

BILL ANALYSIS

Senate Research Center
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S.B. 1690
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Water Development Board (TWBD) only requires an applicant to the economically distressed areas program (EDAP) to provide documentation to the executive administrator to allow review of the applicant's managerial, financial, and technical capabilities to operate the system for which assistance is being requested.

In order to ensure that applicant use of EDAP funding effectively provides water and wastewater systems to residents of economically distressed areas and to safeguard the state's investment in water and wastewater infrastructure, S.B. 1690 would add additional criteria for TWBD to review when considering an application for EDAP funds. The additional criteria are to review the applicant's ability to plan and build the project as well as the applicant's managerial, financial, and technical capabilities to plan, build, and operate the water supply and sewer project.

As proposed, S.B. 1690 amends current law relating to the consideration of and action on applications for financial assistance for water supply and sewer service projects in economically distressed areas.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

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 17.927(d), Water Code, as follows:

(d) Authorizes the Texas Water Development Board (TWBD), before considering an application for financial assistance for a water supply and sewer service project in an economically distressed area, to require the applicant to:

- (1) provide documentation to the executive administrator of TWBD (executive administrator) sufficient to allow review of the applicant's managerial, financial, and technical capabilities to plan, build, and operate the system for which assistance is being requested;
- (2) provide a written determination by the Texas Natural Resource Conservation Commission (TNRCC) on the applicant's managerial, financial, and technical capabilities to plan, build, and operate the system for which assistance is being requested;
- (3) request that the comptroller of public accounts perform a financial management review of the applicant and, if the review is performed, provide the board with the results of the review; or

(4) provide any other information required by TWDB or the executive administrator.

SECTION 2. Amends Section 17.929(a), Water Code, to require TWDB, in passing on an application for financial assistance, to consider certain conditions including the applicant's managerial, financial, and technical capabilities to plan, build, and operate the proposed water supply and sewer project. Makes nonsubstantive changes.

SECTION 3. Amends Section 17.930(b), Water Code, as follows:

(b) Requires TWDB by resolution, after making the considerations provided by Section 17.929 (Considerations in Passing on Application), to:

(1) approve the plan and application as submitted;

(2) approve the plan and application subject to the requirements identified by TWDB or TNRCC for the applicant to obtain the managerial, financial, and technical capabilities to plan, build, and operate the system and any other requirements, including training under Subchapter M (Required Training for Applicants for and Recipients of Economically Distressed Areas Program Financial Assistance), TWDB considers appropriate;

(3) deny the application and identify the requirements or remedial steps the applicant must complete before the applicant may be reconsidered for financial assistance;

(4) if TWDB finds that the applicant will be unable to obtain the managerial, financial, or technical capabilities to plan, build, and operate a system, deny the application and issue a determination that a service provider other than the applicant is necessary or appropriate to undertake the proposed project; or

(5) deny the application.

SECTION 4. Makes application of this Act prospective

SECTION 5. Effective date: September 1, 2011.