

- SUBJECT:** Revising the West Harris County Regional Water Authority
- COMMITTEE:** Natural Resources — committee substitute recommended
- VOTE:** 5 ayes — Puente, Callegari, Campbell, R. Cook, Hamilton
0 nays
4 absent — Geren, Hardcastle, Hope, Wolens
- WITNESSES:** For — Alex E. Garcia, West Harris County Regional Water Authority
Against — None
- BACKGROUND:** The 77th Legislature enacted HB 1842 by Callegari, creating the West Harris County Regional Water Authority.
- DIGEST:** CSHB 1540 describes seven tracts of land that would be excluded from the West Harris County Regional Water Authority. Excluding the tracts would not impair any bond or other obligation issued by the authority prior to the bill's effective date. All outstanding bonds and notes issued by the authority would remain valid and enforceable. Any fees, assessments, or charges that the owner of the property that would be excluded owed to the authority would remain the obligation of the owner.
- The bill would specify that the authority could annex some or all of the territory within a district or municipality if it filed a petition requesting annexation. The authority board could grant the petition and order annexation if it was feasible, practical, and to the advantage of the authority. A municipality that annexed territory of the authority would not have the right to:
- receive notices sent by the authority of a meeting to charge fees on wells located within the authority's territory;
 - participate in the appointment of the authority's board of directors; or
 - receive information about or have the opportunity to fund its share of capital costs in rates paid by the authority to purchase water from

another entity for resale to local governments.

To be eligible to serve as a director of the authority, or be listed on the ballot, representing any part of the city of Katy, a person would have to have served as a director of one or more districts for a total of four or more years.

The bill would amend the method for calculating the number of votes a district or municipality could cast in the appointment of a director for a director precinct. In calculating the number of votes, the authority board would have to exclude water pumped from, or used in, Fort Bend County if the authority did not charge a fee on wells in the county in the year before the selection of director was made.

The governing body of each district or municipality in the authority could nominate one candidate for director. If by February 15th of an even-numbered year, only one candidate's name was submitted, then the board could declare the unopposed candidate elected.

The bill would specify that the authority had to comply with Local Government Code requirements governing impact fees if it imposed an impact fee. An impact fee imposed by the authority would not include a fee based on a portion of the costs and expenses incurred by the authority before January 1, 2003, and that was charged to someone that did not pay any fees to the authority before January 1, 2003. Failing to notify districts and municipalities within the authority of a meeting to adopt a well fee would not invalidate the fee.

The bill would specify that certain wells in Harris or Fort Bend counties were exempted from a well fee if they were not subject to groundwater reduction requirements by the Harris-Galveston Coastal Subsidence District or the Fort Bend Subsidence District. The authority could impose fees or charges on the importation of water from outside the authority, unless the source was in Waller County serving a municipality in the authority.

The authority could use any reasonable basis to calculate the share of capital costs to be paid by a district or municipality within the authority for purchasing water for resale from another entity. The bill would specify some parameters for calculating the shares of capital costs. The authority could

adopt a procedure for a district or municipality to receive a credit from the authority.

The authority board could exclude a person, territory, or well, from the authority's groundwater reduction plan for failing to make a complete or timely payment.

Current law provisions allowing general law districts to issue revenue notes, bond anticipation, or tax anticipation notes would not apply to the authority. Texas Commission on Environmental Quality rules regarding bonds or notes also would not apply to the authority.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CSHB 1540 would amend the enabling statute for the West Harris County Regional Water Authority. The authority was created to supply surface water to certain areas within its territory, control subsidence, and facilitate compliance with the Harris-Galveston Coastal Subsidence District's groundwater reduction requirements. The changes would be clean-up amendments to eliminate unnecessary language or enable more efficient operation of the authority. For example, the bill would exclude well-tracts from the authority's territory that are owned by the City of Houston and that the city wants excluded to eliminate any questions over fees. Also, the bill would specify that Houston did not have the right to notification and other entitlements for a municipal utility district that it had annexed under limited purpose annexation. These changes would help the authority to accomplish better the purposes for which it was created.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES: The committee substitute differs from the bill as introduced by amending the coordinates of the seventh survey tract and making other minor changes to the original.

The companion bill, SB 1035 by Lindsay, passed the Senate on April 10 on the Local and Uncontested Calendar. It was reported favorably without amendment by the House Natural Resources Committee on April 23.