

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 3793  
By: Averitt (Sibley)  
Natural Resources  
5/11/1999  
Committee Report (Substituted)

### **DIGEST**

In 1929, the 41st Texas Legislature enacted legislation creating the Brazos River Authority. Certain modern financing techniques and operational procedures available to other river authorities are currently not available to the Brazos River Authority. This bill would authorize the Brazos River Authority to use a broad range of financing techniques, and removes the aggregate value cap of \$100,000 from property that the authority is authorized to sell in one year.

### **PURPOSE**

As proposed, C.S.H.B. 3793 authorizes the Brazos River Authority to use a broad range of financing techniques, and removes the aggregate value cap of \$100,000 from property that the authority is authorized to sell in one year.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 13, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended, by adding Sections 11 and 11-b, as follows:

Sec. 11. (a) Provides that the Brazos River Authority (authority) is a district and a river authority as defined in the Regional Waste Disposal Act (Chapter 30, Water Code), and provides that all of the provisions of that Act are applicable to the authority.

(b) Defines "person" and "public agency."

(c) Authorizes the authority and all persons to contract with each other in any manner and on terms as to which the parties may agree with respect to any power, function, facilities, or services which the authority is authorized by law to provide or finance. Authorizes all public agencies to use and pledge any available revenues for and in the payment of amounts due under the contracts as an additional source of payment of the contracts or as the sole source of payment of the contracts and to covenant with respect to available revenues so as to assure the availability of these revenues when required. Defines "revenues."

(d) Authorizes each public agency to fix, charge, and collect certain fees, rates, charges, rentals, and other amounts for any services or facilities provided by a utility operated by it or provided under a contract with the authority. Authorizes each public agency to covenant to do so in amounts sufficient to make all or any part of the payments to the authority when due. Requires the payments, if the parties agree in the contract, to constitute an expense of operation of any facilities or utility operated by the public agency.

(e) Authorizes the authority to undertake and carry out certain activities necessary in carrying out any power or function of the authority under this section.

(f) Authorizes the authority to issue bonds with respect to certain activities of the authority for the purpose of exercising any of its powers and functions under this section. Authorizes the authority to issue revenue bonds to pay for the costs of certain feasibility studies. Authorizes the authority to include in any revenue bond issue the funds to operate and maintain for a period not to exceed

two years after completion of the facilities acquired or constructed through the revenue bond issue. Sets forth the procedure for bonds secured by a pledge of payment. Sets forth certain statutes that are applicable to bonds issued by the authority.

(g) Provides that this section is wholly sufficient authority within itself for the issuance of the bonds, the execution of contracts, and the performance of the other acts and procedures authorized in this section by the authority and all persons.

Sec. 11-b. (a) Authorizes the authority to issue bonds to acquire lands within the boundaries of the authority on which and adjacent to which a dam and reservoir project was authorized to be constructed pursuant to Water Appropriation Permit No. 2925, and to construct a dam and reservoir project on such lands. Provides that the lands are designated pursuant to Section 16.051(f)(2), Water Code, as a site of unique value for the construction of a dam and reservoir project, and that the right is granted to construct on the site a dam and reservoir of a certain capacity, to divert from the Brazos River a certain amount of water, to impound in the reservoir certain waters, and to divert and use from the reservoir for certain purposes a specified amount of water.

(b) Authorizes the authority and other public agencies to contract with each other and the Texas Water Development Board (TWDB) to define the obligations of each public agency to pay for a portion of the total costs of the dam and reservoir project as the project was authorized or is proposed to be modified, and to define their interests in the water appropriation permit for the permit. Requires the Texas Natural Resource Conservation Commission (TNRCC) to reissue to TWDB, without notice or hearing, Water Appropriation Permit No. 2925, and requires TWDB to transfer interests in the reissued permit to the authority and other public agencies as provided by the contract or contracts. Authorizes the reissued permit to be amended to authorize a modified project upon submission of an application to amend by the holder of the permit. Requires the permit as reissued to have a priority date of September 1, 1999, provided the authorizations in the amended permit do not exceed those set forth in Subsection (a). Requires the date by which construction of the project to be September 1, 2018.

(c) Requires nothing in this section to be construed as prohibiting or impairing any lawful use, sale, or other curtailment or diminution of waters that contribute to the flows of the Brazos River at the proposed point of diversion for the project.

SECTION 2. Amends Section 12, Chapter 368, Acts of the 44th Legislature, 1st Called Session, 1935, as amended, to remove the aggregate value cap of \$100,000 from property that the authority is authorized to sell in one year. Makes a conforming change.

SECTION 3. Sets forth the satisfaction of procedural requirements.

SECTION 4. Emergency clause.  
Effective date: upon passage.

#### **SUMMARY OF COMMITTEE CHANGES**

##### SECTION 1.

Amends Chapter 13, Acts of the 41st Legislature, 2nd Called Session, 1929, as amended, by adding Section 11-b, to authorize the authority to issue bonds to acquire lands within the boundaries of the authority on which and adjacent to which a dam and reservoir project was authorized to be constructed pursuant to Water Appropriation Permit No. 2925, and to construct a dam and reservoir project on such lands. Authorizes the authority and other public agencies to contract with each other and TWDB to define the obligations of each public agency to pay for a portion of the total costs of the dam and reservoir project.