

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) 4186, as Filed by Representative Wayne Smith - Relating to the creation of the East Lake Houston 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 Wayne Smith, Texas House of Representatives

HB 4186, as Filed by Representative Wayne Smith
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 East Lake Houston Management District (the "District") by amending Special District Local Laws Code by adding Chapter 3926, and having the powers and duties of a municipal management district under Local Government Code Chapter 375

Comments on Powers/Duties Different from Similar Types of Districts: The bill specifies that the District is necessary to develop and diversify the economy, eliminate unemployment and underemployment, develop or expand transportation and commerce, and provide quality residential housing. The bill further specifies that it will provide needed funding for pedestrian ways, landscaping, street lighting, and street or road improvements.

The bill enables the District to be eligible to be included in a tax increment and/or abatement reinvestment zone, an enterprise zone, and/or an industrial district.

The bill allows the District to be governed by five named city appointed directors. A director is entitled to receive an amount not to exceed \$50 for each board meeting, with total annual compensation not to exceed \$2,000.

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 contract for law enforcement services.

The District may adopt restrictions on the use of real property in the district.

The bill specifies that if the legislature grants the District a power that is in addition to the powers approved by the initial resolution of the governing body of the City consenting to the creation of the District, the District may not exercise that power unless the governing body of the City consents to that change by resolution.

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.

The bill specifies that the District may establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district. The District may also establish user charges for the use of non-potable water for

irrigation purposes, subject to approval of the governing body of the City.

The city, by ordinance, may dissolve the District.

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 4186

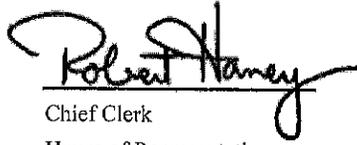
Bill Number

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.

4/10/2015

Date transmitted to
Governor's Office

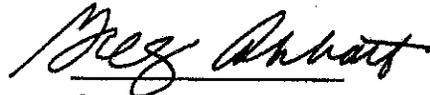

Chief Clerk
House of Representatives

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 10, 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



84R HB 04186