

BILL ANALYSIS

S.B. 5
By: Averitt
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Johnson County Rural Water Supply Corporation (JCRWSC) provides water service within Johnson, Tarrant, Ellis, and Hill counties. JCRWSC is interested in becoming a special utility district, primarily to avail itself of the favorable and expanded opportunities for financing and tax exemption. S.B. 5 creates a conservation and reclamation district known as the Johnson County Special Utility District.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

- SECTION 1. CREATION. Creates a conservation and reclamation district in Johnson, Hill, Ellis, and Tarrant counties to be known as the Johnson County Special Utility District.
- SECTION 2. DEFINITION. Stipulates that "district" in this Act, means the Johnson County Special Utility District.
- SECTION 3. BOUNDARIES. Establishes the exact boundaries of the district.
- SECTION 4. FINDINGS RELATING TO BOUNDARIES. States that the legislature finds that the boundaries and field notes of the district form a closure, and that a mistake in the notes or in copying the notes in the legislative process does not effect the organization, existence, or validity of the district.
- SECTION 5. FINDING OF BENEFIT. States that the legislature finds that all of the land and other property included within the boundaries of the district will be benefitted by the works and projects that are to be accomplished by the district under the powers allotted, and the district is created to serve a public use and benefit.
- SECTION 6. POWERS. Grants this district all of the rights, powers, privileges, authority, functions, and duties provided by this state applicable to special utility districts, excepting special limitations relating to certain water services.
- SECTION 7. REGULATORY CONFLICTS. States that if a municipality asserts regulatory authority over any geographic area lying within the jurisdiction of the district, the regulation of the municipality shall control over that of the district in the event of a regulatory conflict with the district. This section is not applicable to potable water quality standards or to disputes relating to retail water utility service areas.
- SECTION 8. BOARD OF DIRECTORS. States that this district is to be governed by a board of 5 to 11 directors with 9 initial directors. Directs temporary directors to serve until initial

directors are elected, and initial directors are to serve until permanent directors are elected.

SECTION 9. TEMPORARY BOARD OF DIRECTORS. Names the temporary board of directors and directs them to execute their official bonds and take their official oath of office. Sets forth provisions for filling the vacancy of a temporary director.

SECTION 10. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Sets forth provisions for the election of an initial board of directors by the temporary board of directors. Requires the initial board of directors to file with the TCEQ an order canvassing the confirmation election returns no later than 30 days after the election. Upon a successful confirmation election, the assets, debts, and contractual right and obligations of Johnson County Rural Water Supply Corporation shall be transferred to the district. Upon successful confirmation and dissolution, a Certificate of Convenience and Necessity shall be issued by TCEQ to the district.

SECTION 11. ADOPTING RULES. Allows the district to adopt and enforce reasonable rules that fall within the district's statutory authority.

SECTION 12. FINDINGS RELATING TO PROCEDURAL REQUIREMENTS. States that all necessary procedural requirements for the creation of the district have been accomplished.

SECTION 13. Effective date: upon passage or September 1, 2003.

EFFECTIVE DATE

Upon passage if the necessary votes are received, or September 1, 2003.