electric power.

An agreement entered into under this section may provide for a term of years and include provisions that the Board of Directors determines are in the best interest of the district, including provisions for the posting of collateral or payment of an early termination amount in the event of early termination.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, is amended by adding Section 3A to read as follows:

Sec. 3A. In connection with the acquisition of water, or the treatment, storage, or transportation of water, the district may enter into retail service agreements within the Electric Reliability Council of Texas for the purchase of electricity for the district's own use and may sell electricity in a sale or resale only by way of a registered power marketer or power generation company in accordance with applicable public utility commission rules and requirements of the Electric Reliability Council of Texas.

An agreement entered into under this section may provide for a term of years and include provisions that the Board of Directors determines are in the best interest of the district, including provisions for the posting of collateral or payment of an early termination amount in the event of early termination.

SECTION 2. Sections 5 and 5(a), Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, are amended to read as follows:

Sec. 5. The management and control of the District is hereby vested in a Board of nine directors. ~~[The seven directors appointed by the Commissioners Court of Galveston County shall represent the geographic and ethnic diversity of the county.]~~ Vacancies on the Board of Directors, whether by death, resignation or termination of the term of office, shall be filled by appointment by the commissioners court that appointed the director. All terms of office shall be for a period of two (2) years. Terms shall be staggered. ~~[Three (3) of the members appointed by the Commissioners Court of Galveston County shall be registered professional engineers under the laws of Texas.]~~

Sec. 5(a). The directors of the district shall be appointed as follows:

(1) four directors appointed by the Galveston County Commissioners Court, two of whom represent municipal interests, and two of whom represent industrial interests;

(2) two directors appointed by the Fort Bend County Commissioners Court, one of whom represents municipal interests, and one of whom represents the county at large; and

(3) three directors appointed by the Brazoria County Commissioners Court, one of whom represents agricultural interests, one of whom represents municipal interests, and one of whom represents industrial interests. ~~[One (1) director of the District shall be appointed by the Commissioners Court of Galveston County upon the recommendation of the City Council of the City of Galveston. Six of the remaining directors shall be appointed by the Commissioners Court of Galveston County with two directors appointed at large and the remaining four of those directors appointed on the written recommendation of advisory committees appointed by the Board of Directors of the Gulf Coast Water Authority. Two of those directors shall be recommended by the Mainland Municipal Advisory Committee and two of those directors shall be recommended by the~~

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~~Industrial Advisory Committee. The Commissioners Court of Galveston County is entitled to accept or reject the recommendations made to the court by the advisory committees. If a recommendation made by an advisory committee is rejected, the advisory committee shall submit additional recommendations to the court.~~

~~[The Industrial Advisory Committee is composed of one representative of each industrial customer of the Gulf Coast Water Authority. The Mainland Municipal Advisory Committee is composed of one representative of each municipal or water district customer of the Gulf Coast Water Authority that contracts for not less than 2 million gallons of water a day. The names of the representatives of each of the committees shall be submitted to the Board of Directors of the Gulf Coast Water Authority by the respective industrial and municipal or water district customers. The directors of the Gulf Coast Water Authority shall submit the names of the advisory committee members to the Commissioners Court of Galveston County, which shall record the names in the minutes of the court.~~

~~[One director shall be appointed by the Commissioners Court of Fort Bend County to represent District customers in that county. The director must be recommended by one or more of those customers and reside in that county.~~

~~[One director shall be appointed by the Commissioners Court of Brazoria County to represent District customers in that county. The director must be recommended by one or more of those customers and reside in that county.]~~

SECTION 3. (a) The terms of the members of the board of directors of the Gulf Coast Water Authority serving on the effective date of this Act expire September 1, 2015.

(b) Not later than September 1, 2015, the entities described by Section 5(a), Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, as amended by this Act, shall make the appointments required by that section.

(c) The members of the board appointed under Subsection (b) of this section shall draw lots to determine which four board members shall serve a one-year term and

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~~[One director shall be appointed by the Commissioners Court of Brazoria County to represent District customers in that county. The director must be recommended by one or more of those customers and reside in that county.]~~

SECTION 3. Same as introduced version.

which five members shall serve a two-year term.

SECTION 4. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 4. Same as introduced version.

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