BILL ANALYSIS

Senate Research Center 79R10084 OS-F

H.B. 856 By: Callegari (Lindsay) Natural Resources 5/10/2005 Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, approximately 300,000 people receive groundwater from sources within the West Harris County Regional Water Authority (authority). The authority was created by the legislature during the 77th Legislative Session for the purposes, among others, of supplying surface water to certain areas within its boundaries, controlling subsidence, and facilitating compliance with regulations requiring reduction of groundwater pumpage. Amendments to the authority's enabling statute will facilitate more efficient operation of the authority. H.B. 856 affects certain general powers and authority of the West Harris County Regional Water Authority.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the West Harris County Regional Water Authority is rescinded in SECTION 7 (Section 4.09, Chapter 414, Acts of the 77th Legislature, Regular Session, 2001) of this bill.

SECTION BY SECTION ANALYSIS

- SECTION 1. Amends Section 1.02(10), Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, to redefine "subsidence district."
- SECTION 2. Amends Chapter 414, Acts of the 77th Legislature, Regular Session, by adding Section 1.035, as follows:
 - Sec. 1.035. CHANGE IN BOUNDARIES. Provides that the territory contained on December 20, 2004, within the boundaries of the specific municipal utility districts are excluded from the West Harris County Regional Water Authority (authority).
- SECTION 3. Amends Section 2.01, Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, by adding Subsection (b-1), as follows:
 - (b-1) Provides that each director's term expires on May 15 of the fourth year after the year in which the director was appointed.
- SECTION 4. Amends Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, by adding Section 2.015, as follows:
 - Sec. 2.015. CONFLICTS OF INTEREST. Provides that Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, governs conflicts of interest of board members.
- SECTION 5. Amends Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, by adding Sections 4.015 and 4.016, as follows:
 - Sec. 4.015. REQUESTS FOR PROPOSALS. Authorizes the board of directors of the authority (board) to adopt policies establishing whether, when, and how the authority uses requests for proposals in obtaining services, including professionals services.

Sec. 4.016. ADDITIONAL ADMINISTRATIVE POLICIES. Provides that the authority is not required to adopt administrative policies in addition to those required by Section 49.199 (Polices and Audits of Districts), Water Code.

SECTION 6. Amends Section 4.03, Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, by adding Subsections (h)-(j), as follows:

- (h) Provides that the authority is entitled to collection expenses and reasonable attorney's fees incurred by the authority in collecting any delinquent fees, user fees, rates, charges, and assessments, and any related penalties and interest.
- (i) Sets forth the priority for fees and user fees imposed by the authority under Subsection (b), and any related penalties, interest, collection expenses, and reasonable attorney's fees incurred by the authority.
- (j) Provides that a lien under Subsection (i) is effective from the date of the resolution or order of the board imposing the fee or user fee until the fee or user fee is paid. Authorizes the board to enforce the lien in the same manner that a municipal utility district operating under Chapter 54 (Municipal Utility Districts), Water Code, is authorized to enforce an ad valorem tax lien against real property.

SECTION 7. Amends Section 4.09(a), Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, to authorize a groundwater reduction plan to specify the dates and extent to which persons or districts within the authority's boundaries are required to reduce or cease reliance on groundwater and accept water from alternative sources, including water from the authority. Deletes the reference to Chapter 151 (Harris-Galveston Coastal Subsidence District), Water Code, and rescinds rulemaking authority from the authority.

SECTION 8. Provides that the change in law made by Section 1.035, Chapter 414, Acts of the 77th Legislature, Regular Session, 2001, as added by this Act, does not impair any obligation related to bonds or notes issued by the authority before the effective date of this Act. Requires all outstanding bonds and notes validly issued by the authority remain valid, enforceable, and binding and to be paid in full, both principal and interest, in accordance with their terms and from the sources pledged to the payment of the bonds or notes. Provides that any fees, assessments, or other charges owed to the authority on the effective date by an owner of property excluded from the authority by this Act remain the obligation of the owner.

SECTION 9. Effective date: upon passage or September 1, 2005.