

Jon Niermann, *Chairman*  
Emily Lindley, *Commissioner*  
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## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

April 29, 2019

The Honorable Dennis Bonnen  
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) 4667, as Filed by Representative Ana Hernandez - Relating to the creation of the East Houston Management District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

Dear Speaker Bonnen:

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 La Caille".

Cari-Michel La Caille, Director  
Water Supply Division

cc: Honorable Garnet Coleman, Chairman, House County Affairs Committee  
Representative Ana Hernandez, Texas House of Representatives

Enclosure

**HB 4667, as Filed by Representative Ana Hernandez  
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 East Houston Management District (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375.

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

On receipt of a petition signed by a majority of the owners of real property in the District according to the most recent certified tax appraisal roll for the county, the initial board shall hold an election to confirm the creation of the District; the District is governed by a board of eleven directors appointed by the City of Houston (City); the District may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the District, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service; the District, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project; the board by resolution may authorize the creation of a nonprofit corporation with the powers created under Subchapter D, Chapter 431, Transportation Code; the District may contract with a qualified party, including Harris County or the City, to provide law enforcement services in the district for a fee; the District may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a District purpose; the District may engage in activities that accomplish the economic development purposes of the District; if the Legislature grants the District a power that is in addition to the powers approved by the initial resolution of the City consenting to the creation of the District, the District may not exercise that power unless 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 establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the District; the District may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the City; the City by ordinance may dissolve the district only if the District's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the City has affirmatively assumed the obligation to pay the outstanding debt from City revenue; and the board shall dissolve the District on receipt of a written petition requesting dissolution signed by a majority of the owners of real property in the District only if the District's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the City has affirmatively assumed the obligation to pay the outstanding debt from City revenue.

**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.

