

**SUBJECT:** Applying open meetings requirements to certain political subdivisions

**COMMITTEE:** Natural Resources — favorable, without amendment

**VOTE:** 6 ayes — Counts, Cook, Corte, Culberson, King, Puente

0 nays

3 absent — Walker, Lewis, Moffat

**WITNESSES:** None

**BACKGROUND**  
:  
The Texas Water Development Board (TWDB) provides funding and other financial assistance under Chapter 17 of the Water Code to cities, counties, state agencies, and other similar kinds of political subdivisions across the state, to help these entities plan, finance, and construct needed water supply projects, water treatment facilities, flood control and floodplain management plans, and systems for water quality enhancement, water development, and water conservation. In order to provide financial assistance for possible water projects, the TWDB requires a detailed application for assistance from the political subdivision. It will often purchase bonds or other types of certificates of obligation from those subdivisions, to help finance their water projects.

Although a limited number of non-profit water supply corporations that receive funding under Chapter 17 are specifically required by the Water Code to comply with the Open Records and Open Meetings Acts, currently there is no specific requirement that other types of non-profit water supply corporations or political subdivisions hold open meetings for this purpose.

**DIGEST:** HB 1154 would require any political subdivision seeking to sell bonds or other obligations to the TWDB to certify that the financial assistance application filed with the board was approved in an open meeting.

HB 1154 would take effect September 1, 1997.

**SUPPORTERS  
SAY:**

HB 1154 would provide for a higher level of public scrutiny and oversight to monitor the issuance of water development obligation bonds. Because there are only minimal legal requirements for establishing non-profit water supply corporations, a small group of people can organize and form a governing board. The governing board could then approve and submit a financial assistance application to the TWDB and receive funding without informing the citizens who would be served by the proposed project and who would be obligated to repay the indebtedness caused by the project. There have been documented instances of a governing board receiving TWDB funds totaling several millions dollars without the residents of the water district having any knowledge or notice of the transaction. HB 1154 would simply ensure that such decisions are made in an open meeting.

The governing board of any political subdivision should completely disclose the fact that it is submitting an application for financial assistance before burdening taxpayers with the costs for water use and development projects. HB 1154 would help ensure that the public receives key information in a timely manner in order to maintain public oversight and participation.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

HB 1154 would apply to all political subdivisions, as defined in Texas Water Code, § 17.001(6). A "political subdivision" can include a "state agency, a county, a city, or any other body, politic or corporate, of the state." It may also include any nonprofit water supply corporation created and operating under Art. 1434a, V.A.T.S.