

## **BILL ANALYSIS**

S.B. 2407  
By: Sparks  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Established in 1933, the Lower Neches Valley Authority (LNVA) primarily provides raw water supply to municipal, industrial, and agricultural customers. LNVA maintains two canal systems, sponsors two U.S. Army Corps of Engineers reservoirs, and operates an industrial wastewater treatment plant. LNVA also maintains the Neches River Saltwater Barrier, operates a water treatment plant for the Bolivar Peninsula, and provides economic development grants to eligible entities in the region. Based in the Beaumont-Port Arthur area, LNVA works closely with the petrochemical industry and plays a critical role in supplying water for industrial customers that produce a significant percentage of the nation's fuel and plastics. Overall, the Sunset Advisory Commission found LNVA, which is not subject to abolishment under the Texas Sunset Act, to be a well-run organization in a solid financial position to meet the water needs of its basin but also identified good governance standards and best practices that would strengthen LNVA's operations. S.B. 2407 seeks to implement those standards and practices for LNVA and provide for its next sunset review in 2037.

### **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. 2407 amends the Special District Local Laws Code to set the next review of the Lower Neches Valley Authority (LNVA) under the Texas Sunset Act to be conducted during the 2036-2037 review cycle.

S.B. 2407 revises provisions governing LNVA to implement across-the-board Sunset Advisory Commission policy recommendations relating to the following:

- gubernatorial designation of the presiding officer of LNVA's board of directors;
- separation of the board's policy-making responsibilities and the staff's management responsibilities;
- specific grounds for removal of a board member;
- board member training;
- public testimony before the board; and
- maintenance of a complaint system.

The bill provides for the transition to the new training requirements for current board members.

S.B. 2407 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- Texas Commission on Environmental Quality recommendations; and
- the state constitution and laws and legislative rules and procedures.

**EFFECTIVE DATE**

September 1, 2025.