

By: Fraser

S.B. No. 4

A BILL TO BE ENTITLED

AN ACT

relating to the administration and functions of the Texas Water  
Development Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. ADMINISTRATION OF THE TEXAS WATER DEVELOPMENT BOARD

SECTION 1.01. Section 6.052(a), Water Code, is amended to  
read as follows:

(a) The board is composed of three [~~six~~] members who are  
appointed by the governor with the advice and consent of the senate.

SECTION 1.02. Section 6.053, Water Code, is amended by  
adding Subsection (d) to read as follows:

(d) A person is not eligible for appointment to the board if  
the person served on the board on or before January 1, 2013.

SECTION 1.03. Section 6.054(c), Water Code, is amended to  
read as follows:

(c) If the executive administrator or a member has knowledge  
that a potential ground for removal exists, the executive  
administrator shall notify the chairman of the board of the  
potential ground. The chairman of the board shall then notify the  
governor and the attorney general that a potential ground for  
removal exists. If the potential ground for removal includes the  
chairman of the board, the executive administrator or another  
member of the board shall notify the member [~~next highest ranking~~  
~~officer~~] of the board with the most seniority, who shall then notify

1 the governor and the attorney general that a potential ground for  
2 removal exists.

3 SECTION 1.04. Section 6.056, Water Code, is amended to read  
4 as follows:

5 Sec. 6.056. TERMS OF OFFICE. (a) The members of the board  
6 hold office for staggered terms of six years, with the term [~~terms~~]  
7 of one member [~~two members~~] expiring February 1 of each  
8 odd-numbered year [~~every two years~~]. Each member holds office  
9 until a [~~his~~] successor is appointed and has qualified.

10 (b) A person appointed to the board may not serve for more  
11 than two six-year terms.

12 SECTION 1.05. Section 6.059, Water Code, is amended to read  
13 as follows:

14 Sec. 6.059. CHAIRMAN OF THE BOARD [~~OFFICERS~~]. [~~(a)~~] The  
15 governor shall designate one member as chairman of the board to  
16 serve at the will of the governor.

17 [~~(b) The members of the board shall elect a vice-chairman~~  
18 ~~every two years. The board shall fill a vacancy in the office of~~  
19 ~~vice-chairman for the remainder of the unexpired term.]~~

20 SECTION 1.06. Sections 6.060(a) and (b), Water Code, are  
21 amended to read as follows:

22 (a) The board shall hold regular meetings and all hearings  
23 at times specified by a board order and entered in its minutes [~~meet~~  
24 ~~at least once every other month on a day and at a place within the~~  
25 ~~state selected by it, subject to recesses at the discretion of the~~  
26 ~~board~~]. The [~~chairman or two~~] board [~~members~~] may hold special  
27 meetings at the times and places in the state that the board decides

1 are appropriate for the performance of its duties. The chairman of  
2 the board or the board member acting for the chairman shall give the  
3 other members reasonable notice before holding a special meeting  
4 ~~[call a special meeting at any time by giving notice to the other~~  
5 ~~members].~~

6 (b) The chairman ~~[or in his absence the vice-chairman]~~ shall  
7 preside at all meetings of the board. The chairman may designate  
8 another board member to act for the chairman in the chairman's  
9 absence.

10 SECTION 1.07. Section 6.061, Water Code, is amended to read  
11 as follows:

12 Sec. 6.061. FULL-TIME SERVICE. Each member of the board  
13 shall serve on a full-time basis. ~~[COMPENSATION; EXPENSES. A~~  
14 ~~member is entitled to receive an amount as provided by the General~~  
15 ~~Appropriations Act for each day he serves in the performance of his~~  
16 ~~duties, together with travel and other necessary expenses.]~~

17 SECTION 1.08. Section 6.103, Water Code, is amended to read  
18 as follows:

19 Sec. 6.103. EXECUTIVE ADMINISTRATOR. The chairman of the  
20 board shall appoint a person to be the executive administrator to  
21 serve at the will of the board. A person is not eligible for  
22 appointment as the executive administrator if the person served in  
23 that capacity on January 1, 2013. The executive administrator  
24 shall report to the chairman of the board.

25 SECTION 1.09. (a) Not later than September 1, 2013, the  
26 governor shall appoint the initial members of the Texas Water  
27 Development Board under Section 6.052, Water Code, as amended by

1 this Act. In appointing the initial members of the board, the  
2 governor shall appoint one person to a term expiring February 1,  
3 2015, one to a term expiring February 1, 2017, and one to a term  
4 expiring February 1, 2019.

5 (b) The terms of the current members of the board expire  
6 September 1, 2013.

7 SECTION 1.10. (a) Not later than October 1, 2013, the  
8 chairman of the Texas Water Development Board shall appoint the  
9 executive administrator of the board under Section 6.103, Water  
10 Code, as amended by this Act.

11 (b) The person currently serving as the executive  
12 administrator of the board ceases to serve in that capacity on the  
13 date a new executive administrator is appointed under Subsection  
14 (a) of this section.

15 ARTICLE 2. STATE WATER IMPLEMENTATION FUND FOR TEXAS

16 SECTION 2.01. Chapter 15, Water Code, is amended by adding  
17 Subchapter G to read as follows:

18 SUBCHAPTER G. STATE WATER IMPLEMENTATION FUND FOR TEXAS

19 Sec. 15.431. DEFINITIONS. In this subchapter:

20 (1) "Advisory committee" means the State Water  
21 Implementation Fund for Texas Advisory Committee.

22 (2) "Fund" means the state water implementation fund  
23 for Texas.

24 Sec. 15.432. STATE WATER IMPLEMENTATION FUND FOR TEXAS.

25 (a) The state water implementation fund for Texas is a special fund  
26 outside the state treasury to be administered without further  
27 appropriation by the board under this subchapter and rules adopted

1 by the board under this subchapter.

2 (b) The fund consists of:

3 (1) money transferred or deposited to the credit of  
4 the fund by law;

5 (2) the proceeds of any fee or tax imposed by this  
6 state that the legislature by statute dedicates for deposit to the  
7 credit of the fund;

8 (3) any other revenue that the legislature by statute  
9 dedicates for deposit to the credit of the fund; and

10 (4) interest earned on the balance of the fund.

11 Sec. 15.433. USE OF FUND. (a) The board may use money in  
12 the fund only to provide financing for projects included in the  
13 state water plan that are authorized under Subchapter Q or R of this  
14 chapter, Subchapter E, Chapter 16, or Subchapter J or K, Chapter 17.

15 (b) Of the money from the fund used by the board in any state  
16 fiscal biennium:

17 (1) not less than 10 percent must be used to finance  
18 projects described by Subsection (a) that are designed to serve  
19 rural areas; and

20 (2) not less than 10 percent must be used to finance  
21 projects described by Subsection (a) for water conservation or  
22 reuse.

23 (c) The board shall undertake to use money from the fund to  
24 provide financing for projects described by Subsection (a) in each  
25 regional water planning area in this state. The board shall  
26 prioritize projects in each regional water planning area for  
27 purposes of this subsection.

1       (d) The board may not use money in the fund or money  
2 transferred from the fund to another fund or account to make a  
3 grant.

4       Sec. 15.434. TRANSFERS TO OR FROM OTHER FUNDS OR ACCOUNTS.

5       (a) The board may direct the comptroller to transfer amounts from  
6 the fund to the credit of:

7               (1) the water infrastructure fund to be used for the  
8 purposes provided by Section 15.433 related to projects included in  
9 the state water plan that are authorized under Subchapter Q;

10              (2) the rural water assistance fund to be used for the  
11 purposes provided by Section 15.433 related to projects included in  
12 the state water plan that are authorized under Subchapter R;

13              (3) the Texas Water Development Fund II state  
14 participation account to be used for the purposes provided by  
15 Section 15.433 related to projects included in the state water plan  
16 that are authorized under Subchapter E, Chapter 16;

17              (4) the agricultural water conservation fund to be  
18 used for the purposes provided by Section 15.433 related to  
19 projects included in the state water plan that are authorized under  
20 Subchapter J, Chapter 17; or

21              (5) the Texas Water Development Fund II economically  
22 distressed areas program account to be used for the purposes  
23 provided by Section 15.433 related to projects included in the  
24 state water plan that are authorized under Subchapter K, Chapter  
25 17.

26       (b) If the comptroller transfers an amount from the fund to  
27 the credit of another fund or account as provided by this section,

1 the board may direct the comptroller to transfer an amount not to  
2 exceed that amount from the other fund or account to the fund if  
3 money is available in the other fund or account for that purpose.

4 Sec. 15.435. ADVISORY COMMITTEE. (a) The State Water  
5 Implementation Fund for Texas Advisory Committee is composed of  
6 nine members appointed as follows:

7 (1) three members appointed by the speaker of the  
8 house of representatives;

9 (2) three members appointed by the lieutenant  
10 governor; and

11 (3) three members appointed by the governor.

12 (b) The advisory committee shall submit recommendations to  
13 the board regarding the use of money in the fund for use by the board  
14 in adopting rules under Section 15.436. The board shall give  
15 appropriate consideration to the recommendations of the advisory  
16 committee before adopting rules under that section.

17 (c) The board shall provide information to the advisory  
18 committee on request.

19 Sec. 15.436. RULES. (a) After consulting the advisory  
20 committee, the board shall adopt rules providing for the use of  
21 money in the fund consistent with this subchapter, including rules:

22 (1) establishing standards for the eligibility for  
23 financing under Sections 15.433(a) and (b) of:

24 (A) projects designed to serve rural areas; and

25 (B) water conservation and reuse projects; and

26 (2) specifying the manner for prioritizing projects  
27 for purposes of Section 15.433(c).

1        (b) Rules adopted under Subsection (a)(2) must provide for  
2 giving a higher priority to projects that meet one or more of the  
3 following criteria:

4            (1) the project will have a major effect across a  
5 region; or

6            (2) the project will serve an area that is projected to  
7 experience a high rate of population or economic growth.

8        SECTION 2.02. Section 15.973(b), Water Code, is amended to  
9 read as follows:

10        (b) The fund consists of:

11            (1) appropriations from the legislature;

12            (2) any other fees or sources of revenue that the  
13 legislature may dedicate for deposit to the fund;

14            (3) repayments of loans made from the fund;

15            (4) interest earned on money credited to the fund;

16            (5) depository interest allocable to the fund;

17            (6) money from gifts, grants, or donations to the  
18 fund;

19            (7) money from revenue bonds or other sources  
20 designated by the board; ~~and~~

21            (8) proceeds from the sale of political subdivision  
22 bonds or obligations held in the fund and not otherwise pledged to  
23 the discharge, repayment, or redemption of revenue bonds or other  
24 bonds, the proceeds of which were placed in the fund; and

25            (9) money transferred from the state water  
26 implementation fund for Texas as authorized by Section 15.434.

27        SECTION 2.03. Section 15.993, Water Code, is amended to



1 read as follows:

2           Sec. 15.993. FUND. The rural water assistance fund is a  
3 special fund in the state treasury. The fund consists of:

4           (1) money directly appropriated to the board for a  
5 purpose of the fund;

6           (2) repayment of principal and interest from loans  
7 made from the fund not otherwise needed as a source of revenue  
8 pursuant to Section 17.9615(b);

9           (3) money transferred by the board from any sources  
10 available;

11           (4) interest earned on the investment of money in the  
12 fund and depository interest allocable to the fund;

13           (5) money transferred to the fund from the water  
14 assistance fund in accordance with Section 15.011(b), including  
15 proceeds from the sale of political subdivision bonds by the board  
16 to the Texas Water Resources Finance Authority that are deposited  
17 in the water assistance fund as provided by Section 17.0871;

18           (6) money from gifts, grants, or donations to the  
19 fund;

20           (6-a) money transferred from the state water  
21 implementation fund for Texas as authorized by Section 15.434; and

22           (7) any other fees or sources of revenue that the  
23 legislature may dedicate for deposit to the fund.

24           SECTION 2.04. Section 17.895, Water Code, is amended to  
25 read as follows:

26           Sec. 17.895. SOURCES OF ASSETS. The fund is composed of:

27           (1) money and assets, including bond proceeds,

1 attributable to the bonds;

2 (2) investment income earned on money on deposit in  
3 the fund and depository interest earned on money on deposit in the  
4 state treasury;

5 (3) money appropriated by the legislature;

6 (4) repayments of principal and interest on loans made  
7 under this subchapter;

8 (5) administrative fees charged by the board under the  
9 bond program;

10 (5-a) money transferred from the state water  
11 implementation fund for Texas as authorized by Section 15.434; and

12 (6) any other funds, regardless of their source, that  
13 the board directs be deposited to the credit of the fund.

14 SECTION 2.05. Section 17.957(b), Water Code, is amended to  
15 read as follows:

16 (b) The state participation account is composed of:

17 (1) money and assets attributable to water financial  
18 assistance bonds designated by the board as issued for projects  
19 described in Section 16.131;

20 (2) money from the sale, transfer, or lease of a  
21 project described in Subdivision (1) that was acquired,  
22 constructed, reconstructed, developed, or enlarged with money from  
23 the state participation account;

24 (3) payments received under a bond enhancement  
25 agreement with respect to water financial assistance bonds  
26 designated by the board as issued for projects described in Section  
27 16.131;

1           (4) investment income earned on money on deposit in  
2 the state participation account;

3           (4-a) money transferred from the state water  
4 implementation fund for Texas as authorized by Section 15.434; and

5           (5) any other funds, regardless of their source, that  
6 the board directs be deposited to the credit of the state  
7 participation account.

8           SECTION 2.06. Section 17.958(b), Water Code, is amended to  
9 read as follows:

10           (b) The economically distressed areas program account is  
11 composed of:

12           (1) money and assets attributable to water financial  
13 assistance bonds designated by the board as issued for projects  
14 described in Subchapter K;

15           (2) money provided by the federal government, the  
16 state, political subdivisions, and private entities for the purpose  
17 of paying debt service on water financial assistance bonds issued  
18 for purposes provided by Subchapter K;

19           (3) payments received under a bond enhancement  
20 agreement with respect to water financial assistance bonds  
21 designated by the board as issued for purposes provided by  
22 Subchapter K;

23           (4) investment income earned on money on deposit in  
24 the economically distressed areas program account;

25           (4-a) money transferred from the state water  
26 implementation fund for Texas as authorized by Section 15.434; and

27           (5) any other funds, regardless of their source, that

1 the board directs be deposited to the credit of the economically  
2 distressed areas program account.

3 SECTION 2.07. As soon as practicable after the effective  
4 date of this Act, the speaker of the house of representatives, the  
5 lieutenant governor, and the governor shall appoint the initial  
6 members of the State Water Implementation Fund for Texas Advisory  
7 Committee created under Section 15.435, Water Code, as added by  
8 this Act.

9 SECTION 2.08. Not later than December 1, 2013, the Texas  
10 Water Development Board shall adopt rules under Section 15.436,  
11 Water Code, as added by this Act.

12 ARTICLE 3. EFFECTIVE DATE

13 SECTION 3.01. This Act takes effect September 1, 2013.