

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) 3173, as Filed by Representative Cecil Bell - 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 black ink that reads "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director
Water Supply Division

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

Enclosure

**HB 3173, as Filed by Representative Cecil Bell
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:

This bill amends the Special District Local Laws code by adding Chapter 3936 which creates East Lake Houston Management District (District) with the powers and duties of a standard municipal management district (MMD) under Local Government Code Chapter 375, and a standard municipal utility district under Chapter 54, Subchapters D and J, Water Code, with the following specificities.

Comments on Powers/Duties Different from Similar Types of Districts: The District is to be governed by a board of five voting directors that are appointed by the governing body of the City of Houston (City) from persons recommended by the board. Section 3936.052 (Director Qualifications) will not apply to initial directors; this bill specifies that an improvement project described by Section 3936.102 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; the District may exercise the powers given to a development corporation under Chapter 505, Local Government Code; the board by resolution 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 nonprofit has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; the District may contract to provide law enforcement services in the District for a fee; this bill allows the District to 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 adopt and enforce restrictions on the use of real property in the district in the manner provided for a municipal utility district by Section 54.237, Water Code; this 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 may not

exercise the power of eminent domain; the board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board; the District may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the District voting at an election held for that purpose; 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 3173

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 03173