

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*

June 02, 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) 4345, as Filed by Representative Eddie Rodriguez - Relating to the creation of the Rio de Vida Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.

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 Eddie Rodriguez, Texas House of Representatives

Enclosure

**HB 4345, as Filed by Representative Eddie Rodriguez  
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 creates Rio de Vida Municipal Utility District No. 1 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

**Comments on Powers/Duties Different from Similar Types of Districts:**

The bill specifies District requirements related to affordable housing; the District is governed by a board of five directors appointed by the governing board of the City of Austin (City); this bill grants the District authority for road projects; the District and City may contract on terms that the board and governing body of the City agree will further regional cooperation between the District and City; before exercising a power for economic development as described in Section 8013.107, the District must obtain the City's consent; the District may construct, acquire, improve, maintain, finance, or operate a facility or improvement related to reclaiming or grading land in the District; the District may not exercise the power of eminent domain; the bill allows the District to divide. The bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; current statutes stipulate that a district may not issue bonds for recreational facilities that exceed one percent of the district's assessed valuation. The bill specifies that this requirement does not apply to the District; the bill specifies that the District is a "water or sewer district" under Section 43.071, Local Government Code; the bill specifies that Local Government Code, Section 43.075, relating to abolition of, or division of functions of, water-related special district that becomes part of not more than one municipality, applies 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 and review of financial reports.

LETTER OF TRANSMITTAL  
HOUSE OF REPRESENTATIVES  
STATE OF TEXAS

HB 4345  
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.

5/2/2017

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.

May 7, 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

