

## **BILL ANALYSIS**

Senate Research Center

S.B. 1386  
By: Watson  
Water & Rural Affairs  
6/11/2019  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

To provide for adequate water and wastewater services for the future of Texas, the legislature has created several financial assistance programs for political subdivisions. These programs include the Clean and Drinking Water State Revolving Funds, the Texas Water Development Fund, the State Water Implementation Fund for Texas, and the State Water Implementation Revenue Fund for Texas. The legislature has entrusted the Texas Water Development Board (TWDB) with the financial management of these programs, but the combination of the Texas Open Meetings Act (TOMA) and federal securities laws has made it difficult for TWDB to execute its fiduciary duties.

S.B. 1386 adds an exception to TOMA that would allow TWDB to hold closed meetings to discuss sensitive investment matters. These closed meetings would remain subject to other TOMA requirements, however, and TWDB would have to make all final decisions and votes in an open meeting.

Similar TOMA exceptions exist for other state entities like the Employees Retirement System, the Board of Trustees of the Teachers Retirement System, and the Board of Trustees of the Texas Growth Fund. In this way, S.B. 1386 balances the state's need for transparency and smart investment strategy. (Original Author's/Sponsor's Statement of Intent)

S.B. 1386 amends current law relating to the authority of the Texas Water Development Board to consider certain financial matters in a closed meeting.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter C, Chapter 6, Water Code, by adding Section 6.0601, as follows:

Sec. 6.0601. CONSULTATION REGARDING CERTAIN FINANCIAL MATTERS; CLOSED MEETING. (a) Authorizes the Texas Water Development Board (TWDB) to hold a closed meeting to consider and discuss financial matters related to the investment or potential investment of TWDB's funds.

(b) Requires a final action, decision, or vote on a matter considered or discussed in a closed meeting held under this section to be made in an open meeting conducted in compliance with the notice provisions of Chapter 551 (Open Meetings), Government Code.

SECTION 2. Effective date: September 1, 2019.