By:  Miles S.B. No. 2437

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Texas Water Development Board to establish, operate, and, through the issuance of general obligation bonds, finance a grant program to provide financial assistance to political subdivisions and the state for projects related to disaster recovery; disaster mitigation; or construct, repair, rehabilitate, or reconstruct state or local infrastructure.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Chapter 70, Water Code, is amended by adding Subchapter A to read as follows:

SUBCHAPTER A. TEXAS DISASTER MITIGATION, RECOVERY, RESPONSE AND INFRASTRUCTURE GRANT PROGRAM

Sec. 70.001.  DEFINITIONS. In this subchapter:

(1)  "Advisory committee" means the Texas Disaster Mitigation, Recovery, Response and Infrastructure Advisory Committee.

(2)  "Board" means the Texas Water Development Board.

(3)  "Bonds" means bonds, notes, and other public securities.

(4)  "Credit agreement" has the meaning assigned by Section 1371.001, Government Code.

(5)  "Fund" means the Texas Disaster Mitigation, Recovery, Response and Infrastructure.

(6)  "Historically underutilized business" has the meaning assigned by Section 2161.001, Government Code.

(7)  "Qualifying political subdivision" means a county, municipality, independent school district, or other special district.

(8)  "Qualifying project" means any of the following, if undertaken by a qualifying political subdivision or the state in order to provide:

(A)  a project for disaster mitigation

(B)  a project for disaster recovery;

(C)  a project for disaster response; or

(D)  a project to construct, repair, rehabilitate, or reconstruct state or local infrastructure.

(9)  "Trust company" means the Texas Treasury Safekeeping Trust Company.

Sec. 70.002.  TEXAS DISASTER MITIGATION, RECOVERY, RESPONSE AND INFRASTRUCTURE GRANT PROGRAM. The Board by rule shall establish a grant program to use the proceeds from the sale of bonds issued under Section 70.004 and the interest earned on those bonds to provide financial assistance to qualifying political subdivisions and the state to finance qualifying projects in the political subdivision and the state.

Sec. 70.003.  APPLICATION FOR GRANT. The Board shall develop and implement an application process for a grant under this subchapter. At a minimum, the application must include:

(1)  a description of the qualifying project for which the applicant is requesting the grant;

(2)  an estimate of the total cost of the project; and

(3)  evidence that the applicant has staff, policies, and procedures in place adequate to complete the project.

Sec. 70.004.  TEXAS DISASTER MITIGATION, RECOVERY, RESPONSE AND INFRASTRUCTURE BONDS. (a) The Board may issue general obligation bonds for the purposes provided in this subchapter. The aggregate principal amount of the bonds that are issued may not exceed the amount specified by Section 2, Article XIV, Texas Constitution.

(b)  The Board may enter into credit agreements relating to the bonds. A credit agreement entered into under this subchapter may be secured by and payable from the same sources as the bonds.

(c)  The bonds shall be executed in the form, on the terms, and in the denominations, bear interest, and be issued as prescribed by the Board. The bonds may be issued in multiple series and issues and may have the provisions the Board determines appropriate and in the interest of the state.

(d)  The Board has all powers necessary or appropriate to carry out this subchapter and to implement Section 2, Article XIV, Texas Constitution, including the powers granted to other bond-issuing governmental agencies and units and to nonprofit corporations by Chapters 1201, 1207, and 1371, Government Code.

(e)  The bonds and the record of proceedings authorizing the bonds and any related credit agreements shall be submitted to the attorney general for approval. If the attorney general finds that they will be issued in accordance with this subchapter and other applicable law, the attorney general shall approve them and deliver them to the comptroller for registration. After approval by the attorney general, registration by the comptroller, and payment by the purchasers of the bonds in accordance with the terms of sale and after execution and delivery of the related credit agreements, the bonds and related credit agreements are incontestable for any cause.

(f)  The proceeds from the sale of the bonds must be used to provide funding for the grant program established under Section 70.002. The Board may use a portion of the proceeds from the sale of the bonds to pay the cost of the issuance of the bonds.

(g)  The comptroller shall pay the principal of the bonds as they mature and the interest as it becomes payable and shall pay any cost related to the bonds that becomes due, including payments under credit agreements.

Sec. 70.005  FEDERAL MATCHING FUNDS. (a) Bond proceeds described in this subchapter can go towards federal matching funds including those offered by the Federal Emergency Management Agency, and United States Army Corps of Engineers; and

(b)  bond proceeds described in this subchapter can be used to reimburse matching payments made to the federal including those offered by the Federal Emergency Management Agency, and United States Army Corps of Engineers.

SECTION 2 Chapter 70, Water Code, is amended by adding Subchapter B to read as follows:

Sec. 70.432.  FUND. (a) The Texas Disaster Mitigation, Recovery, Response and Infrastructure fund is a special fund in the state treasury outside the general revenue fund to be used by the board, without further legislative appropriation, for the purpose of implementing the Texas Disaster Mitigation, Recovery, Response and Infrastructure Bonds as provided by this subchapter. The board may establish separate accounts in the fund. The fund and the fund's accounts are kept and held by the trust company for and in the name of the board. The board has legal title to money and investments in the fund until money is disbursed from the fund as provided by this subchapter and board rules. It is the intent of the legislature that the fund will never be used:

(1)  for a purpose other than the support of projects in the Texas Disaster Mitigation, Recovery, Response and Infrastructure Bonds; or

(2)  to certify that appropriations from the treasury are within the amount estimated to be available in a fund of the treasury affected by the appropriation.

(b)  Money deposited to the credit of the fund may be used only as provided by this subchapter.

(c)  The fund consists of:

(1)  money transferred or deposited to the credit of the fund by law, including money from any source transferred or deposited to the credit of the fund at the board's discretion as authorized by law;

(2)  the proceeds of any fee or tax imposed by this state that by statute is dedicated for deposit to the credit of the fund;

(3)  any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(4)  investment earnings and interest earned on amounts credited to the fund; and

(5)  money transferred to the fund under a bond enhancement agreement from another fund or account to which money from the fund was transferred under a bond enhancement agreement, as authorized by Section 70.435.

Sec. 70.433.  MANAGEMENT AND INVESTMENT OF FUND. (a) The trust company shall hold and invest the fund, and any accounts established in the fund, for and in the name of the board, taking into account the purposes for which money in the fund may be used. The fund may be invested with the state treasury pool.

(b)  The overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund.

(c)  The trust company has any power necessary to accomplish the purposes of managing and investing the assets of the fund. In managing the assets of the fund, through procedures and subject to restrictions the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(d)  The trust company may charge fees to cover its costs incurred in managing and investing the fund. The fees must be consistent with the fees the trust company charges other state and local governmental entities for which it provides investment management services. The trust company may recover fees it charges under this subsection only from the earnings of the fund.

(e)  The trust company annually shall provide a written report to the board and to the advisory committee with respect to the investment of the fund. The trust company shall contract with a certified public accountant to conduct an independent audit of the fund annually and shall present the results of each annual audit to the board and to the advisory committee. This subsection does not affect the state auditor's authority to conduct an audit of the fund under Chapter 321, Government Code.

(f)  The trust company shall adopt a written investment policy that is appropriate for the fund. The trust company shall present the investment policy to the investment advisory board established under Section 404.028, Government Code. The investment advisory board shall submit to the trust company recommendations regarding the policy.

(g)  The board annually shall provide to the trust company a forecast of the cash flows into and out of the fund. The board shall provide updates to the forecasts as appropriate to ensure that the trust company is able to achieve the objective specified by Subsection (b).

(h)  The trust company shall disburse money from the fund as directed by the board. The board shall direct disbursements from the fund on a semiannual schedule specified by the board and not more frequently than twice in any state fiscal year.

(i)  An investment-related contract entered into under this section is not subject to Chapter 2260, Government Code.

Sec. 70.434.  USE OF FUND; PAYMENTS TO AND FROM OTHER FUNDS OR ACCOUNTS. (a) At the direction of the board, the trust company shall make disbursements from the fund to another fund or account pursuant to a bond enhancement agreement authorized by Section 70.435 in the amounts the board determines are needed for debt service payments on or security provisions of the board's general obligation bonds or revenue bonds, shall be paid out of the economic stabilization fund.

Sec. 70.435.  BOND ENHANCEMENT AGREEMENTS. (a) A bond enhancement agreement entered into under this section is an agreement for professional services. A bond enhancement agreement must contain terms that are consistent with Section 70.433(h), and the agreement, including the period covered by the agreement and all other terms and conditions of the agreement, must be approved by the board. An obligation to disburse money from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement is a special obligation of the board payable solely from designated income and receipts of the fund or of the account, as determined by the board. An obligation to disburse money from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement does not constitute indebtedness of the state.

(b)  To facilitate the use of the fund for the purposes of this subchapter, the board may direct the trust company to enter into bond enhancement agreements to provide a source of revenue or security for the payment of the principal of and interest on general obligation bonds, including bonds issued under Section 2, Article XIV, Texas Constitution, or revenue bonds issued by the board to finance or refinance projects included in the state water plan if the proceeds of the sale of the bonds have been or will be deposited to the credit of the Texas Disaster Mitigation, Recovery, Response and Infrastructure revenue fund.

 (c)  If the trust company enters into a bond enhancement agreement under Subsection (b), the board may direct the trust company to make disbursements from the fund to another fund or account for the support of bonds the proceeds of which are used to provide financial assistance in the form of:

(1)  a loan bearing an interest rate of not less than 50 percent of the then-current market rate of interest available to the board;

(2)  a loan to finance a facility under repayment terms similar to the terms of debt customarily issued by the entity requesting assistance but not to exceed the lesser of:

(A)  the expected useful life of the facility; or

(B)  30 years;

(3)  a deferral of loan repayment, including deferral of the repayment of:

(A)  principal and interest; or

(B)  accrued interest;

(4)  incremental repurchase terms for an acquired facility, including terms for no initial repurchase payment followed by progressively increasing incremental levels of interest payment, repurchase of principal and interest, and ultimate repurchase of the entire state interest in the facility using simple interest calculations; or

(5)  a combination of the methods of financing described by Subdivisions (1)-(4).

(d)  The board may direct the trust company to enter into bond enhancement agreements with respect to bonds issued by the board before September 1, 2019, only if:

(1)  those bonds otherwise satisfy the requirements of Subsections (b) and (c);

(2)  the proceeds of those bonds were or are required to be used only for the implementation of Texas Disaster Mitigation, Recovery, Response and Infrastructure; and

(3)  economic stabilization funds of the state was appropriated before September 1, 2013, for the payment of debt service on those bonds.

(e)  The board may direct the trust company to enter into bond enhancement agreements with respect to refunding bonds issued by the board to refund bonds issued by the board the proceeds of which have been or are to be used for projects included in the state water plan and which otherwise satisfied the requirements of Subsections (b) and (c).

(f)  The board may not direct the trust company to enter into a bond enhancement agreement with respect to bonds issued by the board the proceeds of which have been or are to be used to make grants.

(g)  The board may not direct the trust company to enter into a bond enhancement agreement with respect to bonds issued by the board the proceeds of which may be used to provide financial assistance to an applicant if at the time of the request the applicant has failed to (2) satisfactorily complete a request by the Texas Disaster Mitigation, Recovery, Response and Infrastructure Advisory Committee for information relevant to the project for which the financial assistance is sought.

(h)  The board may not direct the trust company to enter into a bond enhancement agreement with respect to bonds issued by the board the proceeds of which may be used to provide financial assistance to an applicant unless at the time of the request the applicant has acknowledged its legal obligation to comply with any applicable requirements of:

(1)  federal law relating to contracting with disadvantaged business enterprises; and

(2)  state law relating to contracting with historically underutilized businesses.

(i)  The board may not approve a bond enhancement agreement with respect to bonds issued by the board unless the agreement contains a provision to the effect that if the trust company makes a disbursement under the bond enhancement agreement from the fund to the credit of another fund or account as provided by Section 70.434(a), the board shall direct the comptroller to transfer an amount not to exceed that amount from the fund or account receiving the payment back to the fund if:

(1)  money is available in the surplus balance in the fund or account for that purpose; and

(2)  the money transferred back to the fund will not cause general obligation bonds that are payable from the fund or account receiving the payment to no longer be self-supporting for purposes of Section 2, Article XIV, Texas Constitution.

(j)  For purposes of Subsection (i)(1), the surplus balance of a fund or account that receives a disbursement from the fund under a bond enhancement agreement is the amount of money on deposit in the fund or account, as determined by the board, that is attributable to the general obligation bonds or revenue bonds that are the subject of the bond enhancement agreement, including money received from the sale or other disposition of the board's rights to receive repayment of financial assistance, money received from the sale, transfer, or lease of an acquired facility, money received from the sale of water associated with an acquired facility, and related investment earnings, that exceeds the amount required to pay annual debt service on the bonds and any other amounts specified in the resolution or other proceedings authorizing the bonds and any related obligations.

(k)  The board shall submit each bond enhancement agreement and the record relating to the agreement to the attorney general for examination as to the validity of the agreement. If the attorney general finds that the agreement has been made in accordance with the constitution and other laws of this state, the attorney general shall approve the agreement and the comptroller shall register the agreement. If the agreement is not submitted at the same time that the bonds to which it relates are submitted, the agreement shall be treated as a public security solely for the purposes of Section 1202.004, Government Code.

(l)  After a bond enhancement agreement has been approved and registered as provided by Subsection (k), the agreement is valid and is incontestable for any cause.

(m)  At the direction of the board, the trust company shall make disbursements from the fund, or from a special account established by the board, in accordance with a bond enhancement agreement in the amounts the board determines are needed for debt service payments on, or for security provisions of, general obligation bonds or revenue bonds issued by the board the proceeds of the sale of which have been deposited in another fund administered by the board, or in an account in that other fund, for use in accordance with this subchapter, after the board considers all other sources available for those purposes in that other fund or account. Money transferred under this subsection may be deposited into that other fund or into a special account established by the trust company or a corporate trustee that is a trust company or a bank that has the powers of a trust company, as determined by the board.

Sec. 70.437.  PRIORITIZATION OF PROJECTS BY BOARD. (a) The board shall prioritize projects for the purpose of providing financial assistance under this subchapter.

(b)  The board shall establish a point system for prioritizing projects for which financial assistance is sought from the board. The system must include a standard for the board to apply in determining whether a project qualifies for financial assistance at the time the application for financial assistance is filed with the board.

(c)  The board shall give the highest consideration in awarding points to projects that will have a substantial effect, including projects that will:

(1)  provide assistance to a diverse rural and urban population.

(d)  In addition to the criteria provided by Subsection (c), the board must also consider at least the following criteria in prioritizing projects:

(1)  if the applicant is applying for financial assistance for the project, whether the applicant is ready to proceed with the project at the time of the application, including whether:

(A)  all preliminary planning and design work associated with the project has been completed; and

(B)  the applicant has acquired the property rights associated with the project; and

Sec. 15.438.  ADVISORY COMMITTEE. (a) The Texas Disaster Mitigation, Recovery, Response and Infrastructure Advisory Committee is composed of the following seven members:

(1)  the comptroller, or a person designated by the comptroller;

(2)  four members of the senate appointed by the lieutenant governor, including:

(A)  a member of the committee of the senate having primary jurisdiction over matters relating to finance; and

(B)  a member of the committee of the senate having primary jurisdiction over intergovernmental relations; and

(3)  four members of the house of representatives appointed by the speaker of the house of representatives, including:

(A)  a member of the committee of the house of representatives having primary jurisdiction over appropriations; and

(B)  a member of the committee of the house of representatives having primary jurisdiction over county affairs.

(b)  The following persons shall serve as staff support for the advisory committee:

(1)  the deputy executive administrator of the board who is responsible for water science and conservation or a person who holds an equivalent position at the agency, or a person designated by that person;

(2)  the deputy executive administrator of the board who is responsible for water resources planning and information or a person who holds an equivalent position at the agency, or a person designated by that person; and

(3)  the chief financial officer of the board, or a person who holds an equivalent position at the agency.

(c)  An appointed member of the advisory committee serves at the will of the person who appointed the member.

(d)  The lieutenant governor shall appoint a co-presiding officer of the advisory committee from among the members appointed by the lieutenant governor, and the speaker of the house of representatives shall appoint a co-presiding officer of the committee from among the members appointed by the speaker.

(e)  The advisory committee may hold public hearings, formal meetings, or work sessions. Either co-presiding officer of the advisory committee may call a public hearing, formal meeting, or work session of the advisory committee at any time. The advisory committee may not take formal action at a public hearing, formal meeting, or work session unless a quorum of the committee is present.

(f)  Except as otherwise provided by this subsection, a member of the advisory committee is not entitled to receive compensation for service on the committee or reimbursement for expenses incurred in the performance of official duties as a member of the committee. Service on the advisory committee by a member of the senate or house of representatives is considered legislative service for which the member is entitled to reimbursement and other benefits in the same manner and to the same extent as for other legislative service.

(g)  The advisory committee shall submit comments and recommendations to the board regarding the use of money in the fund for use by the board in adopting rules under Section 70.439 and in adopting policies and procedures under Section 70.441. The submission must include:

(1)  comments and recommendations on rulemaking related to the prioritization of projects in regional water plans and the state water plan in accordance with Sections 70.437;

(2)  comments and recommendations on rulemaking related to establishing standards for determining whether projects meet the criteria provided by Section 70.434(b);

(3)  an evaluation of the available programs for providing financing for projects;

(4)  an evaluation of the granting practices of the board and guidelines for granting standards;

(5)  an evaluation of the use of funds by the board to provide support for financial assistance for Disaster Mitigation, Recovery, Response and Infrastructure projects;

(6)  an evaluation of whether premium financing programs should be established within the funds described by Section XX.435 to serve the purposes of this subchapter, especially in connection with projects described by Section 70.434(b);

(7)  an evaluation of methods for encouraging participation in the procurement process by companies domiciled in this state or that employ a significant number of residents of this state; and

(8)  an evaluation of the overall operation, function, and structure of the fund.

(h)  The advisory committee shall review the overall operation, function, and structure of the fund at least semiannually and may provide comments and recommendations to the board on any matter.

(i)  The advisory committee may adopt rules, procedures, and policies as needed to administer this section and implement its responsibilities.

(j)  Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory committee.

(k)  The advisory committee is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the advisory committee is abolished and this section expires September 1, 2023.

(l)  The advisory committee shall make recommendations to the board regarding information to be posted on the board's Internet website under Section 70.440(b).

(m)  The advisory committee shall evaluate and may provide comments or recommendations on the feasibility of the state owning, constructing, and operating water supply projects, including reservoirs and major water supply conveyance infrastructure, through existing financial assistance programs under Subchapter A of this chapter.

(n)  The executive administrator shall provide an annual report to the advisory committee on:

(1)  the board's compliance with statewide annual goals relating to historically underutilized businesses; and

(2)  the participation level of historically underutilized businesses in projects that receive funding related to a bond enhancement agreement under this subchapter.

(o)  If the aggregate level of participation by historically underutilized businesses in projects that receive funding related to a bond enhancement agreement under this subchapter does not meet statewide annual goals adopted under Chapter 2161, Government Code, the advisory committee shall make recommendations to the board to improve the participation level.

Sec. 70.439.  RULES. (a) The board shall adopt rules providing for the use of money in the fund that are consistent with this subchapter, including rules:

(1)  establishing standards for determining whether projects meet the criteria provided by Section 70.434(b); and

(2)  specifying the manner for prioritizing projects for purposes of Section 70.437.

(b)  The board shall give full consideration to the recommendations of the advisory committee before adopting rules under this subchapter.

Sec. 70.440.  REPORTING AND TRANSPARENCY REQUIREMENTS. (a) Not later than December 1 of each even-numbered year, the board shall provide a report to the governor, lieutenant governor, speaker of the house of representatives, and members of the legislature regarding the use of the fund.

(b)  The board shall post information on the board's Internet website regarding the use of the fund and regularly update the information posted.

Sec. 15.441.  POLICIES AND PROCEDURES TO MITIGATE OR MINIMIZE ADVERSE EFFECTS OF CERTAIN FEDERAL LAWS. The board shall adopt, and may amend from time to time at the board's discretion, policies and procedures for the purpose of mitigating or minimizing the adverse effects, if any, of federal laws and regulations relating to income taxes, arbitrage, rebates, and related matters that may restrict the board's ability to freely invest all or part of the fund or to receive and retain all the earnings from the fund.

SUBCHAPTER H. TEXAS DISASTER MITIGATION, RECOVERY, RESPONSE AND INFRASTRUCTURE FUND

Sec. 15.471.  DEFINITION. In this subchapter, "fund" means the Texas Disaster Mitigation, Recovery, Response and Infrastructure Fund.

Sec. 15.472.  FUND. (a) Texas Disaster Mitigation, Recovery, Response and Infrastructure Fund is a special fund in the state treasury outside the general revenue fund to be used by the board, without further legislative appropriation, only for the purpose of providing financing for projects under subchapter J. The board may establish separate accounts in the fund. The board has legal title to money and investments in the fund until the money is disbursed as provided by this subchapter and board rules. It is the intent of the legislature that the fund will never be used:

(1)  for a purpose other than the support of projects in subchapter A; or

(2)  to certify that appropriations from the treasury are within the amount estimated to be available in a fund of the treasury affected by the appropriation.

(b)  Money deposited to the credit of the fund may be used only as provided by this subchapter.

(c)  The fund consists of:

(1)  money transferred or deposited to the credit of the fund by law, including money from any source transferred or deposited to the credit of the fund at the board's discretion as authorized by law;

(2)  the proceeds of any fee or tax imposed by this state that by statute is dedicated for deposit to the credit of the fund;

(3)  any other revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(4)  investment earnings and interest earned on amounts credited to the fund;

(5)  the proceeds from the sale of bonds, including revenue bonds issued by the board under this subchapter, that are designated by the board for the purpose of providing money for the fund;

(6)  repayments of loans made from the fund; and

(7)  money from the sale, transfer, or lease of a project acquired, constructed, reconstructed, developed, or enlarged with money from the fund.

Sec. 15.473.  MANAGEMENT AND INVESTMENT OF FUND. (a) Money deposited to the credit of the fund shall be invested as determined by the board. The fund may be invested with the state treasury pool.

(b)  The fund and any accounts established in the fund shall be kept and maintained by or at the direction of the board.

(c)  At the direction of the board, the fund and any accounts established in the fund may be managed by the comptroller or a corporate trustee that is a trust company or a bank that has the powers of a trust company for and on behalf of the board and pending their use for the purposes provided by this subchapter may be invested as provided by an order, resolution, or rule of the board.

(d)  The comptroller or corporate trustee shall manage the fund in strict accordance with this subchapter and the orders, resolutions, and rules of the board.

Sec. 15.474.  USE OF FUND. (a) Except as provided by Subsection (c), money in the fund may be used by the board only to provide financing or refinancing, under terms specified by the board, for projects included in Subchapter A.

(b)  Financing or refinancing of projects described by Subsection (a) may be provided by using money in the fund to make loans to eligible political subdivisions and the state or to purchase bonds or other obligations of eligible political subdivisions and the state bearing interest at a rate or rates determined by the board, including a rate or rates below prevailing market rates.

(c)  The board may use money in the fund:

(1)  as a source of revenue or security for:

(A)  the payment of the principal of and interest on:

(i)  revenue bonds issued by the board under this subchapter; or

(ii)  other bonds issued by the board if the proceeds of the bonds will be deposited in the fund; or

(B)  a bond enhancement agreement;

(2)  to acquire loans or other assets from another fund or account administered by the board.

(3)  to pay the necessary and reasonable expenses of paying agents, bond counsel, and financial advisory services and similar costs incurred by the board in administering the fund.

(d)  The board, or comptroller or corporate trustee managing the fund at the direction of the board as provided by Section 70.473(c), shall withdraw from the fund and forward to another person any amounts, as determined by the board, for timely payment of:

(1)  the principal of and interest on bonds described by Subsection (c) (1)(A) of this section that mature or become due; and

(2)  any cost related to bonds described by Subsection (c)(1)(A) of this section that become due, including payments under related credit agreements or bond enhancement agreements.

Sec. 70.476.  SUBCHAPTER CUMULATIVE OF OTHER LAWS. (a) This subchapter is cumulative of other laws on the subject, and the board may use provisions of other applicable laws in the issuance of bonds and other obligations and the execution of bond enhancement agreements, but this subchapter is wholly sufficient authority for the issuance of bonds and other obligations, the execution of bond enhancement agreements, and the performance of all other acts and procedures authorized by this subchapter.

(b)  In addition to other authority granted by this subchapter, the board may exercise the authority granted to the governing body of an issuer with regard to the issuance of obligations under Chapter 1371, Government Code.

SECTION 3.  As soon as practicable after the effective date of this Act, the lieutenant governor and the speaker of the house of representatives shall appoint the initial appointive members of the Texas Disaster Mitigation, Recovery, Response and Infrastructure Advisory Committee as provided by Section 70.438, Water Code, as added by this Act.

SECTION 4.  (a) Not later than September 1, 2014, the Texas Disaster Mitigation, Recovery, Response and Infrastructure Advisory Committee shall submit recommendations to the Texas Water Development Board on the rules to be adopted by the board under Sections 70.439(a)(1) and (2), Water Code, as added by this Act.

(b)  Not later than the later of the 90th day after the date the Texas Water Development Board receives the recommendations described by Subsection (a) of this section or March 1, 2021, the board shall adopt rules under Section 70.439, Water Code, as added by this Act.

SECTION 5.  The Texas Water Development Board shall post the information described by Section 70.440(b), Water Code, as added by this Act, on the board's Internet website not later than March 1, 2020.

SECTION 6.  Sections 1 and 2 of this article take effect on the date on which the constitutional amendment proposed by the 86th Legislature, Regular Session, 2019, adding Sections 2, Article XIV, Texas Constitution, creating the Texas Disaster Mitigation, Recovery, Response and Infrastructure Fund. If that amendment is not approved by the voters, those sections of this article have no effect.

SECTION 7.  Except as otherwise provided by this Act, this Act takes effect September 1, 2019.