

SUBJECT:	Creating the Cross Timbers Regional Utility Authority
COMMITTEE:	Natural Resources — committee substitute recommended
VOTE:	10 ayes — T. King, E. Thompson, Kacal, Kitzman, Lalani, Metcalf, Price, Ramos, Rogers, Zwiener 0 nays 1 absent — Gámez
WITNESSES:	For — (<i>Registered, but did not testify</i> : Brian Sledge, Upper Trinity Groundwater Conservation District; Steven Rainer; Melissa Rowell) Against — None
BACKGROUND:	Some have suggested that certain water infrastructure projects would benefit North Central Texas due to the continued growth and development in the area.
DIGEST:	<p>CSHB 5406 would create the Cross Timber Utility Authority as a conservation and reclamation district composed of all territory within Palo Pinto County, Parker County, and Stephens County.</p> <p>The Cross Timber Utility Authority would be governed by a seven-member board of directors. The bill would establish certain provisions for board member terms, appointments, qualifications, vacancies, and removals from office. The authority would have the rights, powers, privileges, and functions of a municipal utility district created under applicable state law.</p> <p>The authority also would be granted:</p> <ul style="list-style-type: none">• certain acquisition and property rights that the board determined were necessary to carry out the powers granted by law;• rights to acquire, develop, and use groundwater or surface water;

- the power of eminent domain to acquire land, an easement, or other property inside or outside the authority's boundaries, except for land owned by a municipal water district that acquired the land as a surface water reservoir site;
- the power to enter into a general contract on terms that the board considered desirable, fair, and advantageous for the purchase or sale of water, for the use of certain facilities, or for certain planning, surveying, investigating, and reporting; and
- the power to enter into a water, sewer, solid waste, or drainage contract without an election to approve the contract.

CSHB 5406 would specify provisions for classifying certain payments to the authority as maintenance and operating expenses. The authority could not impose a tax, though it could issue revenue bonds and certain facility bonds.

By the 45th day after the effective date of the bill, the applicable authorities would be required to appoint the members of the board. The provisions relating to the authority's power of eminent domain would take effect only if the bill was finally passed by a two-thirds record vote of the membership of each house. Otherwise, the authority would be prohibited from exercising eminent domain and the bill would be amended to reflect the change.

The bill would take effect September 1, 2023.