

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 22, 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) 4180, as Filed by Representative John Zerwas - Relating to the conversion of the Harris-Fort Bend Counties Municipal Utility District No. 4 to the Katy Management District No. 1; 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

Enclosure

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

**HB 4180, as Filed by Representative John Zerwas  
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 converts Harris-Fort Bend Counties Municipal Utility District No. 4 into Katy Management District No. 1 (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 mayor and members of the governing body of the City of Katy (the "City") shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Local Government Code Section 375.063 (relating to director qualifications) does not apply to the District.

A director is entitled to receive fees of office and reimbursement for actual expenses provided by Section 49.060, Water Code (relating to fees of office and reimbursement of expenses). Local Government Code Sections 375.069 and 375.070 (compensation of a director of an MMD) do not apply to the District.

The District has the powers of a municipal utility district operating under Chapters 49 and 54 (including road powers) of the Water Code.

The District may create economic development programs and exercise economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code.

The District may annex or remove land as provided by Subchapter J, Chapter 49, Water Code.

The District must obtain the approval of the City for: (1) the issuance of bonds; (2) the plans and specifications of an improvement project financed by bonds; and (3) the plans and specifications of an improvement project related to the use of land owned by the City, an easement granted by the city, or a right-of-way of a street, road, or highway. The district may not issue bonds until the governing body of the City adopts a resolution or ordinance authorizing the issuance of the bonds. If the District obtains the approval of the City's governing body of a capital improvements budget for a period not to exceed 10 years, the District may finance the capital improvements and issue bonds specified in the budget without further approval from the City.

The District may levy a maintenance tax and a contract tax as provided for in Sections 49.107 and 49.108 of the Water Code. Subsection 49.107(h), which states that a maintenance tax for recreational facilities may not exceed 10 cents per \$100 is not applicable to the District.

The 1% cap limitation for the ratio of the District's outstanding debt to assessed valuation as required in Section 49.4645, Water Code does not apply to the District.

The bill is a companion to SB 2035 filed this session by Senator Kolkhorst

**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 the review of bonds issued by the District (water, wastewater, and drainage facilities only) and the review of financial reports.

LETTER OF TRANSMITTAL  
HOUSE OF REPRESENTATIVES  
STATE OF TEXAS

HB 4180  
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.

4/8/2015

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 9, 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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