

## **BILL ANALYSIS**

Senate Research Center  
88R23014 LRM-D

C.S.S.B. 2592  
By: Paxton et al.  
Water, Agriculture & Rural Affairs  
4/17/2023  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Lavaca-Navidad River Authority (LNRA), based in Jackson County, provides raw water to municipal water providers and industry, monitors water quality in the Lavaca-Navidad River basin, and maintains parks and event venues on its lands surrounding Lake Texana. The Sunset Advisory Commission found LNRA to be generally well run, particularly its water operations, but identified ways the authority could strengthen its policies and procedures to ensure it manages various administrative practices in a fair and effective manner. LNRA is not subject to abolishment under the Sunset Act.

This bill extends the Lavaca-Navidad River Authority's Sunset review date 12 years to 2035, amends LNRA's board member terms to four years, and applies good government standards to LNRA's governing law. These standards are applied across-the-board to all entities under Sunset review.

The committee substitute removes a provision which prevents any person with a major financial conflict from serving on the policymaking body and establishes a grounds for removal of board members if they violate Chapter 171, Local Government Code, which requires any conflicted board member to recuse themselves from the conflicting discussion and decision. The committee substitute also specifies an annual appointment process ensuring no more than three board member slots are up for appointment at any one time.

C.S.S.B. 2592 amends current law relating to the Lavaca-Navidad River Authority, following the recommendations of the Sunset Advisory Commission, alters terms of the board of directors, and specifies grounds for the removal of a member of the board of directors.

### **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. Reenacts Section 1(a), Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, as amended by Chapter 1224, Acts of the 78th Legislature, Regular Session, 2003, and makes no further changes.

SECTION 2. Amends Section 1, Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, by amending Subsections (b) and (c) and adding Subsection (c-1), as follows:

(b) Requires that the terms of office of the members of the board of directors of the Lavaca-Navidad River Authority (board; district), except for the first board, be for four years, rather than six (6) years, ending on May 1st, and until their successors are appointed and qualified, with either two or three members to be appointed annually during the month of April, rather than rather than three (3) members to be appointed during the month of April of each odd-numbered year, by the governor to succeed the members whose terms of office are required to expire on the following May 1st.

(c) Requires the governor to designate a director as the president of the board to serve in that capacity at the pleasure of the governor. Deletes existing text requiring the board to organize by electing one of its members as president. Makes a nonsubstantive change.

(c-1) Requires the board to appoint a general manager of the district.

SECTION 3. Amends Section 1A(a), Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, as follows:

(a) Requires that the review of the district be conducted under Section 325.025 (River Authorities Subject to Review), Government Code, as if the district were a state agency scheduled to be abolished September 1, 2035, rather than September 1, 2023, and every 12th year after that year.

SECTION 4. Amends Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, by adding Sections 1B, 1C, 1D, 1E, and 1F, as follows:

Sec. 1B. (a) Provides that it is a ground for removal from the board that a director:

(1) does not have at the time of taking office the qualifications required by Section 1 of this Act;

(2) does not maintain during service on the board the qualifications required by Section 1 of this Act;

(3) violates Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code;

(4) cannot, because of illness or disability, discharge the director's duties for a substantial part of the director's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the director is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) Provides that the validity of an action of the board is not affected by the fact that it is taken when a ground for removal of a director exists.

(c) Requires the general manager, if the general manager has knowledge that a potential ground for removal exists, to notify the president of the board of the potential ground. Requires the president to then notify the governor and the attorney general that a potential ground for removal exists. Requires the general manager, if the potential ground for removal involves the president, to notify the next highest ranking director, who is required to then notify the governor and the attorney general that a potential ground for removal exists.

Sec. 1C. (a) Prohibits a person who is appointed to and qualifies for office as a director from voting, deliberating, or being counted as a director in attendance at a meeting of the board until the person completes a training program that complies with this section.

(b) Requires that the training program provide the person with information regarding:

(1) the law governing district operations;

(2) the programs, functions, rules, and budget of the district;

(3) the scope of and limitations on the rulemaking authority of the district;

(4) the results of the most recent formal audit of the district;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to members of the governing body of a river authority in performing their duties; and

(6) any applicable ethics policies adopted by the district or the Texas Ethics Commission.

(c) Entitles a person appointed to the board to reimbursement for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) Requires the general manager of the district to create a training manual that includes the information required by Subsection (b) of this section. Requires the general manager to distribute a copy of the training manual annually to each director. Requires each director to sign and submit to the general manager a statement acknowledging that the director received and has reviewed the training manual.

Sec. 1D. Requires the board to develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the general manager and the staff of the district.

Sec. 1E. (a) Requires the district to maintain a system to promptly and efficiently act on complaints filed with the district. Requires the district to maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) Requires the district to make information available describing its procedures for complaint investigation and resolution.

(c) Requires the district to periodically notify the complaint parties of the status of the complaint until final disposition, unless the notice would jeopardize an investigation.

Sec. 1F. Requires the board to develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the district.

SECTION 5. Repealer: Section 1(a) (relating to creating and establishing Jackson County Flood Control District), Chapter 22, Acts of the 56th Legislature, 3rd Called Session, 1959.

Repealer: Chapter 417 (relating to changing the name of Jackson County Flood Control District to the Lavaca-Navidad River Authority), Acts of the 61st Legislature, Regular Session, 1969.

SECTION 6. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

SECTION 7. Requires the six directors of the district whose terms do not expire on May 1, 2027, at the first meeting of the board that follows the effective date of this Act, to draw lots to

determine which two directors will serve a term that expires on May 1, 2024, which two directors will serve terms that expire on May 1, 2025, and which two directors will serve terms that expire on May 1, 2026. Provides that the three directors with terms expiring on May 1, 2027, will serve terms that expire on that date.

SECTION 8. Authorizes a person serving on the board, notwithstanding Section 1C, Chapter 186, Acts of the 50th Legislature, Regular Session, 1947, as added by this Act, to vote, deliberate, and be counted as a director in attendance at a meeting of the board until December 1, 2023.

SECTION 9. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 10. Effective date: September 1, 2023.