

**BILL ANALYSIS**

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S.B. 1335  
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**DIGEST AND PURPOSE**

During the last legislative interim, the Senate Interim Committee on Natural Resources conducted a review of the missions and roles of Texas river authorities, including their powers and duties, financing, fee structures, service areas, board compositions, relationships with other river authorities, competition with private sector service providers, communities served, and their roles in and contributions to the state's water plan. That review, along with various subsequent committee recommendations, has been compiled into a comprehensive report and submitted to the 77th Legislature.

One of the committee recommendations was the codification of all existing river authority enabling statutes into a new title or chapter in the Texas Water Code, since each of the river authorities is established and operates pursuant to its own statute, which currently can be found only in the session laws. Also, there are no general law provisions for the creation of river authorities, and there is no general purpose definition of a "river authority." Other committee recommendations include: providing for an enhanced level of state review or oversight for all river authorities; establishing a sequential schedule for river authority reviews; and providing for specific legislative amendments as requested by individual river authorities to their own enabling statutes.

As a result of the committee report, as proposed, S.B. 1335 moves 33 existing river authority enabling statutes into a new Title 5, Water Code, with a new chapter for each river authority; eliminates provisions no longer operative in the original enabling statutes; updates existing language in the statutes; provides for the consideration of specific requested legislative amendments; establishes the Texas Water Policy Council to provide guidance and direction on state water policy initiatives; and provides for a state-level review of river authorities according to a five-year schedule.

**RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Water Policy Council in SECTION 4 of this bill.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the Water Code by adding Title 6 to consolidate in one title those statutes relating to assorted water districts, water authorities, river authorities, and make various nonsubstantive and conforming changes. The districts and authorities included in Title 6 are:

<u>Chapter</u>	<u>Entity</u>	<u>Page</u>
221	Bexar-Medina-Atascosa Counties Water Improvement District No. 1 . . . . .	2
222	Tarrant Regional Water District . . . . .	7
223	Titus County Fresh Water Supply District No. 1 . . . . .	23
251	Angelina and Neches River Authority . . . . .	28

252	Brazos River Authority . . . . .	52
253	Canadian River Municipal Water Authority . . . . .	73
254	Central Colorado River Authority . . . . .	107
255	Colorado River Municipal Water District . . . . .	131
256	Dallas County Utility and Reclamation District . . . . .	158
257	Franklin County Water District . . . . .	178
258	Guadalupe-Blanco River Authority . . . . .	195
259	Gulf Coast Water Authority . . . . .	222
260	Lavaca-Navidad River Authority . . . . .	236
261	Lower Colorado River Authority . . . . .	253
262	Lower Neches Valley Authority . . . . .	288
263	Mackenzie Municipal Water Authority . . . . .	314
264	North Central Texas Municipal Water Authority . . . . .	339
265	North Harris County Regional Water Authority . . . . .	362
266	North Texas Municipal Water District . . . . .	382
267	Northeast Texas Municipal Water District . . . . .	415
268	Nueces River Authority . . . . .	440
269	Red River Authority of Texas . . . . .	480
270	Sabine River Authority of Texas . . . . .	508
271	San Antonio River Authority . . . . .	541
272	San Jacinto River Authority . . . . .	596
273	Sulphur River Basin Authority . . . . .	624
274	Sulphur River Municipal Water District . . . . .	655
275	Trinity River Authority of Texas . . . . .	678
276	Upper Colorado River Authority . . . . .	767
277	Upper Guadalupe River Authority . . . . .	790
278	Upper Neches River Municipal Water Authority . . . . .	803
279	West Central Texas Municipal Water District . . . . .	837

SECTION 2. Amends Title 2A, Water Code, by adding Chapter 9, as follows:

CHAPTER 9. TEXAS WATER POLICY COUNCIL

Sec. 9.001. DEFINITION. Defines “authority,” “board,” “commission,” and “council.”

Sec. 9.002. CREATION AND MEMBERSHIP. Provides that the Texas Water Policy Council (council) is composed of certain members. Prohibits council members from delegating participation or council duties to staff.

Sec. 9.003. TERMS. Provides that council members, except for the commissioner of agriculture, who are officials of state agencies serve terms as determined by the chairman of each agency. Provides that council members who are members of the general public serve staggered six-year terms with the term of one member expiring at a certain date. Authorizes council members to be reappointed to serve additional terms. Requires a vacancy on the council to be filled by appointment by the original appointing authority for the unexpired term.

Sec. 9.004. OFFICERS OF THE COUNCIL. Requires the governor to appoint a council member as the chair of the council for a certain term expiring at a certain date. Requires the council to have a secretary of the council who, by virtue of the position, is to be a full-time employee of the Texas Natural Resource Conservation Commission (commission) but to serve at the pleasure of the council and be accountable only to the council.

Sec. 9.005. COUNCIL STAFF. Requires the commission and the Texas Water Development Board (TWDB), on request of the council, to provide any staff rather than the secretary of the council necessary to assist the council in the performance of its duties.

Sec. 9.006. MEETINGS. Requires the council to meet at certain times. Requires four members to constitute a quorum sufficient to conduct meetings and the business of the council. Provides that the council is subject to Chapters 551 (Open Meetings) and Chapter 2001 (Administrative Procedure), Government Code.

Sec. 9.007. COMPENSATION OF MEMBERS. Requires members of the council to serve without compensation but authorizes them to be reimbursed by legislative appropriation for actual and necessary expenses related to the performance of council duties. Requires reimbursement under this section to be subject to the approval of the chair.

Sec. 9.008. POWERS AND DUTIES OF COUNCIL. Requires the council to perform certain duties. Prohibits the council from performing certain acts. Requires the council to evaluate the need for and, if appropriate, develop a strategy for reorganizing or improving the efficiency of local, regional, and state water management entities and agencies.

Sec. 9.009. REPORT. Requires the council, not later than December 1 of each even-numbered year, to submit a report to certain persons with primary responsibilities over water resource management and financing. Requires the report to include findings of the council made in the periodic reviews of authorities during the preceding two-year period and any other findings and recommendations the council considers necessary.

Sec. 9.010. REVIEW OF AUTHORITIES. Requires the council, on a five-year cycle, to review authorities based on the administrative policies provided by Section 9.012 and performance standards described in Section 9.011. Requires the reviews to be conducted of groups described in this section, with group 1 being reviewed at the council’s first quarterly

meeting of the five-year period and group 2 being reviewed at the council's third quarterly meeting of the period. Requires the council to continue in numerical order to review one group at every other quarterly meeting until all ten groups have been reviewed and then to recommence the cycle. Requires authorities to be reviewed under this section in certain groups.

Sec. 9.011. PERFORMANCE STANDARDS. Requires the council to review and assess an authority described by Section 9.010 according to whether the authority meets certain criteria. Requires the council in addition to the review and assessment considerations under this section to consider whether certain criteria is developed. Requires an authority, prior to its five-year review under Section 9.010, to assess its compliance with the standards described by this section and to report the results to the council for use during the review.

Sec. 9.012. ADMINISTRATIVE POLICIES FOR AUTHORITIES. Requires each authority subject to this chapter to submit to the council a copy of its administrative policies and any subsequent amendments adopted by its board. Requires the council to file copies of the administrative policies and to make them available for public inspection. Authorizes the council to request additional documents from an authority or inspect records at the office of the authority to determine compliance with the adopted administrative policies. Requires certain provisions to be incorporated into the administrative policies adopted by the authorities subject to these rules.

Sec. 9.013. GIFTS AND GRANTS. Authorizes the council to accept gifts and grants from any source to carry out the purpose of the chapter. Provides that the use of gifts and grants other than legislative appropriations is subject only to limitations contained in the gift or grant.

Sec. 9.014. FUNDING. Provides that the interagency water policy account is a special account in the general revenue fund. Provides that the interagency water policy account consists of legislative appropriations, gifts, and grants received under Section 9.013, and other money required by law to be deposited in the account. Authorizes funds in the interagency water policy account to be used only as provided by this chapter.

Sec. 9.015. CONTINUING RIGHT OF SUPERVISION. Requires that nothing in this chapter affect the continuing right of supervising river authorities by the commission as provided by Section 12.081.

### SECTION 3. Repealers:

Chapter 97, Acts of the 44th Legislature, Regular Session, 1935 (Angelina and Neches River Authority);

Chapter 13, Special Laws, Acts of the 41st Legislature, 2nd Called Session, 1929 (Brazos River Authority);

Chapter 243, Acts of the 53rd Legislature, Regular Session, 1953 (Canadian River Municipal Water Authority);

Chapter 338, General Laws, Acts of the 44th Legislature, Regular Session, 1935 (Central Colorado River Authority);

Chapter 340, Acts of the 51st Legislature, Regular Session, 1949 (Colorado River Municipal Water District);

Chapter 628, Acts of the 68th Legislature, Regular Session, 1983 (Dallas County Utility and Reclamation District);

Chapter 719, Acts of the 59th Legislature, Regular Session, 1965 (Franklin County Water District);

Chapter 75, Acts of the 43rd Legislature, 1st Called Session, 1933 (Guadalupe-Blanco River Authority);

Chapter 712, Acts of the 59th Legislature, Regular Session, 1965 (Gulf Coast Water Authority);

Chapter 186, Acts of the 50th Legislature, Regular Session, 1947 (Lavaca-Navidad River Authority);

Chapter 7, Acts of the 43rd Legislature, 4th Called Session, 1934 (Lower Colorado River Authority);

Chapter 63, Acts of the 43rd Legislature, 1st Called Session, 1933 (Lower Neches Valley Authority);

Chapter 277, Acts of the 59th Legislature, Regular Session, 1965 (Mackenzie Municipal Water Authority);

Chapter 86, Acts of the 55th Legislature, Regular Session, 1957 (North Central Texas Municipal Water Authority);

Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999 (North Harris County Regional Water Authority);

Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951 (North Texas Municipal Water District);

Chapter 78, Acts of the 53rd Legislature, Regular Session, 1953 (Northeast Texas Municipal Water District);

Chapter 427, Acts of the 44th Legislature, 1st Called Session, 1935 (Nueces River Authority);

Chapter 279, Acts of the 56th Legislature, Regular Session, 1959 (Red River Authority of Texas);

Chapter 110, Acts of the 51st Legislature, Regular Session, 1949 (Sabine River Authority);

Chapter 9, page 1083, Special Laws, Acts of the 46th Legislature, Regular Session, 1939 (San Antonio River Authority);

Chapter 426, Acts of the 45th Legislature, Regular Session, 1937 (San Jacinto River Authority);

Chapter 3, Acts of the 69th Legislature, 1st Called Session, 1985 (Sulphur River Basin Authority);

Chapter 212, Acts of the 54th Legislature, Regular Session, 1955 (Sulphur River Municipal Water District);

Chapter 518, Acts of the 54th Legislature, Regular Session, 1955 (Trinity River

Authority of Texas);

Chapter 126, Acts of the 44th Legislature, Regular Session, 1935 (Upper Colorado River Authority);

Chapter 5, page 1062, Special Laws, Acts of the 46th Legislature, Regular Session, 1939 (Upper Guadalupe River Authority);

Chapter 412, Acts of the 53rd Legislature, Regular Session, 1953 (Upper Neches River Municipal Water Authority);

Chapter 66, Acts of the 54th Legislature, Regular Session, 1955 (West Central Texas Municipal Water District);

Chapter 221, Acts of the 55th Legislature, Regular Session, 1957 (White River Municipal Water District).

SECTION 4. Requires the Texas Water Policy Council, as created by this Act, not later than January 1, 2002, to adopt rules necessary to implement the provisions of Chapter 9, Water Code, as added by this Act. Requires the Texas Water Policy Council to review the first group described under Section 9.010, Water Code, as added by this Act, at the third quarterly meeting held by the council.

SECTION 5. (a) Prohibits the change in law made by Section 1 of this Act from affecting the application of the provisions of Subtitle A, Title 9, Government Code, to any district or authority created under Section 59, Article XVI, or Section 52, Article III, Texas Constitution, and subject to Title 6, Water Code, as added by this Act, or to the bonds of any such district or authority of the provisions applied to the district or authority or to the bonds immediately before the effective date of this Act.

(b) Prohibits the change in law made by Section 1 of this Act from affecting the terms, requirements, or procedures applicable to any bonds issued before the effective date of this Act of any district or authority created under Section 59, Article XVI, or Section 52, Article III, Texas Constitution, and subject to Title 6, Water Code, as added by this Act. Such bonds are governed by the law in effect immediately before the effective date of this Act, and that law continues in effect as to those bonds for that purpose.

SECTION 6. Provides that nothing in this Act affects the term of office of a member of a board of directors subject to Title 6, Water Code, as added by this Act, who is serving on the board of directors on the effective date of this Act.

SECTION 7. Provides that a transition or saving provision of a law codified by this Act applies to the codified law to the same extent as it applied to the original law. Provides that the repeal of a transition or saving provision by this Act does not affect the application of the provision to the codified law. Provides that, in this section, "transition provision" includes any temporary provision providing for a special situation in the transition period between the existing law and the establishment or implementation of the new law.

SECTION 8. Effective date: September 1, 2001.