

## **BILL ANALYSIS**

Senate Research Center

S.B. 331  
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Natural Resources  
7/19/2005  
Enrolled

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

The North Harris County Regional Water Authority (authority) was established by the 76th Legislature, Regular Session, 1999, for the purposes, among others, of supplying surface water to certain areas within the authority's boundaries and controlling subsidence. The authority is comprised of hundreds of municipal utility districts (MUDs) serving more than 400,000 residents. The state regulatory structure does not recognize the unique makeup of the authority which hinders the ability of the authority to accomplish its mission in a timely manner.

S.B. 331 enhances the authority's statute to better enable the authority to meet state and federal regulatory requirements in a timely manner by providing an additional regulatory option for the Texas Commission on Environmental Quality and the authority to consider when situations unique to the authority arise.

### **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 2.02(c), Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, to delete existing text providing that any change in the boundaries of the North Harris County Regional Water Authority (authority) which increases the total area of the authority by more than 20 percent is an event which triggers the redrawing of the single-member voting districts by the board of directors (board) of the authority, in the manner described by Section 49.103(d) (Terms of Office Directors), Water Code. Makes conforming changes.

SECTION 2. Amends Section 4.10, Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, by adding Subsections (e) through (k), as follows:

(e) Authorizes the authority to expedite the financing and construction of a surface water delivery system, or other projects of the authority to accomplish a conversion from reliance on groundwater to reliance on surface water not later than the earlier of certain dates.

(f) Defines "surface water delivery system."

(g) Provides that it is the intent of the legislature that the Texas Commission on Environmental Quality (TCEQ) cooperate with and assist the authority in developing a surface water delivery system or other authority project in an expedited manner as provided by Subsection (e). Authorizes TCEQ to grant conditional approval of a construction project or waive a requirement of any law or TCEQ rule with respect to a construction project, if the conditional approval or waiver does not compromise public health or safety.

(h) Requires the authority, if TCEQ grants conditional approval of or a waiver for a construction project, to make any subsequent changes in the construction project necessary to protect the public health or safety that TCEQ requires.

(i) Prohibits TCEQ from requiring as a condition for approving an authority construction project that the authority enter into a contract with another person. Authorizes the authority to meet its obligations under TCEQ rules that require that certain issues be addressed by contract by adopting rules that address those issues and that allocate responsibility as necessary between the authority and a district or person within the boundaries of the authority.

(j) Authorizes TCEQ and the authority to enter into a memorandum of understanding that relates to the construction of a surface water delivery system. Authorizes the memorandum of understanding to serve certain functions.

(k) Authorizes the authority, to comply with TCEQ rules that would require the authority to state specific amounts of water that may or will be provided to another entity receiving water from the authority, to state the amount in ranges that the authority may change on prompt notification to TCEQ.

SECTION 3. Amends Chapter 1029, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 5.01A, as follows:

Sec. 5.01A. ANTICIPATION NOTES AND BONDS. (a) Authorizes the board to issue negotiable revenue anticipation notes or negotiable bond anticipation notes to borrow the money needed by the authority without advertising or giving notice of the sale. Authorizes the board to also issue negotiable combination revenue and bond anticipation notes. Authorizes negotiable combination revenue and bond anticipation notes to contain any term authorized under this section for revenue anticipation notes or bond anticipation notes. Requires any note issued to mature not later than one year after its date of issuance.

(b) Authorizes a revenue anticipation note to be issued to enable the authority to carry out any purpose authorized by this Act. Requires a revenue anticipation note to be secured by the proceeds of revenues to be collected by the authority in the 12-month period following the date of issuance of the note. Authorizes the board to covenant with the purchasers of the notes that the board will charge and collect sufficient revenues to pay the principal of and interest on the notes and pay the cost of collecting the revenues.

(c) Authorizes a bond anticipation note to be issued for any purpose for which a bond of the authority may be issued or to refund previously issued revenue or bond anticipation notes. Authorizes the authority to covenant with the purchasers of the bond anticipation notes that the authority will use the proceeds of the sale of any bonds in the process of issuance for the purpose of refunding the bond anticipation notes, in which case the board is required to use the proceeds received from the sale of the bonds in the process of issuance to pay the principal, interest, or redemption price on the bond anticipation notes.

(d) Provides that, for purposes of Section 1202.007, Government Code, a note issued under this section is considered to be payable only out of certain funds.

SECTION 4. Effective date: upon passage or September 1, 2005.