

BILL ANALYSIS

C.S.H.B. 4690
By: Thompson, Ed
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that since its creation the Gulf Coast Water Authority has seen its capacity and customer base grow significantly and that the water needs of the region served by the authority have continued to increase and diversify. It has been suggested that changes are needed to the authority's governing provisions so that the authority can better meet the current and future needs of its area. C.S.H.B. 4690 seeks to address this issue by setting out provisions relating to the territory, powers, and administration of the authority.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4690 amends Chapter 712, Acts of the 59th Legislature, Regular Session, 1965, to set out provisions relating to the territory, powers, and administration of the Gulf Coast Water Authority. Among other provisions, the bill expands the authority's territory to include Brazoria County and Fort Bend County; subjects the authority, as applicable, to Water Code provisions that are applicable to certain water districts; and provides for the authority's power to apply for and receive loans, secure obligations under a loan or other contract for borrowed money with a pledge of district revenues or the proceeds of future borrowings, and accept contributions.

C.S.H.B. 4690 exempts a contract or agreement made by the authority with a person, as defined by the bill, from competitive bidding and contract procurement or delivery requirements otherwise applicable to the authority if the contract or agreement relates to a project for the acquisition or construction of equipment or facilities for the production, treatment, transmission, or delivery of water and if payments made under the contract or agreement are for amounts substantially sufficient to finance such a project. The bill establishes that such an exemption does not apply to a contract for architectural or engineering services and that certain provisions of the Professional Services Procurement Act apply to the procurement of those services.

C.S.H.B. 4690 authorizes the authority's board of directors by resolution to authorize the creation of a nonprofit corporation to assist and act for the authority in implementing a project or providing an authorized service and sets out provisions relating to such a corporation. The bill gives the authority the powers conferred under general law for the purposes of the collection, transportation, processing, disposal and control of domestic, industrial or communal wastes, and the gathering, conducting, directing and controlling of local harmful excesses of water as directly

related to the production and purification of water for agricultural, municipal, or industrial purposes.

C.S.H.B. 4690 revises provisions relating to the authority's board of directors and requires each director to be a Texas resident; provides for the removal of a director by the appointing commissioners court for inefficiency, neglect of duty, or misconduct of office; and establishes that six directors constitute a quorum and that a majority of those directors present and qualified to vote is sufficient for final action on a matter before the board.

C.S.H.B. 4690 sets out provisions relating to director conflicts of interest, board meetings held by telephone conference call, the role of the authority's general manager, and notice for the sale or disposal of certain authority personal property. The bill authorizes the authority to enter into a contract related to a water project located outside the authority and a local agreement with a political subdivision for a purpose related to a water project and sets out related financing provisions. The bill revises provisions relating to the authority's bond authority and authorizes the board to issue bond anticipation notes or enter into a loan to pay the costs to meet an applicable emergency need.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4690 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute does not include language revising the authority's duties with regard to the alteration of a cemetery.

The substitute makes a technical correction.