

House Bill 3871
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 1.01, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

Sec. 1.01. PURPOSE. The purpose of this Act is to establish an instrumentality for developing and effectuating for Chambers, Galveston, and Harris Counties a regional water quality management program including provision of waste disposal and water systems and regulation of disposal of wastes.

SECTION 2. Section 1.03(a), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended by adding Subdivision (23) to read as follows:

(23) "Water system" means a system of pipelines, conduits, canals, pumping stations, force mains, plants, storage, or other facilities used for the treatment, collection, or distribution of water.

SECTION 3. Section 3.01(e), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

(e) Subject only to the authority vested by general law, and particularly Chapter 26, Water Code, in the commission, the authority is empowered to provide water systems and to control water pollution and waste disposal within the district.

SECTION 4. The heading to Section 3.14, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to

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SECTION 1. Same as House version.

SECTION 2. Same as House version.

SECTION 3. Section 3.01(e), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

(e) Subject only to the authority vested by general law, and particularly Chapters 11, 13, and [~~Chapter~~] 26, Water Code, in the commission, the authority is empowered to provide water systems and to control water pollution and waste disposal within the district.

SECTION 4. Same as House version.

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read as follows:

Sec. 3.14. ACQUISITION, CONSTRUCTION, AND OPERATION OF WATER OR DISPOSAL SYSTEMS.

SECTION 5. Section 3.14(a), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

(a) The authority:

- (1) may acquire and provide by purchase, gift or lease any water or disposal systems within or outside the district;
- (2) may construct and provide water or disposal systems within or outside the district;
- (3) may operate and sell any water or disposal systems that it constructs or acquires;
- (4) may contract with any person to operate and maintain, within or outside the district, any water or disposal system belonging to the person; and
- (5) may contract with any person to train or supervise employees of a water or disposal system within or outside the district.

SECTION 6. Section 3.16, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

Sec. 3.16. SALE OF WATER AND BY-PRODUCTS. The authority may store and sell water that it collects under Section 3.14 or 3.15 of this Act, and may furnish water of a specified quality. It also may store and sell any by-product

SECTION 5. Section 3.14, Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The authority:

- (1) may acquire and provide by purchase, gift or lease any water or disposal systems within or outside the district;
- (2) may construct and provide water or disposal systems within or outside the district;
- (3) may operate and sell any water or disposal systems that it constructs or acquires;
- (4) may contract with any person to operate and maintain, within or outside the district, any water or disposal system belonging to the person; and
- (5) may contract with any person to train or supervise employees of a water or disposal system within or outside the district.

(c) In taking an action under this section, the authority shall comply with the requirements of Section 3.16A.

SECTION 6. Same as House version.

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from its operations.

No equivalent provision.

SECTION 7. Section 3.23(1), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

(1)(i) The authority and all persons are authorized to enter into contracts with respect to any waste and any waste disposal or treatment facilities, water system facilities, and any other facilities described in this Subsection (1) or any other part of this Act, and the authority is authorized to execute all appropriate documents and instruments in connection therewith; and the authority is authorized to issue bonds with respect to any of its powers, including those powers granted in this Subsection (1), and also for the purpose of providing or funding any debt service reserve fund or other special reserve, contingency, or other fund in connection with bonds, and/or

SECTION 7. Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended by adding Section 3.16A to read as follows:

Sec. 3.16A. LIMITATION ON SERVICE AREA. The authority must obtain the consent of the director of public works of the City of Houston for the acquisition, construction, or operation of a water system that distributes raw or treated water within Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, or Waller County, other than a water system that distributes effluent, reclaimed water, reuse water, or treated wastewater produced from a waste treatment facility.

SECTION 8. Section 3.23(1), Chapter 409, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

(1) Subject to Section 3.16A:

(i) The authority and all persons are authorized to enter into contracts with respect to any waste and any waste disposal or treatment facilities, water system facilities, and any other facilities described in this Subsection (1) or any other part of this Act, and the authority is authorized to execute all appropriate documents and instruments in connection therewith; and the authority is authorized to issue bonds with respect to any of its powers, including those powers granted in this Subsection (1), and also for the purpose of providing or funding any debt service reserve fund or other special reserve, contingency, or other fund in connection with bonds, and/or

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also for the purpose of providing funds to operate any facilities for a period not to exceed three years after completion and to maintain any facilities, and/or to provide funds to pay interest on bonds during such period as is determined by the authority; and

(ii) The authority may exercise the powers, duties, and authority defined in the Regional Waste Disposal Act (Chapter 30, Vernon's Texas Water Code), and all of the provisions of the Regional Waste Disposal Act, as it now exists and as it hereafter may be amended, are applicable to the authority, except to the extent of any conflict with this Act, in which case this Act shall prevail over the provisions of the Regional Waste Disposal Act; and the authority may exercise the same rights, powers, and authority with respect to the control, storage, preservation, transmission, treatment, and disposition of water and water systems that it may exercise under this section with regard to waste, waste disposal systems, and treatment facilities; and

(iii) All persons are authorized to contract with the authority in any manner authorized by this Act or the Regional Waste Disposal Act with respect to any facilities described in this Subsection (1) or any other part of this Act; provided that any public agency or local government additionally is authorized to enter into and execute any such contract with the authority and to determine, agree, and pledge that all or any part of its payments under such contract shall be payable from the source described in Subsection (c) of Section 30.030 of the Regional Waste Disposal Act, subject only to the authorization of such contract, pledge, and payments by a majority vote of the governing body of such public agency or local government. All public agencies and local governments also are authorized to use and pledge any other available

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also for the purpose of providing funds to operate any facilities for a period not to exceed three years after completion and to maintain any facilities, and/or to provide funds to pay interest on bonds during such period as is determined by the authority; and

(ii) The authority may exercise the powers, duties, and authority defined in the Regional Waste Disposal Act (Chapter 30, Vernon's Texas Water Code), and all of the provisions of the Regional Waste Disposal Act, as it now exists and as it hereafter may be amended, are applicable to the authority, except to the extent of any conflict with this Act, in which case this Act shall prevail over the provisions of the Regional Waste Disposal Act; and the authority may exercise the same rights, powers, and authority with respect to the control, storage, preservation, transmission, treatment, and disposition of water and water systems that it may exercise under this section with regard to waste, waste disposal systems, and treatment facilities; and

(iii) All persons are authorized to contract with the authority in any manner authorized by this Act or the Regional Waste Disposal Act with respect to any facilities described in this Subsection (1) or any other part of this Act; provided that any public agency or local government additionally is authorized to enter into and execute any such contract with the authority and to determine, agree, and pledge that all or any part of its payments under such contract shall be payable from the source described in Subsection (c) of Section 30.030 of the Regional Waste Disposal Act, subject only to the authorization of such contract, pledge, and payments by a majority vote of the governing body of such public agency or local government. All public agencies and local governments also are authorized to use and pledge any other available

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revenues or resources whatsoever for and to the payment of amounts due under such contracts as an additional source or sources of payment thereof or as the sole source or sources of payment thereof and may covenant with respect thereto so as to assure the availability thereof when required; and

(iv) All public agencies and local governments are authorized to fix, charge, and collect fees, rates, charges, rentals, and other amounts for any services or facilities provided pursuant to or in connection with any contract with the authority from its inhabitants or from any users or beneficiaries of such services or facilities, including specifically water charges, sewage charges, solid waste disposal system fees and charges (including garbage collection or handling fees), and other fees and charges and to use and pledge same to make payments to the authority required under the contract and may covenant to do so in amounts sufficient to make all or any part of such payments to the authority when due; and

(v) This Subsection (1) shall be wholly sufficient authority within itself for the issuance of the bonds, subject to Subchapter 5 of this Act, the execution of the contracts, and the performance of the other acts and procedures authorized herein by the authority and all persons, including specifically public agencies, without reference to any other provisions of law or any restrictions or limitations contained therein, except as herein specifically provided; and in any case, to the extent of any conflict or inconsistency between any provisions of this subsection and any other provision of law (including any home-rule city charter provisions), this subsection shall prevail and control; provided, however, that the authority and all persons, including specifically public agencies, shall have the right to use any other provisions of law not in conflict with the provisions of this subsection to the extent convenient or

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revenues or resources whatsoever for and to the payment of amounts due under such contracts as an additional source or sources of payment thereof or as the sole source or sources of payment thereof and may covenant with respect thereto so as to assure the availability thereof when required; and

(iv) All public agencies and local governments are authorized to fix, charge, and collect fees, rates, charges, rentals, and other amounts for any services or facilities provided pursuant to or in connection with any contract with the authority from its inhabitants or from any users or beneficiaries of such services or facilities, including specifically water charges, sewage charges, solid waste disposal system fees and charges (including garbage collection or handling fees), and other fees and charges and to use and pledge same to make payments to the authority required under the contract and may covenant to do so in amounts sufficient to make all or any part of such payments to the authority when due; and

(v) This Subsection (1) shall be wholly sufficient authority within itself for the issuance of the bonds, subject to Subchapter 5 of this Act, the execution of the contracts, and the performance of the other acts and procedures authorized herein by the authority and all persons, including specifically public agencies, without reference to any other provisions of law or any restrictions or limitations contained therein, except as herein specifically provided; and in any case, to the extent of any conflict or inconsistency between any provisions of this subsection and any other provision of law (including any home-rule city charter provisions), this subsection shall prevail and control; provided, however, that the authority and all persons, including specifically public agencies, shall have the right to use any other provisions of law not in conflict with the provisions of this subsection to the extent convenient or

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necessary to carry out any power or authority, express or implied, granted by this subsection.

(vi) The authority is expressly made subject to the continuing supervision of the state by and through the commission or its successor and Chapter 50, Water Code.

SECTION 8. 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, 2013.

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necessary to carry out any power or authority, express or implied, granted by this subsection.

(vi) The authority is expressly made subject to the continuing supervision of the state by and through the commission or its successor and Chapter 50, Water Code.

SECTION 9. Same as House version.

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