

## **BILL ANALYSIS**

H.B. 1832  
By: Ritter  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Lower Neches Valley Authority conservation and reclamation district is located within the Neches River basin and the Neches-Trinity coastal basin. The district's enabling legislation was passed in the early 1930s. Currently, the district operates a complex canal system that is capable of delivering large quantities of water from the Neches and Trinity Rivers to industrial and agricultural business interests.

The district's local law was proposed for codification as part of the Texas Legislative Council's ongoing project to transfer local district statutes to the Special District Local Laws Code. However, reconciling the district's local law, as amended over time, with later laws and cumulative provisions in statute prior to codification is critical to the operation of the district. H.B. 1832 updates and amends the local law governing the authority.

### **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**

H.B. 1832 amends Chapter 63, Acts of the 43rd Legislature, 1st Called Session, 1933, to update and amend provisions relating to the Lower Neches Valley Authority conservation and reclamation district. The bill clarifies the authority of the district over the Neches River basin and the adjoining Neches-Trinity coastal basin, rather than the valleys of the Neches River and its tributaries. The bill entitles a district director to receive a fee of office for each day of service approved by a vote of the board of directors and necessary to discharge the director's duties, requires the board of directors to set the fee in an amount not greater than the amount allowed under general law, and removes a provision requiring a director to receive a sum not to exceed \$10 per day.

H.B. 1832 removes provisions relating to election of a president, vice-president, treasurer, and secretary; certain approval of construction contracts and warrants for the payment of money; a required bond to be furnished by certain district officers and employees; and meeting times and place. The bill removes provisions relating to a requirement that directors keep a true and full account of meetings and proceedings; a required regular office; a required complete book of accounts to be kept and an annual audit by a certified public accountant; director authority to employ a general manager; and required director, officer, and employee bond execution by a surety company. The bill removes a provision making it a misdemeanor for a director, engineer, or employee to be, directly or indirectly, interested either for themselves or as agents for anyone else in any contract for the purchase or construction of any work by the district.

H.B. 1832 establishes that nothing in certain provisions, as amended by the bill, authorizing the district to control and use applicable waters in certain manners and for certain particular purposes is a limitation on the powers of the district expressed elsewhere in law.

H.B. 1832 removes a provision prohibiting certain service charges from being made on the revenues derived from district improvements and facilities as long as obligations issued remain outstanding and unpaid as to principal or interest.

H.B. 1832 removes a provision requiring the district through the board of directors to have the right to employ managers, engineers, attorneys, and all necessary employees to properly construct, operate, and maintain certain works and carry out provisions governing the district and to pay reasonable compensation fixed by the board of directors for such services.

H.B. 1832 removes a provision establishing the right of the district to sue and be sued and a provision requiring the district to present to a certain agency plans and specifications and obtain approval before establishing a diversion point and constructing canals, pumping plants, and certain other works.

H.B. 1832 removes provisions governing the issuance of obligations, including provisions providing for the creation of a sinking fund. The bill removes a provision establishing that nothing in the law governing the district is to be construed as affecting any existing rights or existing priorities in the rights to water from the source of supply and that neither the formation of the district nor a contract for the purchase of water with the district are ever to be held to be an abandonment of waiver of those rights or priorities, or an abandonment of the original point of diversion from the source of supply, but that all such rights existing at the time of the formation of the district are to be preserved. The bill removes a provision requiring the district or the contractor who employs the labor for the construction of any district improvements to be required to give preference to persons who are on relief rolls or otherwise unemployed.

H.B. 1832 validates, as of the date such acts and proceedings occurred, all governmental acts and proceedings taken by the board of directors of the district before the effective date of the bill in reliance on the local law of the district as that law existed before that date but does not validate an act or proceeding that on the effective date of the bill is involved in litigation if the litigation ultimately results in the act or proceeding being held invalid by a final court judgment or that on the effective date of the bill has been held invalid by a final court judgment. The bill provides that it does not limit the powers granted to the district by any other law, impliedly repeal any laws granting powers to the district, or affect the entitlement of a person serving as a member or officer of the board of directors of the district immediately before the effective date of the bill to continue to carry out the board's functions for the remainder of the person's term of office.

H.B. 1832 makes nonsubstantive changes.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.