

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
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Richard A. Hyde, P.E., *Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 17, 2015

The Honorable Joe Straus  
Texas House of Representatives  
Capitol Station  
PO Box 2910  
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 4154, as Filed by Representative Cecil Bell - Relating to the creation of the Grand Lake Estates Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes

Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

A handwritten signature in cursive script that reads "Linda Brookins".

Linda Brookins, Director  
Water Supply Division

cc: Honorable Doug Miller, Chairman, House Committee on Special Purpose Districts  
Representative Cecil Bell, Texas House of Representatives

Enclosure

**HB 4154, as Filed by Representative Cecil Bell  
Texas Commission on Environmental Quality's Comments**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

The bill creates Grand Lake Estates Management District (the "District") with the powers and duties of a standard municipal management district (MMD) under Local Government Code Chapter 375.

**Comments on Powers/Duties Different from Similar Types of Districts:** The governing body of the county shall appoint qualified directors from persons recommended by the board. Qualifications include:

- A resident of and a registered voter in the District,
- An owner of property in the District,
- An owner of stock or a partnership or membership interest of a corporate partnership or other entity owner of a direct or indirect interest in property in the District,
- An owner of a beneficial interest in a trust, or trustee in a trust, that directly or indirectly owns property in the District
- An agent, employee or tenant of a person described above, or,
- An initial director

A director is entitled to receive fees of office and reimbursement for actual expenses. An improvement project may be located in the District or in an area outside but adjacent to the District if the project is for the purpose of extending a public infrastructure improvement beyond the District's boundaries to a logical terminus. By resolution, the District may authorize the creation of a nonprofit corporation to assist and act for the District in implementing a project or providing a service authorized by this chapter. The District may make loans and grants of public money to stimulate state or local economic activity. The District may adopt restrictions on the use of real property in the district. The District may designate all or part of the district area, as if the District were a municipality, as:

- A tax increment reinvestment zone, under Chapter 311 Tax Code
- A tax abatement reinvestment zone, under Chapter 312 Tax Code; or
- An industrial district, under Chapter 42 Local Government Code

The District is specifically not provided eminent domain powers

The District may levy an ad valorem tax or sales tax and use tax or an assessment, user fee, concession fee, or rental charge for the payment of District obligations, or any other revenue or resource of the district. The board may not finance a service or improvement project with assessments unless a written petition requesting that service or improvement has been filed with the board.

**Overlapping Services:** TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

**TCEQ's Supervision:** As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

LETTER OF TRANSMITTAL  
HOUSE OF REPRESENTATIVES  
STATE OF TEXAS

HB 4154  
Bill Number

TO: The Honorable Governor of Texas  
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

3/31/2015

Date transmitted to  
Governor's Office

  
Chief Clerk  
House of Representatives

TO: Texas Commission on Environmental Quality  
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill.

April 1, 2015

Date transmitted to  
Texas Commission on Environmental Quality

  
Governor

TO: The Honorable Speaker of the House  
The Honorable President of the Senate  
The Honorable Governor of Texas  
SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.

  
Texas Commission on Environmental Quality



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