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H.B. No. 1540

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the San Jacinto River Authority, following
3 recommendations of the Sunset Advisory Commission; specifying
4 grounds for the removal of a member of the board of directors.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 1A(a), Chapter 426, Acts of the 45th
7 Legislature, Regular Session, 1937, is amended to read as follows:

8 (a) The District is subject to review under Chapter 325,
9 Government Code (Texas Sunset Act), but may not be abolished under
10 that chapter. The review shall be conducted under Section 325.025,
11 Government Code, as if the District were a state agency scheduled to
12 be abolished September 1, 2035 [~~2023~~], and every 12th year after
13 that year.

14 SECTION 2. Section 6, Chapter 426, Acts of the 45th
15 Legislature, Regular Session, 1937, is amended to read as follows:

16 Sec. 6. The management and control of all the affairs of
17 said District shall be vested in, and the powers, rights,
18 privileges, and functions of the District shall be exercised by a
19 Board of Directors consisting of seven [~~six (6)~~] members, all of
20 whom shall be freehold property taxpayers and legal voters of the
21 State of Texas and four (4) of whom shall be residents of a county
22 wholly encompassed by the District. Members of such Board of
23 Directors shall be appointed by the Governor for terms of four [~~six~~
24 ~~(6)~~] years. [~~Provided, the present Board of six (6) directors of~~

1 ~~said District, appointed by the State Board of Water Engineers~~
2 ~~under authority of House Bill No. 1094, Chapter 613, Acts of the~~
3 ~~Regular Session of the Forty-seventh Legislature, amending Section~~
4 ~~6 of Chapter 426, Acts of the Regular Session of the Forty-fifth~~
5 ~~Legislature, as amended by House Bill No. 828, Chapter 480, Acts of~~
6 ~~the Regular Session of the Forty-seventh Legislature, for terms of~~
7 ~~two (2), four (4), and six (6) years, shall continue to serve as~~
8 ~~such until the expiration of the respective terms for which they~~
9 ~~were appointed. Upon the expiration of the terms for which the~~
10 ~~present members of the Board of Directors were appointed, the~~
11 ~~successors of each and all of them shall be appointed by the~~
12 ~~Governor for a term of six (6) years.]~~

13 The Directors shall hold office after their appointment and
14 qualification until their successors shall be appointed and
15 qualified. Should any vacancy occur in the Board of Directors, the
16 same shall be filled in like manner by the Governor for the
17 unexpired term. The Directors appointed shall, within thirty (30)
18 days after their appointment, qualify by taking the official oath
19 required of County Commissioners, and shall execute bond in the sum
20 of Five Thousand Dollars (\$5,000) payable to the District, the
21 sufficiency of which bond shall be determined by the Governor,
22 which bonds after being recorded in the official bond records of the
23 county in which the District maintains its office shall be
24 deposited with the depository selected and approved for the deposit
25 of the funds of the District.

26 The Governor shall designate a Director as the President of
27 the Board to serve in that capacity at the pleasure of the Governor.

1 The Board of Directors shall organize by electing one of its members
2 [~~President, one~~] Vice-President, one Secretary, and one Treasurer.
3 Four (4) members, including the President [~~presiding officer~~],
4 shall constitute a quorum to transact business. The President
5 shall preside at all meetings of the Board and shall be the chief
6 executive officer of the District. The Vice-President shall act as
7 President in case of the absence or disability of the President.
8 The Secretary shall act as Secretary of the Board and shall be
9 charged with the duty of keeping a record of all proceedings and all
10 orders of the Board. The Treasurer shall receive and receipt for
11 all moneys received by the District and shall keep books and records
12 of all moneys received and expended. In case of the absence or
13 inability of the Secretary to act, a Secretary pro tem shall be
14 selected by the Directors.

15 The domicile of the District shall be in the City of Conroe,
16 in the County of Montgomery, Texas, where the District shall
17 maintain its principal office. The Board of Directors shall have
18 authority to fix the time, place and number of meetings of such
19 Board by proper resolutions, regulations and bylaws passed by said
20 Board. Said Board shall cause to be kept complete and accurate
21 accounts conforming to approved methods of bookkeeping. Said
22 accounts and all contracts, documents, and records of the District
23 shall be kept at said principal office, and same shall be open to
24 public inspection at all reasonable times.

25 SECTION 3. Chapter 426, Acts of the 45th Legislature,
26 Regular Session, 1937, is amended by adding Sections 6A, 6B, 6C, 6D,
27 6E, and 6F to read as follows:

1 Sec. 6A. (a) It is a ground for removal from the Board of
2 Directors that a Director:

3 (1) does not have at the time of taking office the
4 qualifications required by Section 6 of this Act;

5 (2) does not maintain during service on the Board the
6 qualifications required by Section 6 of this Act;

7 (3) is ineligible for directorship under Chapter 171,
8 Local Government Code;

9 (4) cannot, because of illness or disability,
10 discharge the Director's duties for a substantial part of the
11 Director's term; or

12 (5) is absent from more than half of the regularly
13 scheduled Board meetings that the Director is eligible to attend
14 during a calendar year without an excuse approved by a majority vote
15 of the Board.

16 (b) The validity of an action of the Board is not affected by
17 the fact that it is taken when a ground for removal of a Director
18 exists.

19 (c) If the general manager has knowledge that a potential
20 ground for removal exists, the general manager shall notify the
21 President of the Board of the potential ground. The President shall
22 then notify the Governor and the Attorney General that a potential
23 ground for removal exists. If the potential ground for removal
24 involves the President, the general manager shall notify the next
25 highest ranking Director, who shall then notify the Governor and
26 the Attorney General that a potential ground for removal exists.

27 Sec. 6B. (a) A person who is appointed to and qualifies for

1 office as a Director may not vote, deliberate, or be counted as a
2 Director in attendance at a meeting of the Board of Directors until
3 the person completes a training program that complies with this
4 section.

5 (b) The training program must provide the person with
6 information regarding:

7 (1) the law governing District operations;

8 (2) the programs, functions, rules, and budget of the
9 District;

10 (3) the scope of and limitations on the rulemaking
11 authority of the District;

12 (4) the results of the most recent formal audit of the
13 District;

14 (5) the requirements of:

15 (A) laws relating to open meetings, public
16 information, administrative procedure, and disclosing conflicts of
17 interest; and

18 (B) other laws applicable to members of the
19 governing body of a river authority in performing their duties; and

20 (6) any applicable ethics policies adopted by the
21 District or the Texas Ethics Commission.

22 (c) A person appointed to the Board is entitled to
23 reimbursement for the travel expenses incurred in attending the
24 training program regardless of whether the attendance at the
25 program occurs before or after the person qualifies for office.

26 (d) The general manager of the District shall create a
27 training manual that includes the information required by

1 Subsection (b) of this section. The general manager shall
2 distribute a copy of the training manual annually to each Director.
3 Each Director shall sign and submit to the general manager a
4 statement acknowledging that the Director received and has reviewed
5 the training manual.

6 Sec. 6C. The Board of Directors shall develop and implement
7 policies that clearly separate the policy-making responsibilities
8 of the Board and the management responsibilities of the general
9 manager and the staff of the District.

10 Sec. 6D. (a) The District shall maintain a system to
11 promptly and efficiently act on complaints filed with the District.
12 The District shall maintain information about parties to the
13 complaint, the subject matter of the complaint, a summary of the
14 results of the review or investigation of the complaint, and its
15 disposition.

16 (b) The District shall make information available
17 describing its procedures for complaint investigation and
18 resolution.

19 (c) The District shall periodically notify the complaint
20 parties of the status of the complaint until final disposition,
21 unless the notice would jeopardize an investigation.

22 Sec. 6E. The Board of Directors shall develop and implement
23 policies that provide the public with a reasonable opportunity to
24 appear before the Board and to speak on any issue under the
25 jurisdiction of the District.

26 Sec. 6F. The Board of Directors shall develop and implement
27 a comprehensive policy that provides a structure for public

1 engagement in advance of major actions and projects. The policy
2 must include a clear and detailed description of how the District
3 will seek to actively engage stakeholders, including the possible
4 use of:

- 5 (1) advisory committees;
- 6 (2) community panels;
- 7 (3) town hall meetings;
- 8 (4) surveys; and
- 9 (5) other strategies on a recurring basis.

10 SECTION 4. The member of the board of directors of the San
11 Jacinto River Authority whose term expires in November 2027 shall
12 continue in office until the member's successor is appointed to and
13 qualifies for a term of four years beginning in October 2027.

14 SECTION 5. (a) Except as provided by Subsection (b) of
15 this section, Section 6B, Chapter 426, Acts of the 45th
16 Legislature, Regular Session, 1937, as added by this Act, applies
17 to a member of the board of directors of the San Jacinto River
18 Authority appointed before, on, or after the effective date of this
19 Act.

20 (b) Notwithstanding Section 6B, Chapter 426, Acts of the
21 45th Legislature, Regular Session, 1937, as added by this Act, a
22 person serving on the board of directors of the San Jacinto River
23 Authority may vote, deliberate, and be counted as a director in
24 attendance at a meeting of the board until December 1, 2023. A
25 director may not vote, deliberate, or be counted as a member in
26 attendance at a meeting of the board held on or after December 1,
27 2023, until the member completes the training required by that

1 section.

2 SECTION 6. (a) The legal notice of the intention to
3 introduce this Act, setting forth the general substance of this
4 Act, has been published as provided by law, and the notice and a
5 copy of this Act have been furnished to all persons, agencies,
6 officials, or entities to which they are required to be furnished
7 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
8 Government Code.

9 (b) The governor, one of the required recipients, has
10 submitted the notice and Act to the Texas Commission on
11 Environmental Quality.

12 (c) The Texas Commission on Environmental Quality has filed
13 its recommendations relating to this Act with the governor, the
14 lieutenant governor, and the speaker of the house of
15 representatives within the required time.

16 (d) All requirements of the constitution and laws of this
17 state and the rules and procedures of the legislature with respect
18 to the notice, introduction, and passage of this Act are fulfilled
19 and accomplished.

20 SECTION 7. This Act takes effect September 1, 2023.