

BILL ANALYSIS

Senate Research Center
86R9450 BEE-F

S.B. 1386
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Water & Rural Affairs
4/12/2019
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

To provide for adequate water and wastewater services for the future of Texas, the legislature has created several financial assistance programs for political subdivisions. These programs include the Clean and Drinking Water State Revolving Funds, the Texas Water Development Fund, the State Water Implementation Fund for Texas, and the State Water Implementation Revenue Fund for Texas. The legislature has entrusted the Texas Water Development Board (TWDB) with the financial management of these programs, but the combination of the Texas Open Meetings Act (TOMA) and federal securities laws has made it difficult for TWDB to execute its fiduciary duties.

S.B. 1386 adds an exception to TOMA that would allow TWDB to hold closed meetings to discuss sensitive investment matters. These closed meetings would remain subject to other TOMA requirements, however, and TWDB would have to make all final decisions and votes in an open meeting.

Similar TOMA exceptions exist for other state entities like the Employees Retirement System of Texas, the Board of Trustees of the Teacher Retirement System, and the Board of Trustees of the Texas Growth Fund. In this way, S.B. 1386 balances the state's need for transparency and smart investment strategy.

As proposed, S.B. 1386 amends current law relating to the authority of the Texas Water Development Board to consider certain financial matters in a closed meeting.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 6, Water Code, by adding Section 6.0601, as follows:

Sec. 6.0601. CONSULTATION REGARDING CERTAIN FINANCIAL MATTERS; CLOSED MEETING. (a) Authorizes the Texas Water Development Board (TWDB) to hold a closed meeting to consider and discuss:

- (1) financial issues related to bonds or securities issued by TWDB;
- (2) financial issues related to bonds, securities, negotiable instruments, or property interests to be issued or purchased by TWDB; or
- (3) any matter related to the investment of the TWDB's funds that are pledged to or available for the payment of debt service on bonds or securities issued by TWDB.

(b) Requires a final action, decision, or vote on a matter considered or discussed in a closed meeting held under this section to be made in an open meeting

conducted in compliance with the notice provisions of Chapter 551 (Open Meetings), Government Code.

SECTION 2. Effective date: September 1, 2019.