

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*

April 20, 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) 3136, as Filed by Representative John Wray - Relating to the creation of the Windsor Hills Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments and 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.

Sincerely,

A handwritten signature in cursive script that reads "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director  
Water Supply Division

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

Enclosure

**HB 3136, as Filed by Representative John Wray**  
**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:

House Bill 3836, Acts of the 82<sup>nd</sup> Legislature, Regular Session, 2011, by Rep. Pitts added Chapter 3907, Special District Local Laws Code, creating the Windsor Hills Municipal Management District No. 1 (District); however, the District did not execute a development agreement and finance plan required by the bill by the specified date. Therefore, Chapter 3907, Special District Local Laws Code, expired.

**Comments on Powers/Duties Different from Similar Types of Districts:** House Bill 518, Acts of the 83<sup>rd</sup> Legislature, Regular Session, 2013, by Rep. Pitts added Chapter 3907A, Special District Local Laws Code, creating the Windsor Hills Municipal Management District No. 1 (District); however, the District did not execute a development agreement and finance plan required by the bill by the specified date. Therefore, Chapter 3907A, Special District Local Laws Code, expired; this bill amends the Special District Local Laws code by adding Chapter 3946 which creates the Windsor Hills Municipal Management District No. 1 (District) with the following specificities; the District may not exercise any powers under this chapter until the development agreement is executed; this bill grants the District the powers and duties of a standard municipal management district under Local Government Code Chapter 375, a standard municipal utility district under Water Code Chapters 49 and 54, a standard road utility district under Section 52(b), Article III, Texas Constitution, including Chapters 365 and 441, Transportation Code, and a standard public improvement district under Chapter 372, Local Government Code; the District is to be governed by a board of five voting directors that are appointed by the governing body of the City of Midlothian (City). The board of directors will also include the City's manager, and chief financial officer that will serve as non-voting directors. Texas Water Code, Section 49.052 (Disqualifications of Directors) will not apply to the District's board members; the District may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the District is created; the district may acquire, lease as lessor or lessee, construct, develop, own,

operate, and maintain parking facilities; the District may not exercise the power of eminent domain; the District may not construct, acquire, maintain, or operate a toll road; the District may not undertake an improvement project or service unless the board determines the project or service: is necessary to accomplish a public purpose of the district; and complies with the development agreement or the parties to the development agreement agree to the project or service, in writing; the District may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district; before the District may issue bonds, impose taxes, or borrow money, the obligation must be authorized by the City's finance plan; local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; the District may not impose an ad valorem tax; and, The governing body of the City may dissolve the district by ordinance.

**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 3136


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.

3/14/2017

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 24, 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 03136