

BILL ANALYSIS

H.B. 1082
By: Laubenberg
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The North Texas Municipal Water District ("District") is a conservation and reclamation district created by the 52nd Legislature, Regular Session, in 1951. The District currently provides water, wastewater, and solid waste services to wholesale and retail customers in Collin, Dallas, Denton, Hunt, Kaufman, and Rockwall Counties.

H.B. 1082 increases the per diem and annual reimbursement limits on fees to be paid to members of the District's board of directors, in accordance with the provisions of the Water Code; clarifies and updates the District's administration and powers; updates the bonding provisions applicable to the District; and provides for certain actions to be taken to ensure the continued operations of the District in the event of a catastrophe or disaster that prevents a quorum of the District's board of directors from meeting.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Section 1a, Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, by adding Subdivision (13), to define the term "Bonds" as follows:

(13) "Bonds" includes negotiable or nonnegotiable bonds, notes, certificates, contractual obligations, or other obligations of the district.

SECTION 2. Amends Section 3(b), Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, by requiring that each director receive a fee of \$150 for each day the director spends performing the duties of a director, including participating in board and committee meetings, other activities involving substantive deliberation of District business, and pertinent educational programs, rather than \$50 for attending each meeting of the board and \$20 per day devoted to the business of the District other than attending board meetings.

The bill increases the maximum amount a director can be paid in one calendar year to not more than \$7,200 rather than not more than \$1,200.

SECTION 3. Amends Section 4, Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, by eliminating the requirement for the president of the board to serve as the chief executive officer of the District and requiring the board to appoint an executive director who shall employ or contract with all necessary engineers, attorneys, and other employees.

SECTION 4. Amends Section 27, Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, by amending Subsections (a), (d), (e), (f), (h), (j), and (k) and adding Subsection (h-1) as follows:

(a) States that the District has the functions, powers, authority, rights, and duties necessary to accomplish the purposes for which the district was created and the purposes authorized by Section 59, Article XVI, Texas Constitution, this Act, or any other law. Adds any and all property to the list of works, improvements, facilities, plants, equipment, and appliances

incident, helpful, or necessary and deletes language stating pursuant to the provisions of Chapters 5 and 6, Water Code, as amended.

(d) Changes the stated Chapter of the Water Code to 30 rather than 25.

(e) Changes the stated Chapter of the Water Code to 30 rather than 25 and changes the Section referenced to 30.030(c), Water Code rather than 25.030(c) of the Regional Waste Disposal Act.

(f) Changes the first sentence to the district rather than it is further specifically provided that the and changes the stated Chapter of the Water Code to 30 rather than 25.

(h) Allows the District to issue bonds to borrow money for any corporate purpose, including the purposes authorized by this section, rather than for specific purposes. Allows the board of directors of the District to issue bonds, deleting "revenue;" allowing any property, deleting "such;" in certificated form or uncertificated book-entry form. Clarifies that the bonds, and any interest coupons appertaining thereto, to the extent issued in negotiable form, are and shall constitute negotiable instruments within the meaning and for all purposes of the Texas Business & Commerce Code, rather than the Uniform Commercial Code. Adds language to include through a public or private sale and to include fixed, variable, floating, adjustable, or another method of computation.

Allows the district, in a bond resolution, to authorize one or more designated officers or employees of the district to act on behalf of the district, with the same force and effect as if the action had been taken by the district, in selling and delivering the bonds and setting the dates, prices, interest rates, interest payment periods, and other procedures relating to the bonds, as specified in the bond resolution.

(h-1) Adds a new subsection to allow the board to issue bond anticipation notes, revenue anticipation notes, or both, to borrow the money needed by the district if funds are not available to meet any need of the district and the board declares an emergency. Allows the issuance of bond anticipation notes for any purpose for which district bonds may be issued. Allows the district to enter into an agreement with a purchaser of bond anticipation notes to use the proceeds from the sale of any bond to pay principal, interest, or redemption price on a bond anticipation note. Allows the issuance of revenue anticipation notes for any purpose for which the district is authorized to expend district revenue. Allows the district to enter into an agreement with a purchaser of revenue anticipation notes to adopt, enforce, and collect charges, fees, rentals, and other amounts for the district's facilities and services that are sufficient to pay the principal of, any redemption premium on, and interest on the revenue anticipation notes.

(j) Adds that Chapter 1202, Government Code, applies, to the issuance of bonds by the district and deletes prior provisions in the subsection

(k) Provides that all bonds issued pursuant to this section are legal and authorized investments in the same manner as provided by Section 49.186(a), Water Code and that the bonds are eligible and lawful security for deposits of public funds in the same manner as provided by Section 49.186(b), Water Code. Deletes prior provisions in the subsection.

SECTION 5. Amends Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, by adding Section 28 as follows:

Provides that any directors who are available, or the highest ranking staff member of the district if no director is available, if a quorum of the board of directors of the district cannot be assembled due to multiple deaths or injuries resulting from a catastrophe or disaster, within 24 hours after the catastrophe or disaster has ended, or as soon as practicable under the circumstances, to take any action necessary to ensure the basic health, safety, and welfare of the customers of the district and call for the appointment of new directors by the member cities of the district to fill the vacancies on the board resulting from the catastrophe or disaster. The bill limits any directors who are available, or the highest ranking staff member of the district if no director is available, to only take actions as necessary to protect the basic health, safety, and welfare of the district's customers until a quorum of the board of directors can be assembled. The

bill authorizes the board of directors to subsequently ratify any action taken under such circumstances.

SECTION 6. Repeals Section 27(c), Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951.

SECTION 7. Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of this Act.

SECTION 8. Provides the effective date of this Act.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.