

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 30, 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) 4192, as Filed by Representative John Zerwas - Relating to the creation of Simonton 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

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

Enclosure

**HB 4192, 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 creates Simonton Management District No. 1 (the "District") with the powers and duties of a municipal management (MMD) district 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 Simonton (the "City") shall appoint voting directors from persons recommended by the board, and a person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

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 may exercise: (1) the powers of a development corporation under Chapter 505, Local Government Code; (2) the power to create a nonprofit corporation as a local government corporation under Subchapter D, Chapter 431, Transportation Code; and (3) economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code.

The District may contract with a qualified party, including the county or the City, to provide law enforcement services in the District for a fee.

The District does not have the power of eminent domain.

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

Section 375.207 (related to the City's consent being required for certain actions of the District, such as issuing bonds for projects), Local Government Code, does not apply to the District.

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.

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.

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 (water, wastewater, and drainage facilities only) and review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4192

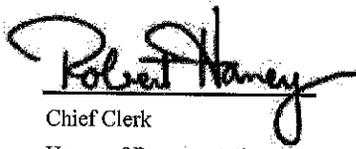
Bill Number

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.

4/14/2015

Date transmitted to
Governor's Office

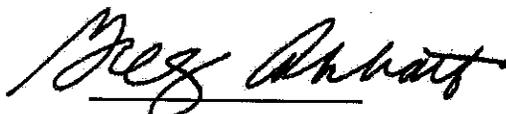

Chief Clerk
House of Representatives

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 16, 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 04192