

## **BILL ANALYSIS**

S.B. 1305  
By: Nichols  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The City of Nacogdoches acquired the Central Heights Water System in 2000. According to The Lufkin Daily News, the system serves approximately 363 customers, of which the majority are outside the city's extraterritorial jurisdiction. The water system needs infrastructure improvements to a portion of the water system that lies outside the city's corporate limits and extraterritorial jurisdiction. Therefore, the city believes it would be beneficial to both the city and its citizens to transfer the water system to the Angelina and Neches River Authority in hopes this will relieve the city of the expense and allow the river authority to ensure customers of the system still receive adequate water service. The river authority has the financial, managerial, and technological means to assume all aspects of ownership and operations and to make the needed capital improvements to the water system. S.B. 1305 seeks to provide for this transfer.

### **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**

S.B. 1305 requires the City of Nacogdoches, not later than 180 days from the bill's effective date, to enter into a contract with the Angelina and Neches River Authority to transfer the city's ownership interests in the Central Heights Water System that is north of the intersection of U.S. Highway 59 and U.S. Highway 259 to the river authority, including the water system's assets and service area portion. The bill provides for the following on the contract's date of execution:

- the incorporation of the water system's geographic territory into the river authority's certificate of convenience and necessity; and
- the transfer of all real property, easements, appurtenances, conveyance systems, transmission and treatment systems, designated rights-of-way, and other property interests of the city related to the water system to the river authority unless specifically reserved to the city in the contract.

The bill requires the city's governing body, following the transfer of the water system, to notify the Texas Commission on Environmental Quality (TCEQ) of the transfer and requires the TCEQ, on receipt of the notice, to note the transfer in its records. The bill establishes that a person, party, or entity does not have any right of protest, objection, or administrative review of the transfer.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.