

BILL ANALYSIS

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S.B. 2586
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Water, Agriculture & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The San Jacinto River Authority (SJRA), based in Montgomery County, provides raw and treated water to municipal water providers and industries, monitors water quality in the San Jacinto River basin, operates the Lake Conroe Dam, and permits structures on the lake.

The Sunset Advisory Commission reviewed the river authority, which is not subject to abolishment under the Sunset Act.

This bill includes key findings from the Sunset Advisory Commission. Specifically, it extends the Sunset review to 2036, statutorily requires SJRA to adopt a public engagement policy that guides and encourages public involvement on key decisions, amends SJRA's board member terms to four years from six years, and applies across-the-board Sunset review recommendations.

These standards require the governor to designate a member of the SJRA board to serve as the presiding officer, specify the grounds and process for removing a board member, establish board member training requirements, adopt policies to clearly separate board functions from the authority's day-to-day staff operations, include public testimony as an agenda item at every regular board meeting, and maintain a system for receiving and acting on complaints and to make information available regarding its complaints procedure.

As proposed, S.B. 2586 amends current law relating to the San Jacinto River Authority, following recommendations of the Sunset Advisory Commission and specifies grounds for the removal of a member of the board of directors.

[**Note:** While the statutory reference in this bill is to the San Jacinto River Conservation and Reclamation District (district), the following amendments affect the San Jacinto River Authority, as the successor agency to the district.]

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 Section 1A(a), Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, as follows:

(a) Requires that the review of the San Jacinto River Conservation and Reclamation District (district) be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the district were a state agency scheduled to be abolished September 1, 2035, rather than September 1, 2023, and every 12th year after that year.

SECTION 2. Amends Section 6, Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, as follows:

Sec. 6. Requires that the management and control of all the affairs of said district be vested in, and the powers, rights, privileges, and functions of the district be exercised by a board of directors (board) consisting of seven members, rather than six (6) members, all of whom are required to be freehold property taxpayers and legal voters of the State of Texas and four (4) of whom are required to be residents of a county wholly encompassed by the district. Requires members of such board to be appointed by the governor for terms of four years, rather than six (6) years. Deletes existing text requiring the present board of six (6) directors of said district, appointed by the State Board of Water Engineers under authority of certain legislation, for terms of two (2), four (4), and six (6) years, to continue to serve as such until the expiration of the respective terms for which they were appointed. Deletes existing text requiring the successors of each and all of the present members of the board, upon the expiration of the terms for which each and all of them were appointed, to be appointed by the governor for a term of six (6) years.

Requires the governor to designate a director as the president of the board (president) to serve in that capacity at the pleasure of the governor. Requires four (4) members, including the president, rather than including the presiding officer, to constitute a quorum to transact business. Deletes existing text requiring the board to organize by electing one of its members president. Makes a nonsubstantive change.

SECTION 3. Amends Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, by adding Sections 6A, 6B, 6C, 6D, 6E, and 6F, as follows:

Sec. 6A. (a) Provides that it is a ground for removal from the board that a director:

- (1) does not have at the time of taking office the qualifications required by Section 6 of this Act;
- (2) does not maintain during service on the board the qualifications required by Section 6 of this Act;
- (3) is ineligible for directorship under Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code;
- (4) cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or
- (5) is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) Provides that the validity of an action of the board is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) Requires the general manager, if the general manager has knowledge that a potential ground for removal exists, to notify the president of the potential ground. Requires the president to then notify the governor and the attorney general that a potential ground for removal exists. Requires the general manager, if the potential ground for removal involves the president, to notify the next highest ranking director, who is required to then notify the governor and the attorney general that a potential ground for removal exists.

Sec. 6B. (a) Prohibits a person who is appointed to and qualifies for office as a director from voting, deliberating, or being counted as a director in attendance at a meeting of the board until the person completes a training program that complies with this section.

(b) Requires that the training program provide the person with information regarding:

- (1) the law governing district operations;
- (2) the programs, functions, rules, and budget of the district;
- (3) the scope of and limitations on the rulemaking authority of the district;
- (4) the results of the most recent formal audit of the district;
- (5) the requirements of:
 - (A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and
 - (B) other laws applicable to members of the governing body of a river authority in performing their duties; and
- (6) any applicable ethics policies adopted by the district or the Texas Ethics Commission.

(c) Entitles a person appointed to the board to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) Requires the general manager of the district to create a training manual that includes the information required by Subsection (b) of this section. Requires the general manager to distribute a copy of the training manual annually to each director. Requires each director to sign and submit to the general manager a statement acknowledging that the director received and has reviewed the training manual.

Sec. 6C. Requires the board to develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the general manager and the staff of the district.

Sec. 6D. (a) Requires the district to maintain a system to promptly and efficiently act on complaints filed with the district. Requires the district to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) Requires the district to make information available describing its procedures for complaint investigation and resolution.

(c) Requires the district to periodically notify the complaint parties of the status of the complaint until final disposition, unless the notice would jeopardize an investigation.

Sec. 6E. Requires the board to develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the district.

Sec. 6F. Requires the board to develop and implement a comprehensive policy that provides a structure for public engagement in advance of major actions and projects. Requires that the policy include a clear and detailed description of how the district will seek to actively engage stakeholders, including the possible use of advisory committees, community panels, town hall meetings, surveys, and other strategies on a recurring basis.

SECTION 4. Requires a member of the board of the San Jacinto River Authority (SJRA) whose term expires in November 2027 to continue in office until the member's successor is appointed to and qualifies for a term of four years beginning in October 2027.

SECTION 5. (a) Provides that Section 6B, Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, as added by this Act, except as provided by Subsection (b) of this section, applies to a member of the board of SJRA appointed before, on, or after the effective date of this Act.

(b) Authorizes a person serving on the board of SJRA, notwithstanding Section 6B, Chapter 426, Acts of the 45th Legislature, Regular Session, 1937, as added by this Act, to vote, deliberate, and be counted as a director in attendance at a meeting of the board until December 1, 2023. Prohibits a director from voting, deliberating, or being counted as a member in attendance at a meeting of the board held on or after December 1, 2023, until the member completes the training required by that section.

SECTION 6. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 7. Effective date: September 1, 2023.