

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

March 30, 2017

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) 2540, as Filed by Representative Jason Isaac - Relating to the conversion of the Hays Caldwell Public Utility Agency to the Alliance Regional Water Authority; providing authority to issue bonds; granting the power of eminent domain; providing authority to impose fees.

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.

The bill converts the Hays Caldwell Public Utility Agency into the Alliance Regional Water Authority (Authority), which will include the powers of a special utility district under Texas Water Code § 65.201; the Authority is not required to hold an election to confirm the creation of the Authority; the Authority may acquire, purchase, own, hold, lease, construct, improve, and maintain a reservoir, groundwater well, or other source of water supply. The Authority may acquire, own, construct, operate, repair, improve, maintain, or extend, inside or outside the Authority's boundaries, water and wastewater works, improvements, facilities, plants, pipelines, equipment, and appliances for: the treatment and transportation of water and wastewater; the direct or indirect reuse of wastewater; aquifer storage and recovery projects; and the provision of wholesale water and wastewater services to Authority customers, municipalities, districts, water supply corporations, and other persons in this state. The Authority may acquire, purchase, own, hold, lease, and maintain interests, including capacity rights and other contractual rights, in sources of water supply, reservoirs, groundwater wells, water and wastewater systems, treatment works, improvements, facilities, plants, equipment, appliances, aquifer storage and recovery projects, and the direct or indirect reuse of wastewater. The Authority may finance any purchase or acquisition through a bond, note, or other obligation under Texas Special District Local Law Code Chapter 11010, Subchapter E, or through a lease-purchase agreement. The Authority may sell, lease, convey, or otherwise dispose of any right, interest, or property the Authority considers to be unnecessary for the efficient operation or maintenance of the

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Authority's facilities; the Authority may exercise the power of eminent domain to acquire a fee simple or other interest in property if the interest is necessary for the Authority to exercise the rights or authority conferred by this chapter. The Authority may not use the power of eminent domain for the condemnation of land for the purpose of acquiring rights to groundwater or for the purpose of acquiring water or water rights; the Authority may not impose an ad valorem tax; and, the Authority is not required to hold an election to approve the issuance of revenue bonds or notes or other obligations under this subchapter.

Sincerely,



Cari-Michel LaCaille, Director  
Water Supply Division

cc: Honorable Jim Murphy, Chairman, House Special Purpose Districts Committee  
Representative Jason Isaac, Texas House of Representatives

LETTER OF TRANSMITTAL  
HOUSE OF REPRESENTATIVES  
STATE OF TEXAS

HB 2540

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.

3/1/2017

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.

March 3, 2017

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



85R HB 02540