

BILL ANALYSIS

S.B. 1854
By: Hegar
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Fort Bend County Levee Improvement District No. 7 (district) includes five municipal utility districts (MUDs) located in New Territory in Sugar Land, Texas. These five MUDs signed a Strategic Partnership Agreement with the city in 2007. Pursuant to the agreement, a designated amount of wastewater effluent produced from the MUD wastewater plant was reserved for the use and benefit of the New Territory community. The concept was that, at a future date and in an effort to conserve potable water and reduce the certain escalation of future water costs, a reuse system could be constructed to treat and distribute effluent for green space irrigation. S.B. 1854 provides the district the authority to finance, construct, and acquire a reuse project, by purchase or lease, that facilitates the recycling of and reuse of water, wastewater effluent, or other water or wastewater byproducts.

As proposed, S.B. 1854 amends current law relating to certain project powers and duties of the Fort Bend County Levee Improvement District No. 7, and provides authority to impose a tax and issue bonds.

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. Amends Subtitle E, Title 6, Special District Local Laws Code, by adding Chapter 7808, as follows:

CHAPTER 7808. FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7808.001. DEFINITIONS. Defines "board," "district," and "project" for this chapter.

SUBCHAPTER B. PROJECT POWERS AND DUTIES

Sec. 7808.151. ACQUISITION OF PROJECT. Authorizes the Fort Bend County Levee Improvement District No. 7 (district) to acquire a project, including by purchase or lease.

Sec. 7808.152. CONSTRUCTION, MAINTENANCE, AND OPERATION OF PROJECT. Authorizes the district to construct, rehabilitate, repair, improve, enlarge, operate, and maintain a project.

Sec. 7808.153. DELIVERY METHOD. Authorizes the district to use alternative delivery methods under Chapter 2267 (Contracting and Delivery Procedures for Construction Projects), Government Code, as added by Chapter 1129 (H.B. 628), Acts of the 82nd Legislature, Regular Session, 2011, for a project, in addition to any method provided by Chapters 49 (Provisions Applicable to All Districts) and 57 (Levee Improvement Districts), Water Code.

Sec. 7808.154. CONVEYANCE OF PROJECT. Authorizes the district, if the board of directors of the district (board) considers the terms appropriate and favorable to the district, to convey:

- (1) a project to a municipality in whose extraterritorial jurisdiction all or part of the district is located; or
- (2) political subdivision located wholly or partly in the district.

Sec. 7808.155. USE OF PROJECT WATER. Authorizes the district, if the board considers the terms appropriate and favorable to the district, to:

- (1) use the water from a project; or
- (2) sell or otherwise provide the water to a homeowners' or property owners' association located in the district or with the prior consent of a municipality described by Section 7808.154(1), any person located in the extraterritorial jurisdiction of that municipality, including a political subdivision, private entity, and individual.

Sec. 7808.156. PROJECT FINANCING. Authorizes the district to finance a project with property taxes, mandatory fees, or voluntary contributions.

Sec. 7808.157. PROJECT BONDS. Authorizes the district to issue bonds or other obligations for a project in the manner provided by Subchapter G (Issuance of Bonds), Chapter 57, Water Code.

Sec. 7808.158. JOINT PROJECT. Authorizes the district to act jointly in regard to a project under an agreement or contract with any person, including a political subdivision, private entity, or individual.

Sec. 7808.159. MUNICIPAL APPROVAL. (a) Provides that the plans and specifications for the construction or modification of a project are subject to:

- (1) the review and approval of any municipality in whose extraterritorial jurisdiction all or part of the district is located; and
- (2) any ordinance, regulation, or standard criteria a municipality described by Subdivision (1) may adopt relating to the construction or operation of similar projects in its corporate limits or extraterritorial jurisdiction.

(b) Requires that the approval required by Subsection (a) be in the form of an ordinance or resolution adopted by the governing body of the municipality. Authorizes approval for subsequent modifications, extensions, or repairs of a project to be given in the manner the municipality customarily uses for other water supply improvements in its corporate limits or extraterritorial jurisdiction.

SECTION 2. Provides for the effective date of this Act.

EFFECTIVE DATE

This Act takes effect immediately if this Act receives a vote of two-thirds of all the members of both houses; otherwise, this Act takes effect September 1, 2013.